

OCS Data Request 2.9

Refer to the Direct Testimony of Jeffrey K. Larsen, page 10, lines 211-214, which states: “As repowered wind resources are placed into service, the Company will compare the actual O&M expense for each wind resource to the 2014-2017 historical four-year average of O&M expense by wind resource. The difference will be included in the RTM deferral”.

- (a) Please explain why the historical four-year average of O&M expense by wind resource is proposed to be used instead of the amount included in current base rates by wind resource.
- (b) Please explain why the 2013 – 2016 years, all of which are now known, are not proposed to be used in the calculation as opposed to including 2017, which is not yet known.
- (c) Please refer to Exhibit RMP__(SRM-3), page 4.9.1 in the last rate case filing, Docket No. 13-035-184. Does the Company agree that the amounts included in current base rates for non-labor O&M expense for the wind resources is the \$23,897,854 shown in column (B) of page 4.9.1 under “Wind Generation”? If no, explain in detail, why not.
- (d) Please provide the non-labor O&M expense by wind resource included in current base rates. If the Company plans to include labor O&M expenses in the deferral, then separately provide the labor O&M expenses by wind resource included in base rates.
- (e) Please provide the actual non-labor O&M expense by wind resource for each year, 2013 through 2017 year to date. If the Company intends to include labor-related costs in the O&M expenses to be deferred, then separately provide the actual labor O&M expense by wind resource for each year 2013 through 2017 year to date.
- (f) Please provide the projected O&M expense by wind resource for 2017, separated between labor and non-labor amounts.

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- (a) The Company proposed a four-year average in order to smooth out year-over-year changes that occur in actual expenses. The last rate case was settled so specific findings on detailed cost categories may not exist.
- (b) The year 2017 was proposed to reflect the most recent data that would be available on an actual basis prior to potential impacts resulting from decisions to repower any of the existing wind facilities. The 2017 data will be known and available at the time that the RTM calculations are prepared beginning in mid-2019.

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- (c) The Company confirms that the amount listed is the amount that was included in the direct filing in Docket 13-035-184. The case was resolved by settlement for less than the filed request, and the stipulation was silent as to how these adjustment were determined. Therefore, there is no way to conclude that the level of operations and maintenance (O&M) referenced is the amount included in base rates.
- (d) Please refer to the Company's response to subpart (c) above.
- (e) The Company intends to include labor-related costs in the O&M expenses to be deferred. Please refer to Attachment OCS 2.9 for O&M expenses with labor separated out.
- (f) Please refer to Attachment OCS 2.9.