

EBA Additional Filing Requirement 15

Please provide an explanation of out-of-period adjustments: see “DPU Exhibit 1.5.0 SR” and “Confidential DPU Exhibit 1.5.1 SR” which are the Rocky Mountain Power (RMP) written response to DPU Data Request 5.1 and the Microsoft Excel attachment response DPU 5.1(1), Docket 12-035-67.

Response to EBA Additional Filing Requirement 15

Net Power Cost Adjustments

The Company increased actual net power costs (NPC) \$1,129,877 to account for the following six adjustments: (1) coal cost adjustments, (2) prior period adjustments, (3) removal of special contract curtailment buy-through, (4) Leaning Juniper revenue, (5) Black Cap Solar allocation, and (6) Jim Bridger line losses.

1. Coal Cost Adjustments

Coal cost adjustments increased actual NPC \$1,344,367. These adjustments are necessary to remove legal fees related to fines and citations, adjust for actual excise taxes, and to remove accounting entries at the Company’s coal facilities related to periods prior to the inception of the EBA in October 1, 2011. In addition, adjustments are made to coal inventory to reflect coal costs in the correct period. Please refer to the Company’s response to EBA Additional Filing Requirement 14, which provides the calculation of coal cost adjustments included in the EBA Deferral Period.

2. Prior Period Adjustments

Prior period adjustments increased actual NPC by approximately \$741,083. These adjustments represent accounting transactions booked during the EBA Deferral Period, but that are related to operating periods prior to the inception of the EBA in October 1, 2011. Please refer to Confidential Attachment EBA AFR 15, the tab entitled “Prior Period Adjustments”, which provides the list of entries making up this adjustment.

3. Removal of Special Contract Curtailment Buy-Through

The removal of special contract curtailment buy-through reduced actual NPC by \$1,977,050. This adjustment is required to remove the effects of special contract customer elections to purchase market energy during curtailment events. Buy-through energy is a direct pass-through cost to special contract customers and is not included in NPC. Please refer to Confidential Attachment EBA AFR 15, the tab entitled “Buy-Through”. Please call Bob Lively at 801.220.4052 to arrange for review of highly sensitive information.

4. Leaning Juniper Revenue

In October 2013, the Company reached an agreement resulting in additional revenue for energy, renewable energy credits (REC), and production tax

credits (PTC) related to the Leaning Juniper wind project. Actual revenue is booked in FERC Account 456. An adjustment is made to include \$43,065 in revenue related to Leaning Juniper energy output for purposes of the EBA. Please refer to Confidential Attachment EBA AFR 15; specifically the tab entitled "Leaning Juniper".

5. **Black Cap Solar**

Black Cap Solar was procured to satisfy Oregon Revised Statute (ORS) 757.370 solar capacity standard. Therefore, the Black Cap Solar generation is situs assigned to Oregon and the energy is removed from NPC (i.e. marked to market) for the purposes of the EBA. The Black Cap Solar adjustment increases NPC \$110,283. Please refer to Confidential Attachment EBA AFR 15; specifically the tabs following the tab entitled "Black Cap".

6. **Jim Bridger Line Losses**

During the EBA Deferral Period the Company returned energy to a third party to compensate for prior excess line losses charged to the third party by the Company. The entire expense was booked in June 2014 and July 2014. NPC was adjusted to spread the expense over the period in which the energy is returned. An adjustment was made to reduce NPC by the \$7,173,925 expense booked in June 2014 and July 2014. An adjustment was made each month to Actual NPC to match the expense of returning energy with the period the energy was returned, and to exclude the portion of returned energy associated with periods prior to the start of the EBA in October 2011. The total adjustment for the Jim Bridger Line Losses made during the deferral period increase NPC \$954,259. Please refer to Confidential Attachment EBA AFR 15; specifically the tabs following the tab entitled "Jim Bridger Losses".

Confidential information is provided subject to Utah PSC Rule 746-100-16.