

**UAE Exhibit 1.1**  
**Docket No. 19-035-45**

**RMP Responses to Data Requests**  
**Referenced in the**  
**Direct Testimony of Kevin C. Higgins**

### **UAE Data Request 3.1**

Confirm that the method for calculating the deferral described by Mr. McDougal does not take into consideration the energy production foregone during the time the repowered facilities are out of service while the repowering equipment is being installed. If this is incorrect, please explain where in the deferral calculation the foregone production is taken into account. If confirmed, please explain the Company's rationale for excluding foregone production from the deferral calculation.

### **Response to UAE Data Request 3.1**

The deferral calculation does not include the energy production foregone during the time the repowered facilities are out of service while the repowering equipment is being installed. Any increase in net power costs (NPC) from foregone generation will be included in the applicable energy balancing account (EBA) filing. Whereas the EBA will pass through to customers the same NPC impact from foregone energy production as what would be captured and amortized in the accounting deferral, the complexity of calculating what the "lost" generation would have been had the turbines been operational would be overly burdensome and somewhat arbitrary.

### **UAE Data Request 3.4**

Since the adoption of the EBA, what RMP generation resources have come into service prior to their costs being included in either a general rate case or Major Plant Additions case? How was the energy output from those facilities treated with respect to the EBA? Specifically, was the energy output from those facilities included in the EBA calculation?

### **Response to UAE Data Request 3.4**

The commercial operation date for the Company's Lake Side 2 generation facility was May 2014. The plant was included in the Company's general rate case (GRC), Docket 13-035-184, with a stipulated effective date of September 1, 2014. The energy output from Lake Side 2 was included in the energy balancing account (EBA) calculation for the time between when it was placed in service and included in rates through the GRC.

### **UAE Data Request 5.1**

For each of the 12 wind plants for which RMP seeks deferred accounting, please identify the monthly reduction in MWh generated, starting from the initial shutdown of original equipment up until the date repowering was (or is expected to be) complete. Please provide this information for each month of the period in which the repowering equipment was being installed. For repowering projects not yet completed, please provide the Company's best estimate.

### **Response to UAE Data Request 5.1**

The requested information is not available. The Company does not track megawatt-hours (MWh) not produced by its wind generation resources.

### **OCS Data Request 2.16**

Refer to the Application for Accounting Order or Alternative Relief filed on December 30, 2019, specifically the public version of Exhibit A which included an “Illustrative Example of Monthly Revenue Requirement Deferral Calculation” based on Seven Mile Hill I and II repowering projects that were placed into service in September 2019. Included in the calculation of the monthly deferral is “Incremental NPC Savings (EBA)” which offsets or otherwise reduces the deferral amount. Since the Company is proposing that the incremental net power cost savings be used as an offset in calculating the deferral amount, please explain, in detail, how this will impact the currently approved EBA calculations and methodology. For example, will power costs being recovered through the EBA be increased above the actual costs incurred in order to remove the incremental net power cost savings caused by the repowered wind projects so that such incremental savings can instead be deferred on the Company’s books? As part of this response, please describe, in detail, all changes to the currently approved and used EBA methodology that the Company is proposing in this case.

### **Response to OCS Data Request 2.16**

Yes. The Company proposes to remove from the energy balancing account (EBA) the same amount of net power cost (NPC) benefit that will included and recovered through the incremental NPC benefit of the proposed accounting deferral mechanism. This would likely be accomplished by adding a worksheet into the EBA workbook with the incremental NPC benefit calculation and inserting a line item for this calculation in the “Exhibit 1 Commission Order Calculation Method” worksheet.

## **OCS Data Request 2.18**

Refer to the Application for Accounting Order or Alternative Relief filed on December 30, 2019, specifically the public version of Exhibit A which included an “Illustrative Example of Monthly Revenue Requirement Deferral Calculation” based on Seven Mile Hill I and II repowering projects that were placed into service in September 2019.

- (a) Please provide electronic spreadsheets in a similar format to the example provided for Seven Mile Hill I and II which show the Company’s current best estimates of the deferral calculations inclusive of all of the repowered wind projects by month from inception of the deferral through December 31, 2020. Please leave all formulas and calculations intact.
- (b) Please provide electronic spreadsheets in a similar format to the example provided for Seven Mile Hill I and II separately for each of the twelve separate wind projects proposed for deferral in this case which show the Company’s current best estimates of the deferral calculations by month from inception of the deferral through December 31, 2020. Please leave all formulas and calculations intact.

## **1<sup>st</sup> Supplemental Response to OCS Data Request 2.18**

Further to the Company’s response to OCS Data Request 2.18 dated January 29, 2019 the Company provides the following supplemental information:

The summary for all projects combined is also included in Attachment OCS 2.18 1<sup>st</sup> Supp.

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**2019 Actual Wind Plants**

Assumptions:

Property Tax Rate	0.007687675
Federal/State Combined Tax Rate	0.245866
Net to Gross Bump up Factor = (1/(1-tax rate))	1.326024287
Utah SG Factor Docket No. 13-035-184	0.426283
Utah GPS Factor Docket No. 13-035-184	0.424704

Total Company	September 2019		October 2019		November 2019		December 2019	
	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated
Repowering Costs:								
Incremental Expense:								
O&M Expense	(169,466)	(72,240)	75,544	32,203	(499,453)	(212,908)	(308,811)	(131,641)
Depreciation Expense	474,166	202,129	1,053,862	449,243	1,252,493	533,916	1,650,219	703,461
Depr Exp (CR)	(533,279)	(227,328)	(1,193,051)	(508,578)	(1,430,737)	(609,899)	(1,934,638)	(824,703)
Property Taxes	-	-	-	-	-	-	-	-
Wind Tax	3,486	1,486	18,987	8,094	21,304	9,081	32,169	13,713
Total Expense	<b>(225,092)</b>	<b>(95,953)</b>	<b>(44,659)</b>	<b>(19,037)</b>	<b>(656,393)</b>	<b>(279,809)</b>	<b>(561,060)</b>	<b>(239,170)</b>
Incremental Rate Base:								
Capital Investment	-	-	344,566,723	146,882,936	419,607,677	178,871,619	486,411,451	207,348,933
Accumulated Depreciation	-	-	(474,166)	(202,129)	(1,528,028)	(651,372)	(2,780,520)	(1,185,289)
Accumulated Deferred Income Tax	-	-	(12,759,144)	(5,439,006)	(15,537,430)	(6,623,342)	(19,078,602)	(8,132,884)
Total Rate Base	-	-	<b>331,333,413</b>	<b>141,241,801</b>	<b>402,542,219</b>	<b>171,596,905</b>	<b>464,552,329</b>	<b>198,030,760</b>
Pre-Tax Return		9.21%		9.21%		9.21%		9.21%
Pre-Tax Return on Rate Base		-	<b>1,083,964</b>		<b>1,316,925</b>		<b>1,519,792</b>	
Total Repowering Costs		<b>(95,953)</b>		<b>1,064,927</b>		<b>1,037,116</b>		<b>1,280,622</b>
Repowering Benefits:								
Production Tax Credit:								
Production Tax Credit	(167,177)	(71,265)	(579,170)	(246,890)	(595,699)	(253,936)	(878,121)	(374,328)
Gross Up		(23,234)		(80,492)		(82,789)		(122,040)
Total Production Tax Credit		<b>(94,499)</b>		<b>(327,383)</b>		<b>(336,726)</b>		<b>(496,368)</b>
Net Power Cost Savings:								
Incremental NPC Savings (EBA)	(186,405)	(79,461)	(588,117)	(250,704)	(714,802)	(304,708)	(998,448)	(425,621)
Total Repowering Benefits		<b>(173,960)</b>		<b>(578,087)</b>		<b>(641,434)</b>		<b>(921,989)</b>
Repowering Net Deferral:								
Total Repowering Monthly Deferral		<b>(269,913)</b>		<b>486,840</b>		<b>395,682</b>		<b>358,633</b>

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Attachment OCS 2.18 1st Supplemental

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**2020 Projected Wind Plants**

Line

No.

Assumptions:		
1	Federal/State Combined Tax Rate	24.5866%
2	Net to Gross Bump up Factor = (1/(1-tax rate))	1.326024287
3	Utah SG Factor Docket No. 13-035-184	0.4263
4	Utah GPS Factor Docket No. 13-035-184	0.4247

<b>Total Company</b>			Total 2020		January 2020		February 2020		March 2020		April 2020		May 2020	
			Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated
<b>Repowering Costs:</b>														
<b>Incremental Expense:</b>														
5	O&M Expense		12,137	5,174	976	416	976	416	976	416	976	416	976	416
6	Depreciation Expense		32,635	13,912	2,686	1,145	2,686	1,145	2,686	1,145	2,686	1,145	2,686	1,145
7	Depr Expense (CR)		(36,897)	(15,729)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)
8	Property Taxes		7,370	3,130	614	261	614	261	614	261	614	261	614	261
9	Wind Tax		338	144	28	12	28	12	28	12	28	12	28	12
10	<b>Total Expense</b>		<b>15,583</b>	<b>6,631</b>	<b>1,265</b>	<b>538</b>	<b>1,265</b>	<b>538</b>	<b>1,265</b>	<b>538</b>	<b>1,265</b>	<b>538</b>	<b>1,265</b>	<b>538</b>
<b>Incremental Rate Base (prior month end)</b>														
11	Capital Investment				967,000	412,216	967,000	412,216	967,000	412,216	967,000	412,216	967,000	412,216
12	Accumulated Depreciation				(8,260)	(3,521)	(10,946)	(4,666)	(13,632)	(5,811)	(16,318)	(6,956)	(19,004)	(8,101)
13	Accumulated Deferred Income Tax				(48,297)	(20,588)	(48,297)	(20,588)	(48,297)	(20,588)	(65,078)	(27,741)	(65,078)	(27,741)
14	<b>Total Rate Base</b>				<b>910,444</b>	<b>388,107</b>	<b>907,758</b>	<b>386,962</b>	<b>905,072</b>	<b>385,817</b>	<b>885,605</b>	<b>377,518</b>	<b>882,919</b>	<b>376,373</b>
15	Pre-Tax Return					9.21%		9.21%		9.21%		9.21%		9.21%
16	Pre-Tax Return on Rate Base			34,202		2,979		2,970		2,961		2,897		2,888
17	<b>Total Repowering Costs</b>			<b>40,833</b>		<b>3,517</b>		<b>3,508</b>		<b>3,499</b>		<b>3,436</b>		<b>3,427</b>
17a	Total Excluding Depr. Exp Credit			56,562										
<b>Repowering Benefits:</b>														
<b>Production Tax Credit:</b>														
18	Production Tax Credit		(76,031)	(32,411)	(6,253)	(2,666)	(6,253)	(2,666)	(6,253)	(2,666)	(6,253)	(2,666)	(6,253)	(2,666)
19	Gross Up			(10,567)		(869)		(869)		(869)		(869)		(869)
20	<b>Total Production Tax Credit</b>			<b>(42,978)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>
<b>Net Power Cost Savings:</b>														
21	Incremental NPC Savings (EBA)			(4,453)		n/a		n/a		n/a		n/a		n/a
<i>(only Total Company annual NPC available)</i>														
22	<b>Total Repowering Benefits</b>			<b>(47,431)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>
						<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>
<b>Repowering Net Deferral:</b>														
23	Total Repowering Monthly Deferral			<b>(6,597)</b>		<b>(18)</b>		<b>(26)</b>		<b>(35)</b>		<b>(99)</b>		<b>(108)</b>
23a	Total Excluding Depr. Exp Credit			9,131		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>



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June 2020		July 2020		August 2020		September 2020		October 2020		November 2020		December 2020	
Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated
976	416	976	416	976	416	976	416	976	416	976	416	1,396	595
2,686	1,145	2,691	1,147	2,691	1,147	2,691	1,147	2,691	1,147	2,691	1,147	3,063	1,306
(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,469)	(1,479)
614	261	614	261	614	261	614	261	614	261	614	261	614	261
28	12	28	12	28	12	28	12	28	12	28	12	35	15
<b>1,265</b>	<b>538</b>	<b>1,270</b>	<b>541</b>	<b>1,270</b>	<b>541</b>	<b>1,270</b>	<b>541</b>	<b>1,270</b>	<b>541</b>	<b>1,270</b>	<b>541</b>	<b>1,639</b>	<b>698</b>
967,000	412,216	967,000	412,216	968,712	412,946	968,712	412,946	968,712	412,946	968,712	412,946	968,712	412,946
(21,690)	(9,246)	(24,376)	(10,391)	(27,067)	(11,538)	(29,758)	(12,686)	(32,449)	(13,833)	(35,140)	(14,980)	(37,832)	(16,127)
(65,078)	(27,741)	(81,858)	(34,895)	(81,858)	(34,895)	(81,858)	(34,895)	(98,639)	(42,048)	(98,639)	(42,048)	(98,639)	(42,048)
<b>880,233</b>	<b>375,228</b>	<b>860,766</b>	<b>366,930</b>	<b>859,786</b>	<b>366,512</b>	<b>857,095</b>	<b>365,365</b>	<b>837,624</b>	<b>357,065</b>	<b>834,932</b>	<b>355,918</b>	<b>832,241</b>	<b>354,770</b>
	9.21%		9.21%		9.21%		9.21%		9.21%		9.21%		9.21%
	2,880		2,816		2,813		2,804		2,740		2,731		2,723
<b>3,418</b>		<b>3,357</b>		<b>3,353</b>		<b>3,345</b>		<b>3,281</b>		<b>3,272</b>		<b>3,420</b>	
(6,253)	(2,666)	(6,253)	(2,666)	(6,253)	(2,666)	(6,253)	(2,666)	(6,253)	(2,666)	(6,253)	(2,666)	(7,246)	(3,089)
	(869)		(869)		(869)		(869)		(869)		(869)		(1,007)
<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(4,096)</b>	
n/a		n/a		n/a		n/a		n/a		n/a		n/a	
<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(3,535)</b>		<b>(4,096)</b>	
<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>	
<b>(117)</b>		<b>(178)</b>		<b>(181)</b>		<b>(190)</b>		<b>(254)</b>		<b>(263)</b>		<b>(676)</b>	
<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>	

## **OCS Data Request 2.20**

Please refer to Exhibit RMP\_\_(JRS-2SD) filed with the Supplemental Direct Testimony of Joelle R. Steward in Docket No. 17-035-39, which was titled “Example Annual RTM Deferral Calculation – Revenue Requirement.” Column (h) line 19 shows the estimated revenue requirement associated with the proposed RTM deferral for 2020 as \$9,132,000 on a Utah jurisdictional basis. Since the calculations shown in Exhibit RMP\_\_(JRS-2SD) in Docket No. 17-035-39 for calculating the amount on line 19 of the exhibit is similar to the proposed deferral calculations presented in the public portion of Exhibit A submitted with the Company’s Application in this case, is it currently the Company’s estimate that the amount to be deferred under its proposal in this case during 2020 will be approximately \$9.1 million? If no, explain, in detail, why not and describe what factors have changed since Docket No. 17-035-39 that would impact the deferral calculation.

### **1<sup>st</sup> Revised Response to OCS Data Request 2.20**

Further to the Company’s response to OCS Data Request 2.20 dated January 29, 2020, the Company provides the following revised response to correct for not including the depreciation expense credit. This response replaces, in its entirety, the Company’s original response to OCS Data Request 2.20:

No. The \$9.1 million estimated 2020 revenue requirement in Exhibit RMP\_\_(JRS-2SD) filed with the Supplemental Direct Testimony of Joelle R. Steward in Docket No. 17-035-39 is the Company’s current estimate for the amount to be deferred prior to the inclusion of the depreciation expense credit adjustment of \$(15.7) million that was included in the Company’s response to OCS Data Request 2.18, specifically Attachment OCS 2.18, file “Wind Repower Accounting Deferral 2020 Monthly Estimate” on line 7. With the depreciation expense credit included, the current estimated 2020 deferral is \$(6.6) million as shown on line 23.