

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Application of Rocky Mountain Power for an Accounting Order to Defer Costs Related to Repowered Wind Plants or for Alternative Relief ) Docket No. 19-035-45  
) Office of Consumer Services (OCS)  
) Exhibit No. 1.1D – As referenced in  
) OCS Testimony 1D Ramas

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March 4, 2020

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### **OCS Data Request 2.1**

Refer to the Application for Accounting Order or Alternative Relief filed on December 30, 2019. The public version of Exhibit A 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. The example shows monthly deferral amounts for September 2019 and October 2019. Please specify with precision when the Company proposes that the deferral for future recovery of certain costs and benefits would begin (i.e., by plant when each plant is placed into service, by plant when each plant is placed into service but not before the December 30, 2019 Application date, etc.). If the Company is proposing to be permitted to defer costs that pre-date the December 30, 2019 date of Application, please explain, in detail, why deferrals should be allowed to precede the Application date and explain why the Company did not file the Application sooner than December 30, 2019.

### **Response to OCS Data Request 2.1**

The Company is not able to provide the precise timing for when the cost and benefit deferrals for each of the repowered projects would begin as it depends on when the projects are completed. Please refer to the forecast in service dates provided in the Company’s application on page 8. The Company is seeking to defer costs and benefits of each repowered wind plant beginning when each plant is placed into service, including both repowering projects that were placed into service before and after December 30, 2019. Because repowering costs and benefits both begin at the same time, it is appropriate to match both costs and benefits when establishing a regulatory recovery procedure. Absent this matching, the repowering net power costs (NPC) benefits would benefit customers through the energy balancing account (EBA) while the Company pays costs associated with repowering, net of production tax credits (PTC). Establishing an accounting deferral effective as of the in-service date is the only way to assure that matching costs and benefits are recovered simultaneously without either the Company or its customers receiving a disproportionate share of net cost or benefit.

### **OCS Data Request 2.4**

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. Under Incremental Expense, “O&M Expense”, Note 1 states: “Incremental O&M expense calculated using actual O&M associated with Repowering project compared to a 4 year historical average”.

- (a) Please specify what 4 historical years the Company plans to use in determining the 4 year historical average amounts for use in calculating the incremental O&M expense.
- (b) Please provide the calculation of the 4 year historical average O&M expense that the Company plans to use in calculating the incremental O&M expense for each wind project. The response should include, at a minimum, the annual expenses by wind project and the resulting 4 year historical average O&M expense by wind project. Please also separate the annual expense amounts between labor and non-labor costs.
- (c) Please provide the annual O&M expenses, by wind project being repowered, for each year, 2013 through 2019. Please separate the O&M expenses between labor and non-labor costs.

### **Response to OCS Data Request 2.4**

- (a) The Company used historical years 2014 through 2017.
- (b) Please refer to Attachment OCS 2.4 which provides operations and maintenance (O&M) expenses for 2013 through 2018, and the four-year average O&M expenses for 2014 through 2017 for each wind facility for which the Company is seeking authorization to defer costs in this proceeding.
- (c) Please refer to Attachment OCS 2.4. O&M expenses for 2019 are not currently available; the Company will supplement this response when 2019 costs become available.

Facility	2013	2014	2015	2016
Dunlap Ranch 1	2,682,433	1,856,346	1,705,558	1,439,893
Glenrock	1,720,975	2,292,989	1,909,884	1,592,653
Glenrock III	652,859	876,771	728,107	493,368
Rolling Hills	1,550,209	2,172,502	1,873,062	1,195,438
Goodnoe Hills	2,398,187	1,983,872	3,249,899	2,223,626
Leaning Juniper 1	3,262,926	3,008,871	2,553,698	1,900,214
Marengo	3,468,737	3,106,969	2,561,054	2,563,693
Marengo II	1,624,195	1,757,071	1,200,763	1,292,102
Seven Mile Hill	2,121,673	2,631,896	1,965,946	1,732,387
Seven Mile Hill II	440,111	580,109	409,411	349,636
High Plains	3,808,110	2,663,268	2,670,021	2,192,002
McFadden Ridge I	1,105,876	798,250	655,317	681,472
<b>TOTAL</b>	<b>24,836,291</b>	<b>23,728,914</b>	<b>21,482,720</b>	<b>17,656,484</b>

NON-LABOR	2013	2014	2015	2016
Dunlap Ranch 1	2,458,745	1,642,695	1,522,104	1,283,820
Glenrock	1,635,710	2,220,044	1,838,055	1,512,963
Glenrock III	488,752	734,431	580,753	361,367
Rolling Hills	1,513,472	2,143,855	1,828,209	1,139,855
Goodnoe Hills	2,113,136	1,759,287	3,037,413	2,015,491
Leaning Juniper 1	3,149,893	2,932,647	2,465,222	1,815,261
Marengo	3,287,050	2,956,554	2,376,142	2,397,283
Marengo II	1,473,541	1,582,465	1,045,111	1,155,236
Seven Mile Hill	1,968,949	2,495,688	1,816,763	1,577,557
Seven Mile Hill II	230,182	398,677	230,168	176,672
High Plains	3,701,047	2,571,441	2,558,115	2,092,675
McFadden Ridge I	1,002,663	709,695	551,284	587,393
<b>TOTAL</b>	<b>23,023,139</b>	<b>22,147,479</b>	<b>19,849,338</b>	<b>16,115,573</b>

LABOR	2013	2014	2015	2016
Dunlap Ranch 1	223,688.33	213,651.17	183,453.78	156,072.94
Glenrock	85,265.03	72,945.14	71,829.13	79,690.43
Glenrock III	164,106.95	142,340.07	147,354.03	132,000.73
Rolling Hills	36,736.53	28,646.81	44,852.94	55,583.44
Goodnoe Hills	285,051.49	224,584.59	212,486.49	208,135.09
Leaning Juniper	113,032.86	76,223.82	88,476.49	84,952.61
Marengo I	181,686.91	150,415.48	184,911.61	166,409.92
Marengo II	150,654.33	174,606.45	155,652.32	136,865.58
Seven Mile Hill	152,723.65	136,207.92	149,182.81	154,829.66
Seven Mile Hill II	209,929.34	181,431.76	179,243.13	172,964.22
High Plains	107,063.40	91,826.84	111,905.90	99,327.48
McFadden Ridge I	103,212.84	88,555.19	104,033.35	94,079.19
<b>TOTAL</b>	<b>1,813,152</b>	<b>1,581,435</b>	<b>1,633,382</b>	<b>1,540,911</b>

**OCS Data Request 2.7**

The Commission's May 25, 2018 Report and Order in Docket No. 17-035-39, at page 26 under Ordering paragraph 1 states that the Commission approved the estimated capital costs "as presented in PacifiCorp's Confidential Exhibit RMP\_TJH-1SD, page 1 of 3, column 8 (Supplement Filing Energy and Cost Estimates)" for eleven of the projects.

- (a) Please provide a copy of Confidential Exhibit RMP\_TJH-1SD that is referenced in the above-quoted order.
- (b) Please provide a side-by-side comparison by repowered wind project of:
  - a. the amount of estimated capital costs approved by the Commission; and
  - b. the actual capital costs for the project to date and estimated remaining capital costs for the project (separating between actual amounts and projected remaining amounts).

**Response to OCS Data Request 2.7**

- (a) Please refer to Confidential Attachment OCS 2.7-1.
- (b) Please refer to Confidential Attachment OCS 2.7-2.

Confidential information is provided subject to Public Service Commission of Utah Rule 746-1-602 and 746-1-603.

### **OCS Data Request 2.8**

The Commission's May 25, 2018 Report and Order in Docket No. 17-035-39, at page 26 under Ordering paragraph 1 states that the Commission approved the estimated capital costs "as presented in PacifiCorp's Confidential Exhibit RMP\_TJH-1SD, page 1 of 3, column 8 (Supplement Filing Energy and Cost Estimates)" for eleven of the projects. If the amounts placed into service for any of the repowered wind projects exceed the amount of estimated capital costs approved by the Commission in Docket No. 17-035-39, will the Company cap the amount of plant in service included in the calculation of the proposed accounting deferral at the estimated capital cost amount approved by the Commission? If no, explain, in detail, why not.

### **Response to OCS Data Request 2.8**

No, the Company does not anticipate that it will cap the amount of plant in service at the estimated capital cost approved by the Public Service Commission of Utah (UPSC) in calculating the proposed accounting deferral. Each project has been approved by the UPSC up to the amount included in Docket No. 17-035-39, Confidential Exhibit RMP\_\_(TJH-1SD), page 1 of 3, column 8, but the Company is not precluded from seeking recovery of the full capital cost of each project.

Pursuant to Utah Code Annotated 54-17-403(1)(b), "Except to the extent that the commission issues an order under Section 54-17-404, any increase from the projected costs specified in the commission's order issued under Section 54-17-402 shall be subject to review by the commission as part of a rate hearing under Section 54-7-12." The Company will seek recovery of the full capital amount as part of the next general rate case (GRC), and for use in the deferral, but will recalculate the deferral for any disallowances in capital cost recovery ordered by the Public Service Commission of Utah (UPSC) in the next GRC.

**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.

**Response to OCS Data Request 2.18**

- (a) Please refer to Confidential Attachment OCS 2.18 which provides spreadsheets of the Company’s current best estimates of the deferral calculations inclusive of all of the repowered wind projects by month from the inception of the deferral through December 31, 2020. File “Wind Repower Accounting Deferral 2019 Monthly Estimate” is for calendar year 2019, and reflects estimated actual results through December 31, 2019. File “Wind Repower Accounting Deferral 2020 Monthly Estimate” is the Company’s current estimate of projected results by repowered wind plant for calendar year 2020. This calendar year 2020 file ties to the 2020 results presented in PacifiCorp’s Exhibit RMP\_\_(JRS-2SD) filed with the Supplemental Direct Testimony of Company witness, Joelle R. Steward in Docket No. 17-035-39. Note: the incremental net power costs (NPC) benefits associated with Exhibit RMP\_\_(JRS-2SD) are not available on a monthly basis or by wind project and have only been included as an annual total for all repowered wind projects combined.
- (b) Please refer to the Company’s response to subpart (a) above.

Confidential information is provided subject to Public Service Commission of Utah Rule 746-1-602 and 746-1-603.

**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.

**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	Total	Total	Total
	Company	Company	Company	Company
	Utah	Utah	Utah	Utah
	Allocated	Allocated	Allocated	Allocated
<b>Repowering Costs:</b>				
<b>Incremental Expense:</b>				
O&M Expense	(169,466)	75,544	(499,453)	(308,811)
Depreciation Expense	474,166	1,053,862	1,252,493	1,650,219
Depr Exp (CR)	(533,279)	(1,193,051)	(1,430,737)	(1,934,638)
Property Taxes	-	-	-	-
Wind Tax	3,486	18,987	21,304	32,169
<b>Total Expense</b>	<b>(225,092)</b>	<b>(44,659)</b>	<b>(656,393)</b>	<b>(561,060)</b>
<b>Incremental Rate Base:</b>				
Capital Investment	-	344,566,723	419,607,677	486,411,451
Accumulated Depreciation	-	(474,166)	(1,528,028)	(2,780,520)
Accumulated Deferred Income Tax	-	(12,759,144)	(15,537,430)	(19,078,602)
<b>Total Rate Base</b>	-	<b>331,333,413</b>	<b>402,542,219</b>	<b>464,552,329</b>
Pre-Tax Return	9.21%	9.21%	9.21%	9.21%
Pre-Tax Return on Rate Base	-	1,083,964	1,316,925	1,519,792
<b>Total Repowering Costs</b>	<b>(95,953)</b>	<b>1,064,927</b>	<b>1,037,116</b>	<b>1,280,622</b>
<b>Repowering Benefits:</b>				
Production Tax Credit	(167,177)	(579,170)	(595,699)	(878,121)
Gross Up	(23,234)	(80,492)	(82,789)	(122,040)
<b>Total Production Tax Credit</b>	<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)	(588,117)	(714,802)	(998,448)
<b>Total Repowering Benefits</b>	<b>(173,960)</b>	<b>(578,087)</b>	<b>(641,434)</b>	<b>(921,989)</b>
<b>Repowering Net Deferral:</b>				
<b>Total Repowering Monthly Deferral</b>	<b>(289,913)</b>	<b>486,840</b>	<b>395,662</b>	<b>356,633</b>

**2020 Projected Wind Plants**

Line No.	Assumptions:	Total 2020		January 2020		February 2020		March 2020	
		Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated	Total Company	Utah Allocated
1	Federal/State Combined Tax Rate								
2	Net to Gross Bump up Factor = (1/(1-tax rate))								
3	Utah SG Factor Docket No. 13-035-184								
4	Utah GPS Factor Docket No. 13-035-184								
	<b>Total Company</b>								
	<b>Repowering Costs:</b>								
	<b>Incremental Expense:</b>								
5	O&M Expense	12,137	5,174	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
7	Depr Expense (CR)	(36,897)	(15,729)	(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
9	Wind Tax	358	144	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>Incremental Rate Base (prior month end)</b>								
11	Capital Investment			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)
13	Accumulated Deferred Income Tax			(48,297)	(20,588)	(48,297)	(20,588)	(48,297)	(20,588)
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>
15	Pre-Tax Return				9.21%		9.21%		9.21%
16	Pre-Tax Return on Rate Base		34,202		2,979		2,970		2,961
17	<b>Total Repowering Costs</b>		<b>40,833</b>		<b>3,517</b>		<b>3,508</b>		<b>3,499</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)
19	Gross Up		(10,567)		(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>Net Power Cost Savings:</b>								
21	<b>Incremental NPC Savings (EBA)</b>		<b>(4,453)</b>		n/a		n/a		n/a
22	<i>(only Total Company annual NPC available)</i> Total Repowering Benefits		<b>(47,431)</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>
	<b>Repowering Net Deferral:</b>								
23	Total Repowering Monthly Deferral		<b>(6,597)</b>		<b>(18)</b>		<b>(26)</b>		<b>(35)</b>
23a	Total Excluding Depr. Exp Credit		9,131						

	April 2020		May 2020		June 2020		July 2020		August 2020		September 2020	
	Total	Utah										
	Company	Allocated										
	976	416	976	416	976	416	976	416	976	416	976	416
	2,686	1,145	2,686	1,145	2,686	1,147	2,691	1,147	2,691	1,147	2,691	1,147
	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)	(3,039)	(1,295)
	614	261	614	261	614	261	614	261	614	261	614	261
	28	12	28	12	28	12	28	12	28	12	28	12
	<b>1,265</b>	<b>538</b>	<b>1,265</b>	<b>538</b>	<b>1,265</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>
	967,000	412,216	967,000	412,216	967,000	412,216	967,000	412,216	968,712	412,946	968,712	412,946
	(16,318)	(6,956)	(19,004)	(8,101)	(21,690)	(10,391)	(24,376)	(10,391)	(27,067)	(11,538)	(29,758)	(12,686)
	(65,078)	(27,741)	(65,078)	(27,741)	(81,858)	(34,895)	(81,858)	(34,895)	(81,858)	(34,895)	(81,858)	(34,895)
	<b>885,605</b>	<b>377,518</b>	<b>882,919</b>	<b>376,373</b>	<b>880,233</b>	<b>376,228</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>
	9.21%		9.21%		9.21%		9.21%		9.21%		9.21%	
	2,897		2,888		2,880		2,816		2,813		2,804	
	<b>3,436</b>		<b>3,427</b>		<b>3,418</b>		<b>3,357</b>		<b>3,353</b>		<b>3,345</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)
	(869)	(869)	(869)	(869)	(869)	(869)	(869)	(869)	(869)	(869)	(869)	(869)
	<b>(3,535)</b>	<b>(3,535)</b>										
	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>	
	<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>(99)</b>		<b>(108)</b>		<b>(117)</b>		<b>(178)</b>		<b>(181)</b>		<b>(190)</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>	

	October 2020		November 2020		December 2020	
	Total	Utah	Total	Utah	Total	Utah
	Company	Allocated	Company	Allocated	Company	Allocated
	976	416	976	416	1,396	595
	2,691	1,147	2,691	1,147	3,063	1,306
	(3,039)	(1,295)	(3,039)	(1,295)	(3,469)	(1,479)
	614	261	614	261	614	261
	28	12	28	12	35	15
	<u>1,270</u>	<u>541</u>	<u>1,270</u>	<u>541</u>	<u>1,639</u>	<u>698</u>
	968,712	412,946	968,712	412,946	968,712	412,946
	(32,449)	(13,833)	(35,140)	(14,980)	(37,832)	(16,127)
	<u>(98,639)</u>	<u>(42,048)</u>	<u>(98,639)</u>	<u>(42,048)</u>	<u>(98,639)</u>	<u>(42,048)</u>
	<u>837,624</u>	<u>357,065</u>	<u>834,932</u>	<u>355,918</u>	<u>832,241</u>	<u>354,770</u>
	9.21%		9.21%		9.21%	
	2,740		2,731		2,723	
	<u>3,281</u>		<u>3,272</u>		<u>3,420</u>	
	(6,253)	(2,666)	(6,253)	(2,666)	(7,246)	(3,089)
	(869)		(869)		(1,007)	
	<u>(3,535)</u>		<u>(3,535)</u>		<u>(4,096)</u>	
	n/a		n/a		n/a	
	<u>(3,535)</u>		<u>(3,535)</u>		<u>(4,086)</u>	
	<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>	
	<u>(254)</u>		<u>(263)</u>		<u>(676)</u>	
	<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>		<i>(excludes NPC savings)</i>	

**OCS Data Request 2.19**

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. Please also refer to Exhibit RMP\_\_(JRS-3SD) filed with the Supplemental Direct Testimony of Joelle R. Steward in Docket No. 17-035-39, which provided an example of the monthly RTM deferral calculation proposed by the Company in that docket inclusive of the impacts of the Tax Cuts and Jobs Act.

- (a) Please describe, in detail, any changes to the determination of the incremental rate base amounts (i.e., capital investment, accumulated depreciation/depreciation reserve, and accumulated deferred income taxes) that the Company is proposing in the calculation of the requested deferral in this case as compared to Docket No. 17-035-39;
- (b) Please describe, in detail, any changes to the determination of the incremental expense amounts (i.e., O&M expense, depreciation, property taxes and wind tax) that the Company is proposing in the calculation of the requested deferral in this case as compared to Docket No. 17-035-39;
- (c) Please describe, in detail, any changes to the determination of the PTC benefits that the Company is proposing in the calculation of the requested deferral in this case as compared to Docket No. 17-035-39; and
- (d) Please describe, in detail, any changes to the determination of incremental net power cost savings that the Company is proposing in the calculation of the requested deferral in this case as compared to Docket No. 17-035-39.

**Response to OCS Data Request 2.19**

- (a) The Company is proposing the same methodology for determining the incremental rate base amounts in the proposed accounting deferral as what was requested in Docket No. 17-035-39.
- (b) The Company is proposing the same methodology for determining the incremental expense amounts in the proposed accounting deferral as what was requested in Docket No. 17-035-39.
- (c) The Company is proposing the same methodology for determining the production tax credit (PTC) benefits in the proposed accounting deferral as what was requested in Docket No. 17-035-39.

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OCS Data Request 2.19

- (d) The Company is proposing the same methodology for determining the incremental net power costs (NPC) savings in the proposed accounting deferral as what was requested in Docket No. 17-035-39.

### **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.

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OCS Data Request 2.25

**OCS Data Request 2.25**

Please provide a copy of Exhibit RMP\_\_(SRM-3), page 4.9.1 filed in Docket No. 13-035-184.

**Response to OCS Data Request 2.25**

Please refer to Attachment OCS 2.25.

Rocky Mountain Power  
 Utah General Rate Case - June 2015  
 Incremental O&M  
 (Excluding labor, net power costs, and overhauls)

	12 ME June 2013 Actuals (A)	12 ME June 2015 Forecast (B)	Incremental Change to the Test Period (C = B - A)	Inflation * (D)	Adjustment (E = C - D)		
<b>Coal Fired Generation</b>							
Carbon	4,614,021	4,472,000	(142,021)	138,899	(280,921)		
Dave Johnston	15,662,255	19,816,125	3,953,870	471,493	3,482,377		
Hunter	27,544,560	29,115,101	1,570,540	829,195	741,345		
Huntington	17,990,838	19,374,523	1,383,685	541,592	842,093		
Jim Bridger	21,102,408	25,558,167	4,455,779	635,262	3,820,517		
Naughton	15,229,583	14,216,843	(1,012,939)	458,468	(1,471,407)		
Wyodak	5,899,249	5,839,900	(59,349)	177,590	(236,939)		
<b>Sub-total</b>	<b>108,042,913</b>	<b>118,192,479</b>	<b>10,149,565</b>	<b>3,252,500</b>	<b>6,897,066</b>	Ref 4.9	
<b>Gas &amp; Geothermal Generation</b>							
Blundell	816,666	1,109,993	293,327	24,585	268,742	Ref 4.9	
Gadsby	2,597,595	2,264,598	(332,997)	76,197	(411,195)	Ref 4.9	
Chehais	1,755,535	1,850,489	94,954	80,710	14,244		
Current Creek	1,319,671	1,424,657	104,986	80,671	44,315		
Gadsby Peakers	1,525,572	1,330,002	(195,570)	70,137	(265,707)		
Lake Sido 1 & 2	3,211,674	3,897,458	685,784	147,655	538,130		
<b>Sub-total</b>	<b>11,226,713</b>	<b>11,877,197</b>	<b>650,484</b>	<b>461,955</b>	<b>188,529</b>	Ref 4.9	
<b>Partner Operated Generation**</b>							
Camas	24,507	95,000	70,493	1,127	69,366		
Hermiston	6,163,178	6,790,927	627,649	283,348	344,301		
			698,142	284,475	413,668	Ref 4.9	
Cholla	26,831,339	30,810,500	3,979,161	807,725	3,171,436	Ref 4.9	
Colstrip	7,060,850	9,303,000	2,242,350	212,552	2,029,798		
Craig	11,332,108	13,361,000	2,028,892	341,139	1,687,752		
Hayden	5,044,038	5,640,000	595,962	151,845	444,117		
<b>Sub-total</b>	<b>56,455,820</b>	<b>66,000,327</b>	<b>9,544,507</b>	<b>1,797,735</b>	<b>7,746,771</b>	Ref 4.9	
<b>Coal, Gas, Geothermal, Partner total</b>	<b>175,725,447</b>	<b>196,070,803</b>	<b>20,344,556</b>	<b>5,512,190</b>	<b>14,832,366</b>		
<b>Hydro Generation</b>							
Hydro East	2,343,132	2,102,775	(240,357)	45,710	(286,067)		
Hydro West	13,113,248	14,686,922	1,573,673	255,815	1,317,858		
Hydro System	976,378	1,566,520	592,142	19,047	573,095		
<b>Hydro total</b>	<b>16,432,758</b>	<b>18,356,217</b>	<b>1,925,458</b>	<b>320,573</b>	<b>1,604,885</b>		
			East Hydro Generation	(240,357)	45,710	(286,067)	
			System Hydro Generation @ 13.2% share for East	78,252	2,517	75,734	
			<b>Total Hydro Generation Adjustment - East</b>	<b>(162,105)</b>	<b>48,227</b>	<b>(210,333)</b>	Ref 4.9
			West Hydro Generation	1,573,673	255,815	1,317,858	
			System Hydro Generation @ 86.8% share for West	513,890	16,530	497,360	
			<b>Total Hydro Generation Adjustment - West</b>	<b>2,087,564</b>	<b>272,345</b>	<b>1,815,219</b>	Ref 4.9
			<b>Hydro Split total</b>			<b>1,604,885</b>	
<b>Wind Generation</b>							
Wind Administration	245,848	257,796	11,948	11,303	645		
Dunlap	2,510,045	2,226,488	(283,557)	115,398	(398,955)		
Seven Mile I & II	3,231,700	2,683,332	(548,368)	148,575	(696,944)		
High Plains & McFadden Ridge	4,460,042	3,443,986	(1,016,057)	205,048	(1,221,104)		
Foote Creek	1,633,026	2,557,542	924,516	75,077	849,439		
Glenrock I & III	2,722,367	2,856,907	(65,460)	125,159	(190,619)		
Rolling Hills	1,497,569	1,884,446	386,877	68,850	318,027		
Goodnoe Hills	2,367,923	2,058,241	(309,682)	108,864	(418,546)		
Leaning Juniper	2,668,640	2,372,276	(296,364)	122,699	(419,053)		
Marengo I & II	3,850,985	3,756,840	(94,145)	177,047	(271,192)		
<b>Wind total</b>	<b>25,188,147</b>	<b>23,897,854</b>	<b>(1,290,293)</b>	<b>1,158,009</b>	<b>(2,448,302)</b>	Ref 4.9	
			Ref 4.9.2				
<b>Grand Total</b>	<b>217,346,352</b>	<b>238,326,073</b>	<b>20,979,721</b>	<b>6,990,771</b>	<b>13,988,949</b>	Ref 4.9	

\* Inflation is included in Adjustment no. 4.11 and is therefore removed here to avoid a double count. The escalation factors used in this adjustment are a weighted average based on unadjusted operations and maintenance FERC account balances for the 12 months ended June 2013 and incremental escalation variations from June 2013 to June 2015.

Steam average: 3.010%  
 Hydro average: 1.951%  
 Other average: 4.597%

\*\*O&M at partner operated plants includes labor and non-labor costs incurred by the plant operator.

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January 29, 2020  
OCS Data Request 2.26

**OCS Data Request 2.26**

Please provide copies of RMP's responses to the following data requests in Docket No. 17-035-39, inclusive of attachments: OCS Data Requests 2.2, 2.9, and 2.11.

**Response to OCS Data Request 2.26**

Please refer to Attachment OCS 2.26.

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OCS Data Request 2.11

### OCS Data Request 2.11

Please provide the actual employee compliment on a full time equivalent basis for each month of the base period in the Company's most recent rate case and as of the most recent date available.

### Response to OCS Data Request 2.11

Please refer to the table provided below:

Number of Employees		
	Month	Full-Time Equivalent
Base Period	Jul-12	5,558.5
Base Period	Aug-12	5,543.5
Base Period	Sep-12	5,523.0
Base Period	Oct-12	5,496.5
Base Period	Nov-12	5,491.0
Base Period	Dec-12	5,481.0
Base Period	Jan-13	5,451.0
Base Period	Feb-13	5,448.5
Base Period	Mar-13	5,420.5
Base Period	Apr-13	5,411.5
Base Period	May-13	5,383.5
Base Period	Jun-13	5,364.5
Most Recent	Jul-17	4,996.0

### **OCS Data Request 4.1**

Refer to the response to OCS DR 2.1. Since the Company is proposing to “defer costs and benefits of each repowered wind plant beginning when each plant is placed into service”, including the projects placed into service before December 30, 2019, please explain, in detail, why the Company did not file the Application sooner than December 30, 2019.

### **Response to OCS Data Request 4.1**

The Company had been contemplating various rate making alternatives for matching repowering costs and benefits following the Public Service Commission of Utah’s (UPSC) May 25, 2018 order in Docket No. 17-035-39, in which the UPSC declined PacifiCorp’s proposed Resource Tracking Mechanism (RTM), but concluded that:

“PacifiCorp can effectively seek recovery of Repowering Project costs and benefits through available ratemaking mechanisms such as general rate cases, requests for deferred accounting treatment, and/or the EBA”.

The Company considered whether to pursue the current proposed accounting deferral alternative of seeking recovery of repowering operating and capital costs and production tax credit (PTC) benefits through an accounting deferral to align with the customer’s receiving the net power costs (NPC) benefits through energy balancing account (EBA). The Company also contemplated as part of the accounting deferral, that a complete matching of repowering costs and benefits could be achieved by removing the repowering NPC benefits from the EBA and combining them in the same accounting deferral with the other costs and PTC benefits. The Company waited until a number of repowering projects had actually been placed in service before reaching the final decision in November 2019 to file an application requesting an accounting deferral that was ultimately filed December 30, 2019.

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February 19, 2020  
OCS Data Request 4.12

**OCS Data Request 4.12**

Refer to the response to OCS DR 2.18 and the confidential attachments thereto. The response indicates, in part, that the amounts provided in the spreadsheets are "...the Company's current best estimates of the deferral calculations..." If the Company has more recent estimates for any of the amounts presented in the attachments, please provide the updated estimates.

**Response to OCS Data Request 4.12**

The confidential attachments provided with the Company's original response to OCS Data Request 2.18 (dated January 29, 2020) continue to be the Company's current estimates for the proposed wind repowering accounting deferral.

### **OCS Data Request 4.13**

The response to OCS DR 2.20 indicates that “The \$9.1 million estimated revenue requirement is the Company’s current estimate for the amount to be deferred under the deferred accounting proposal in this proceeding.” Additionally, the response to OCS DR 2.17, which requested the Company’s current best estimate of the amounts that will be deferred, states: “Please refer to the Company’s response to OCS Data Request 2.18 which provides the estimated deferral amounts and work papers for each of the 12 separate wind projects proposed for deferral in this proceeding.” Please explain, in detail, the discrepancy between the \$9.1 million identified in response to OCS DR 2.20 and the amounts calculated in the confidential attachments provided in response to OCS DR 2.18, specifically, the excel file for 2019 in the first tab on excel line 46 and the excel file for 2020 at cell F45. If the \$9.1 million is not the Company’s current best estimate of the amount that will be deferred under its proposal, then please provide the current best estimate of the amount that will be deferred. If the estimated amount to be deferred differs from the amounts presented in confidential attachments to the response to OCS DR 2.18, please explain, in detail, why.

### **Response to OCS Data Request 4.13**

The referenced \$9.1 million provided with the Company’s response to OCS Data Request 2.20 is included in the Company’s response to OCS Data Request 2.18, specifically Confidential Attachment OCS 2.18, file “Wind Repower Accounting Deferral 2020 Monthly Estimate 2020”, cell F46 “Total Excluding Depreciation Adjustment”. It is not included in file “Wind Repower Accounting Deferral 2019 Monthly Estimate”. This \$9.1 million is the same amount shown in Exhibit RMP\_\_(JRS-2SD) filed with the Supplemental Direct Testimony of Joelle R Steward in Docket No. 17-035-39, which amount also did not include an adjustment for depreciation expense on replaced equipment. The Company’s intent is to include the depreciation adjustment, which results in the 2020 deferral estimate being \$(6.6) million as shown at cell F45 in file “Wind Repower Accounting Deferral 2020 Monthly Estimate 2020”. Accordingly, the Company’s response to OCS Data Request 2.20 was incorrectly confirming the deferral amount that excluded the depreciation adjustment. Please refer to the Company’s 1<sup>st</sup> Revised response to OCS Data Request 2.20 which clarifies that the Company’s current best 2020 deferral estimate is not \$9.1 million, but is \$(6.6) million after applying the depreciation expense credit of \$(15.7) million.