

design, material and equipment procurement, and construction for the transmission line at issue in this proceeding.

2. I have studied and am familiar with the cost projections and project timelines for the Railroad-Silver Creek 138 kV transmission line upgrade project (the “Project”).

3. I am familiar with the quarter-mile Wasatch Segment of the Project that runs through Wasatch County.

4. I am familiar with the proceedings before this Board regarding the Wasatch Segment, including the decision by Wasatch County to deny a conditional use permit, the Board’s Order, and the County’s Motion to Stay Order.

5. Based on the information currently available, I estimate the delay in the construction of the Project in the range of one year will cost not less than \$924,000 calculated as follows:

a. Inflation Related Costs. The Company’s estimating group estimates annual inflation costs at 3%. Delaying the remaining project budget for twelve (12) months yields an estimated \$508,000 in higher Project costs due to inflation. These costs are based on the estimated labor, material, purchased services, and other costs that would be performed in 2018 instead of 2017. Based on these figures the Company expects the facility costs to be as shown in the table below:


| | 2017 | Inflation (3%) | 2018 |
|--------------------|--------------|------------------|--------------|
| Labor | \$459,000 | \$14,000 | \$472,000 |
| Material | \$6,247,000 | \$187,000 | \$6,434,000 |
| Purchased Services | \$8,206,000 | \$246,000 | \$8,453,000 |
| Other | \$2,023,000 | \$61,000 | \$2,083,000 |
| Total | \$16,935,000 | \$508,000 | \$17,443,000 |

b. Cost of Capital Related Costs. Pursuant to 18 C.F.R. 101 Electric Plant Instruction No. 17, the Company is provided an allowance for funds used during construction (“AFUDC”) for costs associated with the Company carrying the capital monies spent in construction work in progress (“CWIP”). A delay of one year would result in an estimated increase in the project costs of approximately \$416,000 in AFUDC related costs (based on current CWIP and the June 2016 AFUDC rate of 7.47%).

c. Other Costs. These estimated construction-related costs do not include other costs and losses that could be incurred if the County’s motion for a stay is granted. A delay in the construction would cause the Load Area to be operated for another peak season radially. This radial configuration will expose all customers in the area to an increased risk of outages and the risks associated therewith, as more fully described in the Affidavit of Mr. Kenneth Shortt, filed concurrently herewith. The costs associated with the outages would depend on the specific configurations and circumstances were an outage to occur. These outages will result in losses of revenue to the Company as well as businesses and industry within the Load Area.

I declare under penalty of perjury that the foregoing is true and correct.

DATED: July 13, 2016



Benjamin Clegg

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of July, 2016, I caused to be sent a true and correct copy of the foregoing **DECLARATION OF BENJAMIN CLEGG IN SUPPORT OF ROCKY MOUNTAIN POWER'S MEMORANDUM IN OPPOSITION TO WASATCH COUNTY'S MOTION TO STAY ORDER**, to the following:

By Electronic-Mail:

Beth Holbrook (bholbrookinc@gmail.com)
Utah League of Cities and Towns

David Wilson (dwilson@co.weber.ut.us)
Utah Association of Counties

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/s/ D. Matthew Moscon