

Docket No. 20000-__-ER-07
Witness: Ebru Alpay

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Direct Testimony of Ebru Alpay

Cost of Service

June 2007

1 **Purpose of Testimony**

2 **Q. Please state your name, business address and present position with the Company**
3 **(also referred to as Rocky Mountain Power).**

4 A. My name is Ebru Alpay. My business address is 825 NE Multnomah St. Suite 2000,
5 Portland, Oregon 97232. My present position is Pricing and Cost of Service Analyst in
6 the Regulation Department.

7 **Q. Briefly describe your educational and professional background.**

8 A. I have a B.S. degree in Industrial engineering from Middle East Technical University in
9 Ankara, Turkey, and M.S. degree in Economics from Oregon State University in
10 Corvallis, Oregon. I also completed all of the course work towards a Ph.D. degree in
11 Economics from the same institution. In addition, I completed the Graduate Certificate
12 Program in Applied Energy Economics at Portland State University in 2001. I joined the
13 Company in the Regulation Department in July 2003.

14 **Q. Please describe your current duties.**

15 A. I am currently responsible for preparation of the Company's cost of service studies and
16 related analyses. Since 2003, I have prepared several cost of service studies throughout
17 the Company's six state service territory, including the study filed in the Company's last
18 Wyoming General Rate Case, Docket No. 20000-230-ER-05.

19 **Q. What is the purpose of your testimony?**

20 A. I will present Rocky Mountain Power's Embedded Cost of Service Study for the state of
21 Wyoming based on the forecast test period of 12 months ended August 31, 2008.

22 **Q. Please identify Exhibit RMP___.1(EA-1), and explain what it shows.**

23 A. Exhibit RMP___.1(EA-1) is the summary from Rocky Mountain Power's twelve months

1 ended August 31, 2008 embedded class cost of service study for Wyoming. It is based on
2 the Company's annual results of operations for the state of Wyoming which are presented
3 in the testimony of Company witness Steven R. McDougal. It summarizes, both by
4 customer group and by function, the results of the August, 2008 class cost study. Page 1
5 presents the results at the Company's August 2008 rate of return assuming current rate
6 levels. Column (C) and (D) shows annualized present revenues, and the resulting earned
7 rates of return on rate base (ROR) for each schedule, respectively. Column (E) lists the
8 ROR index for each schedule, comparing each schedule's ROR against state average
9 ROR. Column (F) displays the cost of service results by rate schedule at equal rates of
10 return for the jurisdiction. Column (G) through (K) shows cost of service results for each
11 function. Column (L) and (M) displays the required change in revenue to achieve rate of
12 return equal to the state average rate of return. Page 2 shows the results using the target
13 rate of return based on the \$36.1 million requested price increase.

14 **Changes in Cost of Service Study**

15 **Q. Are the methodologies employed in this cost of service study consistent with those**
16 **approved by the Wyoming Public Service Commission in the Company's most**
17 **recent general rate case in Docket No. 20000-230-ER-05 ?**

18 A. Yes. This class cost of service study was prepared based on the same methodology used
19 in the previously filed study.

20 **Q. How were the class loads developed for the forecasted test period?**

21 A. The forecasted number of customers and class energy usage, as well as the day and hour
22 of system peak on a monthly basis, for the 12 months ended August 31, 2008 test period
23 are based on the Company's load forecast as described in the direct testimony of the

1 Company witness Reed C. Davis. Customer class contributions to monthly system peaks
2 are based on historical hourly load research data that was matched against the forecasted
3 hour of monthly system peaks and then extrapolated to the forecasted class energy usage
4 for the test period.

5 **Net Power Costs**

6 **Q. Please describe how the total net power costs are treated in this cost of service study.**

7 A. In this cost study, power cost adjustment mechanism related net power costs are
8 unbundled from the rest of the base generation and transmission costs, and recovered
9 through Schedule 94-Power Cost Adjustment Mechanism (PCAM) in accordance with
10 the Stipulation entered into at the conclusion of 2005 general rate case in Docket No.
11 20000-230-ER-05. Specifically, the total net power related costs that are unbundled and
12 recovered through Schedule 94 are approximately \$155.7 million as presented in Exhibit
13 RMP___.1(SRM-1) in the Company witness Steven R. McDougal's testimony.

14 **Q. Please identify Exhibit RMP___.2(EA-2).**

15 A. Exhibit RMP___.2(EA-2), Page 1 shows the cost of service results by class while pages 2
16 through 6 contain a summary by class for each major function.

17 **Description of Procedures**

18 **Q. Please explain how the Cost of Service Study was developed.**

19 A. The class cost of service study is based on Rocky Mountain Power's 12 months ended
20 August 31, 2008 forecasted results of operations for the state of Wyoming presented in
21 the testimony of Company witness Steven R. McDougal. The study employs a three-step
22 process generally referred to as functionalization, classification, and allocation. These
23 three steps recognize the way a utility provides electrical service and assigns cost

1 responsibility to the groups of customers for whom those costs are incurred.

2 **Q. Please describe functionalization and how is it employed in the Cost of Service**
3 **Study.**

4 A. Functionalization is the process of separating expenses and rate base items according to
5 utility function. The production function consists of the costs associated with power
6 generation, including coal mining and wholesale purchases. The transmission function
7 includes the costs associated with the high voltage system utilized for the bulk
8 transmission of power from the generation source and interconnected utilities to the load
9 centers. The distribution function includes the costs associated with all the facilities that
10 are necessary to connect individual customers to the transmission system. This includes
11 distribution substations, poles and wires, line transformers, service drops and meters.
12 The retail function includes the cost of activities such as meter reading, billing,
13 collections and customer service. The miscellaneous function includes the cost of any
14 energy efficiency programs, as well as franchise and regulatory fees included in base
15 prices.

16 **Q. Describe classification and explain how Rocky Mountain Power uses it in the cost of**
17 **service study.**

18 A. Classification identifies the component of utility service being provided. The Company
19 provides, and customers purchase, service that includes at least three different
20 components: demand-related, energy-related, and customer-related. Demand-related
21 costs are incurred by the Company to meet the maximum demand imposed on generating
22 units, transmission lines, and distribution facilities. Energy-related costs vary with the
23 output of a kWh of electricity. Customer-related costs are driven by the number of

1 customers served.

2 **Q. How does Rocky Mountain Power determine cost responsibility among customer**
3 **groups?**

4 A. After the costs have been functionalized and classified, the next step is to allocate them
5 among the customer classes. This is achieved by the use of allocation factors, which
6 specify each class's share of a particular cost driver such as system peak demand, energy
7 consumed, or number of customers. The appropriate allocation factor is then applied to
8 the respective cost element to determine each class's share of cost.

9 **Q. How are generation and transmission costs allocated among customer classes?**

10 A. Production and transmission plant and non-fuel related expenses are classified as
11 75 percent demand-related and 25 percent energy-related. The demand-related portion is
12 allocated using 12 monthly peaks coincident with the Company's system firm peak. The
13 energy-related portion is allocated using annual class MWhs adjusted for losses to
14 generation level.

15 **Q. Please describe how distribution costs are calculated and allocated.**

16 A. All distribution costs are classified as either demand-related or customer-related. There
17 are no significant energy-related costs associated with the distribution system. In this
18 study, only meters and services are considered customer-related with all other costs
19 considered demand-related. Service drop costs are allocated to secondary voltage
20 delivery customers only. The allocation factor is developed using the current installed
21 cost of new service drops for different types of customers. Meter costs are allocated to all
22 customers. The meter allocation factor is developed using the installed costs of new
23 metering equipment for different types of customers.

1 Demand-related distribution costs fall into two sub-classifications: those that vary
2 with changes in overall distribution system load (system costs) and those that are
3 established at the time customers are connected to the distribution network and seldom
4 vary after that time (facilities costs).

5 Substation costs are defined as system costs and allocated using the Distribution
6 12 CP methodology. The Distribution CP methodology recognizes the diversity of the
7 many customers served by the distribution system. Cost responsibility is determined by
8 using each class's contribution to the state distribution coincident peak. The distribution
9 coincident peak is the simultaneous combined demand of all distribution voltage
10 customers at the hour of the distribution system peak.

11 Transformers and secondary lines are defined as facilities costs and allocated
12 using the non-coincident peak (NCP) methodology. This methodology recognizes that
13 some distribution facilities are sized to meet the long-term expected maximum load of the
14 individual customers served by those specific facilities. Since the cost responsibility for
15 these dedicated facilities is incurred at the time a load is added to the system, that cost
16 responsibility should be assigned on the basis of individual customer installed capacity,
17 but because of a lack of detailed property records this cannot be done. As a surrogate for
18 installed capacity, we use the annual NCP estimates from load research data.

19 Primary lines are recognized as containing both system and facilities cost
20 components. In compliance with the stipulated agreement reached in the 2002 Rate Case,
21 the cost of primary lines is allocated using a composite method that first allocates a share
22 of the costs to the large industrial class using the NCP method, and then allocates the
23 remaining costs to all other classes using the Distribution 12 CP method.

1 **Q. Please explain how customer accounting, customer service, and sales expenses are**
2 **allocated.**

3 A. Customer accounting expenses are allocated to classes using weighted customer factors.
4 The weightings reflect the resources required to perform such activities as meter reading,
5 billing, and collections for different types of customers. Customer service expenses are
6 split between Demand Side Management (DSM) expenditures and other customer service
7 expenses. The DSM expenditures are allocated based on 50 percent demand and 50
8 percent energy. The other customer service expenses are allocated based on number of
9 customers. Sales expenses are direct assigned to the residential, commercial, and
10 industrial revenue class and then allocated to rate schedules within the revenue class
11 according to revenue.

12 **Q. How are administrative & general expenses, general plant and intangible plant**
13 **allocated?**

14 A. Most general plant, intangible plant, and administrative and general expenses are
15 functionalized and allocated to classes based on generation, transmission, and distribution
16 plant. Employee Pensions and Benefits costs have been assigned to functions and classes
17 on the basis of labor. Costs that have been identified as supporting customer systems are
18 considered part of the distribution function and have been allocated using customer
19 factors.

20 **Q. How are costs and revenues associated with partial requirements customers treated**
21 **in the Cost of Service Study?**

22 A. The costs for Schedule 33-Partial Requirements customers are removed from the
23 embedded cost of service study. Generally, the volatile load characteristics of partial

1 requirements customers do not lend themselves well to embedded cost of service analysis.
2 Because of this, it has been the company's standard practice not to include them into cost
3 study, and derive prices for the partial requirement service based on the prices and costs
4 for full requirement customers. Revenues from these schedules are treated as revenue
5 credits and are allocated to other customer groups. Other electric revenues are also treated
6 as revenue credits. Revenue credits reduce the revenue requirement to be collected from
7 firm retail customers.

8 **Q. Please identify Exhibit RMP ____.3(EA-3).**

9 A. Exhibit RMP ____.3(EA-3) contains the complete functionalized results of operations and
10 class cost of service detail. It also includes a detailed narrative describing the Company's
11 functionalization, classification and allocation procedures.

12 **Q. Does this conclude your testimony?**

13 A. Yes.

Rocky Mountain Power
Exhibit RMP __.1(EA-1)
Docket No. 20000-__-ER-07
Witness: Ebru Alpay

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Ebru Alpay

Cost of Service by Rate Schedule
12 Months Ending August 2008
Revised Protocol

June 2007

Rocky Mountain Power
Cost Of Service By Rate Schedule
State of Wyoming
12 Months Ending August 2008
Revised Protocol
6.74% = Earned Return on Rate Base

| Line No. | Schedule No. | A | B | C | D | E | F | G | H | I | J | K | L | M |
|----------|--------------|-----------------------------|----------------|---------------------|----------------------|-----------------------|----------------------------|------------------------------|------------------------------|------------------------|----------------------|------------------------------|---|---|
| | | Description | Annual Revenue | Return on Rate Base | Rate of Return Index | Total Cost of Service | Generation Cost of Service | Transmission Cost of Service | Distribution Cost of Service | Retail Cost of Service | Misc Cost of Service | Increase (Decrease) to = ROR | Percentage Change from Current Revenues | |
| 1 | 2.3 | Residential | 76,266,166 | 6.79% | 1.01 | 76,142,135 | 39,260,000 | 3,499,250 | 24,404,556 | 8,655,383 | 322,947 | (124,031) | -0.16% | |
| 2 | 25 | General Service | 97,164,966 | 9.23% | 1.37 | 89,392,626 | 58,871,518 | 5,190,460 | 22,877,399 | 2,037,148 | 416,100 | (7,772,340) | -8.00% | |
| 3 | 46 | Large Power Service | 92,514,854 | 6.52% | 0.97 | 93,166,072 | 74,095,573 | 5,921,806 | 12,635,506 | 111,083 | 402,105 | 651,219 | 0.70% | |
| 4 | 48T | Large Power Service | 108,206,626 | 4.52% | 0.67 | 116,050,034 | 106,224,995 | 8,252,464 | 1,041,839 | 53,718 | 477,019 | 7,843,408 | 7.25% | |
| 5 | 40 | Irrigation | 1,054,510 | 12.32% | 1.83 | 882,624 | 553,715 | 45,623 | 251,664 | 27,325 | 4,297 | (171,866) | -16.30% | |
| 6 | 15/53 | Street / Area Lighting | 2,246,286 | 9.41% | 1.40 | 2,047,908 | 456,530 | 29,923 | 1,350,729 | 201,996 | 8,728 | (198,378) | -8.83% | |
| 7 | 210 | Irrigation | 137,571 | 9.16% | 1.36 | 126,750 | 81,581 | 6,723 | 36,306 | 1,551 | 589 | (10,821) | -7.87% | |
| 8 | 207,211,212 | Street & Area Lighting | 694,569 | 18.12% | 2.69 | 476,239 | 59,353 | 4,327 | 389,106 | 20,985 | 2,467 | (218,330) | -31.43% | |
| 9 | 212 | Traffic Sglns, Outdoor Lgt. | 5,291 | 0.26% | 0.04 | 6,452 | 3,776 | 259 | 1,381 | 1,014 | 23 | 1,161 | 21.94% | |
| 10 | Total | State of Wyoming | 378,290,839 | 6.74% | 1.00 | 378,290,839 | 279,607,042 | 22,950,833 | 62,988,486 | 11,110,203 | 1,634,274 | (0) | 0.00% | |

Footnotes:

- Column C : Annual Present Revenues based on August 2008 forecast.
- Column D : Calculated Return on Ratebase per August 2008 forecast Embedded Cost of Service Study
- Column E : Rate of Return Index. Rate of return by rate schedule, divided by Wyoming Jurisdiction's normalized rate of return.
- Column F : Calculated Full Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study
- Column G : Calculated Total Generation Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study.
- Column H : Calculated Transmission Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study.
- Column I : Calculated Distribution Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study.
- Column J : Calculated Retail Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study.
- Column K : Calculated Misc Distribution Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study.
- Column L : Total Increase or Decrease Required to Move from Present Annual Revenue to Full Cost of Service Dollars.
- Column M : Total Percentage Increase or Decrease Required to Move from Present Annual Revenue to Full Cost of Service Percent.

Rocky Mountain Power
 Cost Of Service By Rate Schedule
 State of Wyoming
 12 Months Ending August 2008
 Revised Protocol
 8.55% = Target Return on Rate Base

| Line No. | A Schedule No. | B Description | C Annual Revenue | D Return on Rate Base | E Rate of Return Index | F Total Cost of Service | G Generation Cost of Service | H Transmission Cost of Service | I Distribution Cost of Service | J Retail Cost of Service | K Misc Cost of Service | L Increase (Decrease) to = ROR | M Percentage Change from Current Revenues |
|----------|-------------------|---------------------------|---------------------|--------------------------|---------------------------|----------------------------|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------|---------------------------|-----------------------------------|--|
| 1 | 2.3 | Residential | 76,266,166 | 6.79% | 1.01 | 83,507,057 | 42,229,350 | 4,874,654 | 27,522,077 | 8,751,421 | 329,555 | 7,240,892 | 9.49% |
| 2 | 25 | General Service | 97,164,966 | 9.23% | 1.37 | 98,540,096 | 63,298,134 | 6,948,257 | 25,810,376 | 2,058,489 | 424,841 | 1,375,130 | 1.42% |
| 3 | 46 | Large Power Service | 92,514,854 | 6.52% | 0.97 | 101,987,365 | 79,327,904 | 7,981,353 | 14,155,367 | 111,602 | 411,138 | 9,472,511 | 10.24% |
| 4 | 48T | Large Power Service | 108,206,626 | 4.52% | 0.67 | 126,395,349 | 113,611,357 | 11,154,866 | 1,089,767 | 51,223 | 488,337 | 18,188,723 | 16.81% |
| 5 | 40 | Irrigation | 1,054,510 | 12.32% | 1.83 | 972,874 | 592,888 | 61,096 | 286,974 | 27,535 | 4,381 | (81,636) | -7.74% |
| 6 | 15/53 | Street / Area Lighting | 2,246,286 | 9.41% | 1.40 | 2,265,818 | 482,934 | 39,763 | 1,529,338 | 204,908 | 8,874 | 19,532 | 0.87% |
| 7 | 210 | Irrigation | 137,571 | 9.16% | 1.36 | 139,833 | 87,359 | 9,011 | 41,313 | 1,549 | 601 | 2,262 | 1.64% |
| 8 | 207,211,212 | Street & Area Lighting | 694,569 | 18.12% | 2.69 | 532,429 | 62,730 | 5,557 | 440,322 | 21,320 | 2,502 | (162,140) | -23.34% |
| 9 | 212 | Traffic Sgms, Outdoor Lgt | 5,291 | 0.26% | 0.04 | 6,977 | 4,015 | 351 | 1,561 | 1,028 | 23 | 1,686 | 31.87% |
| 10 | Total | State of Wyoming | 378,290,839 | 6.74% | 1.00 | 414,347,799 | 299,696,670 | 30,874,706 | 70,877,095 | 11,229,075 | 1,670,252 | 36,056,960 | 9.53% |

| Line No. | N Schedule No. | O Description | P Total Cost of Service | Q NON-PCAM Cost of Service | R PCAM Cost of Service | S NON-PCAM Trans. Cost of Service | T PCAM Trans. Cost of Service |
|----------|-------------------|---------------------------|----------------------------|-------------------------------|---------------------------|--------------------------------------|----------------------------------|
| 1 | 2.3 | Residential | 83,507,057 | 20,672,791 | 19,880,450 | 4,674,654 | 6,350,763 |
| 2 | 25 | General Service | 98,540,096 | 67,345,025 | 31,195,071 | 63,298,134 | 29,586,858 |
| 3 | 46 | Large Power Service | 101,987,365 | 59,995,430 | 41,991,935 | 79,327,904 | 34,332,177 |
| 4 | 48T | Large Power Service | 126,395,349 | 65,261,848 | 61,133,501 | 113,611,357 | 48,228,873 |
| 5 | 40 | Irrigation | 972,874 | 665,575 | 307,299 | 592,888 | 263,294 |
| 6 | 15/53 | Street / Area Lighting | 2,265,818 | 1,967,023 | 298,795 | 482,934 | 168,815 |
| 7 | 210 | Irrigation | 139,833 | 94,516 | 87,359 | 48,625 | 9,011 |
| 8 | 207,211,212 | Street & Area Lighting | 532,429 | 494,314 | 38,115 | 62,730 | 40,086 |
| 9 | 212 | Traffic Sgms, Outdoor Lgt | 6,977 | 4,619 | 2,358 | 4,015 | 1,519 |
| 10 | Total | State of Wyoming | 414,347,799 | 258,662,617 | 155,685,182 | 299,696,670 | 132,523,364 |

Footnotes:
 Column C : Annual Present Revenues based on August 2008 forecast.
 Column D : Calculated Return on Ratebase per August 2008 forecast Embedded Cost of Service Study
 Column E : Rate of Return Index. Rate of return by rate schedule, divided by Wyoming Jurisdiction's normalized rate of return.
 Column F : Calculated Full Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study
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 Column K : Calculated Total Misc. Distribution Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study
 Column L : Total Increase or Decrease Required to Move From Present Annual Revenue to Full Cost of Service Percent
 Column M : Total Percentage Increase or Decrease Required to Move From Annual Revenue to Full Cost of Service Percent
 Column N : Calculated Total NON-PCAM Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study
 Column O : Calculated Total PCAM Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study
 Column P : Calculated Total NON-PCAM-Generation Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study
 Column Q : Calculated Total PCAM-Generation Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study
 Column R : Calculated Total NON-PCAM-Transmission Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study
 Column S : Calculated Total PCAM-Transmission Cost of Service at Jurisdictional Rate of Return per the August 2008 forecast Embedded COS Study

Rocky Mountain Power
Exhibit RMP___.2(EA-2)
Docket No. 20000-__-ER-07
Witness: Ebru Alpay

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Ebru Alpay

Cost of Service by Rate Schedule-All Functions
12 Months Ending August 2008
Revised Protocol

June 2007

Class Summary

Rocky Mountain Power
Cost Of Service By Rate Schedule - All Functions
State of Wyoming
Revised Protocol
12 Months Ending August 2008

| DESCRIPTION | B | C | D | E | F | G | H | I | J | K | L |
|--|------------------------------------|---------------|-----------------|-------------------|-------------------|-------------|------------------------|------------------------|------------|------------------------|-----------------------------|
| | Wyo - Comb Jurisdiction Normalized | Residential | General Service | Lrg Power Service | Lrg Power Service | Irrigation | Street & Area Lighting | Street & Area Lighting | Irrigation | Street & Area Lighting | Traffic Signals Outdoor/Lgt |
| | Sch. 2 | Sch. 25 | Sch. 46 | Sch. 48 T1ms | Sch. 49 | Sch. 1E/1S | Sch. 20T, 21, 212 | Sch. 212 | Sch. 210 | Sch. 20T, 21, 212 | Sch. 212 |
| Operating Revenues | 694,703,577 | 124,376,676 | 168,382,806 | 174,392,575 | 222,065,419 | 1,696,321 | 231,302 | 777,459 | 9,172 | | |
| Operating Expenses | 519,245,876 | 86,307,972 | 115,129,314 | 132,861,780 | 182,112,015 | 1,069,151 | 154,938 | 270,448 | 7,622 | | |
| Operation & Maintenance Expenses | 456,242,586 | 12,208,174 | 15,044,803 | 13,549,794 | 14,819,712 | 1,507,929 | 21,889 | 90,749 | 796 | | |
| Depreciation Expense | 8,143,832 | 1,980,679 | 1,989,612 | 1,860,892 | 2,178,332 | 21,783 | 2,963 | 10,233 | 185 | | |
| Amortization Expense | 13,143,774 | 2,997,536 | 3,545,427 | 3,133,937 | 3,286,559 | 36,434 | 107,465 | 28,947 | 202 | | |
| Taxes Other Than Income | (7,427,907) | (1,908,074) | (1,734,205) | (1,234,205) | (1,386,127) | (24,706) | (3,617) | (25,940) | (104) | | |
| Income Taxes - Federal | (918,899) | (334,151) | (354,091) | (190,272) | (6,624) | (4,294) | (6,271) | (6,199) | (15) | | |
| Income Taxes - State | 24,356,817 | 6,249,223 | 6,699,760 | 5,566,650 | 6,899,876 | 69,964 | 237,658 | 62,319 | 455 | | |
| Investment Tax Credit Adj | (253,222) | (82,875) | (65,318) | (70,488) | (1,579) | (1,654) | (85) | (431) | (4) | | |
| Misc Revenues & Expense | (847,048) | (112,456) | (168,817) | (228,820) | (333,260) | (1,579) | (238) | (211) | (13) | | |
| Total Operating Expenses | 611,785,809 | 107,316,028 | 139,574,643 | 154,738,060 | 206,118,401 | 1,316,854 | 2,072,353 | 429,911 | 9,125 | | |
| Operating Revenue For Return | 82,917,767 | 17,060,648 | 28,808,163 | 19,634,515 | 15,947,019 | 379,428 | 40,907 | 347,549 | 47 | | |
| Rate Base : | | | | | | | | | | | |
| Electric Plant In Service | 2,264,119,579 | 476,659,948 | 586,464,308 | 549,944,759 | 628,106,496 | 5,912,834 | 854,710 | 3,216,076 | 33,064 | | |
| Plant Held For Future Use | 167,608 | 24,794 | 37,221 | 43,600 | 61,381 | 327 | 48 | 1,852 | 2 | | |
| Electric Plant Acquisition Adj | 11,609,133 | 1,717,302 | 2,578,053 | 3,019,900 | 4,251,492 | 22,667 | 3,356 | 14,377 | 134 | | |
| Nuclear Fuel | 4,537,295 | 1,541,346 | 1,047,352 | 850,754 | 1,029,697 | 14,179 | 45,363 | 6,713 | 196 | | |
| Fuel Stock | 16,219,855 | 2,172,726 | 3,239,828 | 4,380,181 | 6,358,371 | 28,695 | 31,479 | 4,019 | 245 | | |
| Materials & Supplies | 18,154,478 | 3,163,538 | 4,328,568 | 4,888,861 | 5,957,099 | 40,999 | 5,988 | 12,668 | 228 | | |
| Misc Deferred Debits | 1,148,961 | 2,772,765 | 3,797,430 | 4,102,718 | 5,381,290 | 46,173 | 4,883 | 9,958 | 201 | | |
| Cash Working Capital | 6,040,499 | 1,189,567 | 1,483,810 | 1,504,823 | 1,804,589 | 13,374 | 1,952 | 8,544 | 93 | | |
| Weatherization Loans | 456,314 | 65,229 | 97,923 | 120,201 | 171,189 | 878 | 131 | 86 | 6 | | |
| Miscellaneous Rate Base | 897,922 | 128,356 | 192,690 | 236,528 | 336,861 | 1,727 | 257 | 170 | 11 | | |
| Total Rate Base Additions | 2,338,351,744 | 489,435,571 | 603,267,202 | 568,792,326 | 653,458,465 | 6,069,224 | 877,331 | 3,260,113 | 34,180 | | |
| Rate Base Deductions : | | | | | | | | | | | |
| Accum Provision For Depreciation | (661,158,514) | (180,542,454) | (225,810,026) | (209,893,372) | (237,717,064) | (2,236,599) | (324,634) | (851,257) | (11,845) | | |
| Accum Provision For Amortization | (57,549,837) | (14,087,902) | (14,087,902) | (14,869,733) | (16,210,971) | (162,120) | (21,457) | (61,354) | (1,374) | | |
| Accum Deferred Income Taxes | (163,523,379) | (37,823,196) | (44,951,775) | (38,896,949) | (59,513,811) | (480,824) | (69,336) | (213,582) | (6,490) | | |
| Unamortized ITC | (1,263,044) | (263,144) | (326,123) | (307,731) | (351,858) | (3,303) | (479) | (2,166) | (18) | | |
| Customer Advance For Construction | (1,166,555) | (327,979) | (629,864) | (110,171) | (35,306) | (65,919) | (7,259) | (2,259) | (16) | | |
| Customer Service Deposits | (23,059,997) | (3,925,852) | (5,256,713) | (6,940,851) | (7,862,449) | (60,225) | (7,409) | (16,201) | (324) | | |
| Misc Rate Base Deductions | (1,107,721,326) | (238,065,464) | (291,062,424) | (267,720,046) | (300,371,022) | (2,989,979) | (430,810) | (1,342,309) | (16,250) | | |
| Total Rate Base | 1,230,630,418 | 251,365,107 | 312,204,778 | 301,072,280 | 353,087,443 | 3,080,244 | 445,521 | 1,917,803 | 17,930 | | |
| Calculated Return On Rate Base | 6.74% | 6.79% | 9.25% | 6.52% | 4.52% | 12.32% | 9.41% | 18.12% | 0.25% | | |
| Return On Rate Base @ Jurisdictional Ave. | 82,917,767 | 16,936,617 | 21,035,823 | 20,285,794 | 23,790,427 | 207,542 | 30,086 | 129,218 | 1,208 | | |
| Total Operating Expenses | 611,785,809 | 107,316,028 | 139,574,643 | 154,738,060 | 206,118,401 | 1,316,854 | 190,396 | 429,911 | 9,125 | | |
| Revenue Credits | (316,412,738) | (71,217,840) | (81,877,722) | (64,811,722) | (113,858,793) | (641,811) | (93,731) | (82,890) | (3,881) | | |
| Total Revenue Requirements | 378,290,839 | 76,142,135 | 89,392,626 | 93,166,072 | 116,050,034 | 882,624 | 126,750 | 476,239 | 6,452 | | |
| Class Revenue | 378,290,839 | 76,266,166 | 97,164,966 | 92,514,854 | 108,206,626 | 1,054,510 | 137,571 | 694,569 | 5,291 | | |
| Increase / (Decrease) Required to Earn Equal Rates of Return | (0) | (124,031) | (7,772,340) | 651,219 | 7,843,408 | (171,886) | (10,821) | (218,330) | 1,161 | | |
| Percent % | 0.00% | -0.16% | -8.00% | 0.70% | 7.25% | -16.30% | -8.83% | -31.43% | 21.94% | | |
| Return On Rate Base @ Target ROR | 105,105,428 | 21,484,985 | 26,685,017 | 25,713,491 | 30,179,372 | 263,277 | 635,888 | 163,920 | 1,533 | | |
| Total Operating Expenses Adjusted for Taxes | 628,975,109 | 110,132,610 | 143,072,919 | 158,131,586 | 210,074,770 | 1,351,408 | 195,398 | 451,400 | 9,326 | | |
| Revenue Credits | (316,412,738) | (81,110,510) | (91,217,840) | (64,811,722) | (113,858,793) | (641,811) | (93,731) | (82,890) | (3,881) | | |
| Total Non-PCAM Revenue Requirements | 414,942,799 | 83,807,057 | 98,540,096 | 101,987,365 | 126,395,349 | 972,874 | 139,833 | 532,429 | 6,977 | | |
| Total PCAM Revenue Requirements | 258,652,516 | 62,834,266 | 59,995,430 | 59,995,430 | 65,261,848 | 972,874 | 94,516 | 494,314 | 6,452 | | |
| Total PCAM Revenue Requirements | 155,885,182 | 31,195,071 | 31,195,071 | 61,133,501 | 298,795 | 45,317 | 38,115 | 2,358 | 2,358 | | |
| Class Revenue | 378,290,839 | 76,266,166 | 97,164,966 | 92,514,854 | 108,206,626 | 1,054,510 | 137,571 | 694,569 | 5,291 | | |
| Increase / (Decrease) Required to Earn Target Rate of Return | 36,056,960 | 7,240,892 | 1,375,130 | 9,472,511 | 18,188,723 | (81,636) | 19,532 | (162,140) | 1,696 | | |
| Percent % | 9.53% | 9.49% | 1.42% | 10.24% | 16.81% | -7.74% | 0.87% | -23.34% | 31.87% | | |

Generation Summary
 Cost Of Service By Rate Schedule - Generation Function
 State of Wyoming
 Revised Protocol
 12 Months Ending August 2008

| A | B | C | D | E | F | G | H | I | J | K | L |
|---|------------------------------------|--------------------|-------------------------|---------------------------|--------------------------------|--------------------|-----------------------------------|---------------------|--|------------------------------------|---|
| DESCRIPTION | Wyo - Comb Jurisdiction Normalized | Residential Sch. 2 | General Service Sch. 2S | Lrg Power Service Sch. 4S | Lrg Power Service Sch. 4S Trns | Irrigation Sch. 40 | Street & Area Lighting Sch. 1S1S3 | Irrigation Sch. 210 | Street & Area Lighting Sch. 207,21,1,412 | Traffic Signs Outdoor Lgt Sch. 212 | |
| Operating Expenses | 453,357,082 | 64,549,514 | 96,952,713 | 119,546,399 | 170,504,788 | 891,810 | 685,004 | 131,784 | 88,812 | 5,857 | |
| Depreciation Expense | 29,238,842 | 4,346,670 | 6,504,008 | 7,533,137 | 10,667,902 | 57,567 | 35,037 | 4,484 | 4,650 | 335 | |
| Amortization Expense | 4,409,254 | 737,992 | 1,071,373 | 1,242,090 | 1,738,503 | 8,504 | 7,410 | 1,393 | 1,030 | 59 | |
| Taxes Other Than Income | 5,448,729 | 805,350 | 1,200,591 | 1,415,118 | 2,003,336 | 10,624 | 7,161 | 1,567 | 976 | 65 | |
| Income Taxes - Federal | (4,606,020) | (680,793) | (1,014,966) | (1,199,635) | (1,693,487) | (6,981) | (774) | (1,325) | (774) | (55) | |
| Income Taxes - State | (228,107) | (33,715) | (50,262) | (59,410) | (83,866) | (445) | (300) | (66) | (38) | (3) | |
| Income Taxes Deferred | 10,728,057 | 1,585,662 | 2,363,856 | 2,794,116 | 3,944,389 | 20,919 | 14,100 | 3,085 | 1,803 | 137 | |
| Investment Tax Credit Adj | (135,338) | (20,004) | (29,821) | (35,249) | (45,780) | (264) | (178) | (39) | (23) | (2) | |
| Misc Revenues & Expense | (865,613) | (115,203) | (172,940) | (233,649) | (340,059) | (1,615) | (214) | (243) | (214) | (13) | |
| Total Operating Expenses | 497,756,886 | 71,175,473 | 106,834,613 | 131,066,917 | 185,711,735 | 979,120 | 741,854 | 144,640 | 96,162 | 6,371 | |
| Rate Base : | 1,211,161,409 | 179,087,649 | 287,157,845 | 315,525,792 | 444,934,825 | 2,335,221 | 1,574,679 | 344,478 | 202,681 | 14,239 | |
| Electric Plant In Service | 11,609,133 | 1,717,302 | 2,578,053 | 3,019,900 | 4,251,492 | 22,667 | 14,377 | 3,356 | 1,852 | 134 | |
| Plant Held For Future Use | 2,627,313 | 717,239 | 557,716 | 551,846 | 774,689 | 6,774 | 16,411 | 825 | 1,719 | 93 | |
| Electric Plant Acquisition Adj | 16,219,855 | 2,172,726 | 3,239,628 | 4,380,181 | 6,358,371 | 28,695 | 31,475 | 4,311 | 4,019 | 245 | |
| Nuclear Fuel | 15,196,576 | 2,257,701 | 3,374,149 | 3,947,772 | 5,560,970 | 18,394 | 18,394 | 4,410 | 2,447 | 175 | |
| Prepayments | 9,151,843 | 1,388,532 | 2,022,534 | 2,377,792 | 3,330,607 | 16,058 | 12,233 | 2,336 | 1,885 | 106 | |
| Materials & Supplies | 3,831,991 | 545,591 | 819,557 | 1,010,441 | 1,441,156 | 7,538 | 5,793 | 1,114 | 751 | 50 | |
| Misc Deferred Debits | 897,922 | 128,356 | 192,690 | 236,528 | 336,861 | 1,727 | 1,323 | 257 | 170 | 11 | |
| Cash Working Capital | | | | | | | | | | | |
| Weatherization Loans | | | | | | | | | | | |
| Miscellaneous Rate Base | | | | | | | | | | | |
| Total Rate Base Additions | 1,270,696,043 | 187,995,096 | 279,942,372 | 331,054,252 | 465,988,971 | 2,448,639 | 1,675,349 | 361,087 | 215,223 | 15,053 | |
| Rate Base Deductions : | (467,881,955) | (69,402,489) | (103,174,741) | (121,898,777) | (171,693,902) | (884,388) | (612,921) | (130,318) | (78,923) | (5,495) | |
| Accum Provision For Depreciation | (27,077,925) | (4,060,548) | (6,022,930) | (7,031,472) | (9,889,966) | (52,686) | (37,042) | (7,760) | (5,183) | (316) | |
| Accum Provision For Amortization | (71,782,123) | (10,623,453) | (15,821,793) | (18,690,154) | (26,378,751) | (139,528) | (94,567) | (20,628) | (12,075) | (856) | |
| Accum Deferred Income Taxes | (675,053) | (99,537) | (148,885) | (175,879) | (248,249) | (1,318) | (872) | (195) | (112) | (6) | |
| Unamortized ITC | (17,616,422) | (2,464,625) | (3,692,858) | (4,677,571) | (6,710,245) | (33,444) | (28,766) | (4,991) | (3,683) | (238) | |
| Customer Advance For Construction | | | | | | | | | | | |
| Customer Service Deposits | | | | | | | | | | | |
| Misc Rate Base Deductions | (655,033,478) | (86,650,653) | (128,861,207) | (152,473,853) | (214,891,134) | (1,111,653) | (774,189) | (163,891) | (99,977) | (6,911) | |
| Total Rate Base Deductions | 655,662,655 | 101,344,444 | 151,081,165 | 178,560,400 | 252,097,836 | 1,336,976 | 901,160 | 197,196 | 115,246 | 8,142 | |
| Total Rate Base | 614,033,388 | 76,830,929 | 155,753,448 | 152,506,512 | 213,613,900 | 1,112,663 | 770,689 | 166,444 | 80,917 | 6,929 | |
| Return On Rate Base | 6.74% | 6.828,415 | 10,179,590 | 12,032,441 | 16,985,920 | 90,083 | 60,719 | 13,287 | 7,765 | 549 | |
| Total Operating Expenses | 497,756,886 | 71,175,473 | 106,834,613 | 131,066,917 | 185,711,735 | 979,120 | 741,854 | 144,640 | 96,162 | 6,371 | |
| Revenue Credits | (264,348,612) | (38,743,888) | (58,142,694) | (69,003,786) | (97,472,660) | (515,488) | (346,042) | (76,346) | (44,575) | (3,144) | |
| Total Revenue Requirements | 233,408,274 | 32,431,585 | 48,691,919 | 62,063,131 | 88,239,075 | 463,632 | 395,812 | 68,294 | 51,587 | 3,225 | |
| Return On Rate Base @ Target ROR | 8.5473% | 6,662,193 | 12,913,330 | 15,263,767 | 21,547,508 | 114,275 | 77,025 | 16,855 | 9,850 | 696 | |
| Total Operating Expenses Adjusted for Taxes | 505,439,763 | 72,311,044 | 108,527,488 | 133,067,923 | 189,536,509 | 994,101 | 751,951 | 146,850 | 97,454 | 6,462 | |
| Revenue Credits | (264,348,612) | (38,743,888) | (58,142,684) | (69,003,786) | (97,472,660) | (515,488) | (346,042) | (76,346) | (44,575) | (3,144) | |
| Total Target Revenue Requirements | 241,091,151 | 33,567,156 | 50,384,804 | 64,064,137 | 91,063,849 | 478,613 | 405,909 | 70,504 | 52,879 | 3,318 | |

Transmission Summary

Rocky Mountain Power
 Cost Of Service By Rate Schedule - Transmission Function
 State of Wyoming
 Revised Protocol
 12 Months Ending August 2008

| A | B | C | D | E | F | G | H | I | J | K | L |
|---|-----------------------------------|--------------------|-------------------------|---------------------------|-------------------------------|--------------------|-----------------------------------|---------------------|---|------------------------------------|---|
| DESCRIPTION | Wyo.-Comb Jurisdiction Normalized | Residential Sch. 2 | General Service Sch. 25 | Lrg Power Service Sch. 46 | Lrg Power Service Sch. 48 Tms | Irrigation Sch. 40 | Street & Area Lighting Sch. 15/53 | Irrigation Sch. 210 | Street & Area Lighting Sch. 207,211,212 | Traffic Sgnls Outdoor Lgt Sch. 212 | |
| Operating Expenses | 28,174,366 | 4,219,993 | 6,253,366 | 7,315,949 | 10,246,177 | 55,589 | 39,090 | 8,221 | 5,652 | 329 | |
| Operation & Maintenance Expenses | 10,702,592 | 1,583,333 | 2,376,700 | 2,784,066 | 3,919,419 | 20,891 | 13,258 | 3,092 | 1,708 | 123 | |
| Depreciation Expense | 1,311,205 | 193,968 | 291,210 | 341,103 | 480,235 | 2,562 | 1,623 | 379 | 209 | 15 | |
| Amortization Expense | 2,354,543 | 349,266 | 522,322 | 611,985 | 862,376 | 4,598 | 2,924 | 680 | 365 | 27 | |
| Taxes Other Than Income | 1,136,087 | 168,524 | 252,025 | 295,288 | 416,104 | 2,218 | 1,411 | 328 | 176 | 13 | |
| Income Taxes - Federal | 278,112 | 41,254 | 61,685 | 72,286 | 101,861 | 543 | 345 | 80 | 43 | 3 | |
| Income Taxes - State | 4,030,006 | 597,799 | 893,999 | 1,047,466 | 1,476,032 | 7,869 | 5,004 | 1,163 | 626 | 47 | |
| Investment Tax Credit Adj | (55,560) | (8,242) | (12,325) | (14,441) | (20,349) | (108) | (69) | (16) | (9) | (1) | |
| Misc Revenues & Expense | 6,561 | 971 | 1,457 | 1,707 | 2,403 | 13 | 8 | 2 | 1 | 0 | |
| Total Operating Expenses | 47,938,013 | 7,146,867 | 10,670,449 | 12,455,409 | 17,484,258 | 94,175 | 63,695 | 13,930 | 8,772 | 558 | |
| Rate Base : | | | | | | | | | | | |
| Electric Plant In Service | 482,768,016 | 71,505,013 | 107,200,920 | 125,547,855 | 176,747,374 | 942,890 | 601,466 | 139,528 | 77,384 | 5,565 | |
| Plant Held For Future Use | 167,608 | 24,794 | 37,221 | 43,600 | 61,381 | 327 | 208 | 48 | 27 | 2 | |
| Electric Plant Acquisition Adj | | | | | | | | | | | |
| Nuclear Fuel | | | | | | | | | | | |
| Prepayments | 898,224 | 275,859 | 188,370 | 176,267 | 247,347 | 2,492 | 6,950 | 292 | 709 | 38 | |
| Fuel Stock | | | | | | | | | | | |
| Materials & Supplies | 999,232 | 147,642 | 222,031 | 259,774 | 366,101 | 1,990 | 1,229 | 294 | 158 | 12 | |
| Misc Deferred Debits | 4,904,420 | 725,495 | 1,089,130 | 1,275,794 | 1,796,095 | 9,576 | 6,074 | 1,418 | 782 | 57 | |
| Cash Working Capital | 852,694 | 127,718 | 190,165 | 221,416 | 310,099 | 1,662 | 1,163 | 249 | 171 | 10 | |
| Weatherization Loans | | | | | | | | | | | |
| Miscellaneous Rate Base | | | | | | | | | | | |
| Total Rate Base Additions | 490,590,195 | 72,805,521 | 108,927,838 | 127,524,707 | 179,629,397 | 958,957 | 617,010 | 141,930 | 79,232 | 5,703 | |
| Rate Base Deductions : | | | | | | | | | | | |
| Accum Provision For Depreciation | (172,510,441) | (25,521,366) | (38,308,872) | (44,875,236) | (63,175,211) | (335,696) | (213,708) | (49,839) | (27,533) | (1,990) | |
| Accum Provision For Amortization | (10,129,602) | (1,905,089) | (2,304,523) | (2,907,914) | (3,565,053) | (20,932) | (120,900) | (3,984) | (3,902) | (124) | |
| Accum Deferred Income Taxes | (35,061,447) | (5,201,601) | (7,777,394) | (9,112,707) | (12,841,784) | (69,458) | (43,540) | (10,121) | (5,432) | (409) | |
| Unamortized ITC | (277,126) | | (61,484) | (72,092) | (101,578) | (540) | (339) | (60) | (42) | (3) | |
| Customer Advance For Construction | | | | | | | | | | | |
| Customer Service Deposits | | | | | | | | | | | |
| Misc Rate Base Deductions | (2,168,390) | (320,763) | (481,537) | (564,066) | (794,107) | (4,244) | (2,665) | (627) | (346) | (25) | |
| Total Rate Base Deductions | (220,147,006) | (32,855,765) | (48,353,310) | (57,232,005) | (80,475,733) | (430,851) | (281,172) | (63,751) | (37,256) | (2,551) | |
| Total Rate Base | 270,443,189 | 40,115,755 | 59,993,928 | 70,292,702 | 99,052,664 | 528,097 | 335,838 | 78,078 | 41,976 | 3,152 | |
| Return On Rate Base | 6.74% | | | | | | | | | | |
| Total Operating Expenses | 18,221,998 | 2,702,988 | 4,042,388 | 4,735,202 | 6,673,989 | 35,592 | 22,628 | 5,261 | 2,828 | 212 | |
| Revenue Credits | (47,338,013) | (7,146,867) | (10,570,445) | (12,455,409) | (17,484,258) | (94,175) | (63,695) | (13,930) | (8,772) | (58) | |
| Revenue Credits | (43,209,178) | (6,350,615) | (9,522,277) | (11,269,805) | (15,905,793) | (84,135) | (56,300) | (12,467) | (7,274) | (512) | |
| Total Revenue Requirements | 22,956,833 | 3,499,250 | 5,190,460 | 5,921,806 | 8,252,464 | 45,623 | 29,923 | 6,723 | 4,327 | 259 | |
| Return On Rate Base @ Target ROR | 8.55% | | | | | | | | | | |
| Total Operating Expenses Adjusted for Taxes | 23,115,537 | 3,428,891 | 5,127,849 | 6,008,114 | 8,466,309 | 45,138 | 28,705 | 6,674 | 3,568 | 269 | |
| Revenue Credits | (50,968,347) | (7,596,378) | (11,342,885) | (13,243,044) | (18,594,150) | (100,093) | (67,358) | (14,804) | (9,243) | (593) | |
| Revenue Credits | (43,209,178) | (6,350,615) | (9,522,277) | (11,269,805) | (15,905,793) | (84,135) | (56,300) | (12,467) | (7,274) | (512) | |
| Total Target Revenue Requirements | 30,874,706 | 4,674,854 | 6,948,257 | 7,981,353 | 11,154,666 | 61,096 | 39,763 | 9,011 | 5,557 | 351 | |

Distribution Summary

Rocky Mountain Power
 Cost Of Service By Rate Schedule - Distribution Function
 State of Wyoming
 Revised Protocol
 12 Months Ending August 2008

| A DESCRIPTION | B Wy - Comb Jurisdiction Normalized | C | D Residential Sch. 2 | E General Service Sch. 25 | F Lrg Power Service Sch. 46 | G Lrg Power Service Sch. 48 Tms | H Irrigation Sch. 40 | I Street & Area Lighting Sch. 15 / 53 | J Irrigation Sch. 210 | K Street & Area Lighting Sch. 207,211,212 | L Traffic Signals Outdoor Lgt Sch. 212 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---------------|----------------------------|------------------------------------|--------------------------------------|--|----------------------------|--|-----------------------------|--|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| | | | | | | | | | | | | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 |
| Operating Expenses | 26,141,216 | 9,245,823 | 9,477,290 | 5,636,510 | 1,005,953 | 78,735 | 11,741 | 528,170 | 11,741 | 166,456 | 537 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operation & Maintenance Expenses | 16,220,468 | 6,214,667 | 6,214,667 | 3,172,239 | 71,910 | 10,278 | 304,364 | 26,572 | 928 | 84,174 | 326 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation Expense | 1,419,289 | 553,332 | 532,865 | 275,519 | 16,108 | 6,544 | 26,572 | 2,586 | 26,586 | 7,370 | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amortization Expense | 4,074,986 | 1,610,405 | 1,515,076 | 785,109 | 24,758 | 18,240 | 92,263 | 2,586 | 26,586 | 26,456 | 93 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxes Other Than Income | (9,987,856) | (1,575,972) | (1,482,681) | (768,322) | (24,229) | (17,850) | (90,291) | (2,531) | (25,890) | (6,338) | (91) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income Taxes - Federal | (976,220) | (385,785) | (362,565) | (188,084) | (5,931) | (4,370) | (22,103) | (6,200) | (6,338) | (204) | (22) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income Taxes - State | 6,338,743 | 3,532,527 | 3,323,415 | 1,722,186 | 54,308 | 40,010 | 202,386 | 58,033 | 5,673 | 58,033 | 204 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income Taxes Deferred | (62,324) | (24,630) | (23,172) | (12,008) | (379) | (279) | (1,411) | (405) | (40) | (405) | (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Tax Credit Adj | 12,004 | 1,176 | 2,666 | 3,123 | 4,396 | 23 | 15 | 3 | 2 | 2 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Misc Revenues & Expense | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Operating Expenses | 51,760,286 | 19,172,134 | 19,132,681 | 10,526,333 | 1,287,256 | 192,963 | 28,020 | 1,039,865 | 28,020 | 299,857 | 1,076 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rate Base : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electric Plant In Service | 560,223,349 | 218,460,651 | 210,293,660 | 108,729,901 | 6,381,065 | 2,582,882 | 366,276 | 10,488,695 | 366,276 | 2,908,262 | 11,957 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plant Held For Future Use | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electric Plant Acquisition Adj | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nuclear Fuel | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prepayments | 1,011,746 | 544,239 | 301,263 | 122,641 | 7,660 | 4,913 | 22,102 | 577 | 4,285 | 65 | 65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fuel Stock | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Materials & Supplies | 1,958,670 | 758,195 | 732,407 | 381,315 | 30,029 | 9,051 | 36,286 | 23,011 | 1,284 | 10,062 | 42 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Misc Deferred Debits | 1,229,064 | 479,178 | 461,453 | 238,595 | 13,948 | 5,667 | 804 | 25,082 | 568 | 7,430 | 26 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Working Capital | 1,241,399 | 439,067 | 450,059 | 267,668 | 47,771 | 3,739 | 568 | 25,082 | 568 | 7,430 | 26 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weatherization Loans | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Miscellaneous Rate Base | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Rate Base Additions | 565,664,228 | 220,685,330 | 212,238,844 | 109,740,119 | 6,480,473 | 2,606,252 | 369,499 | 10,555,176 | 369,499 | 2,936,420 | 12,115 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rate Base Deductions : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accum Provision For Depreciation | (220,317,109) | (85,265,213) | (84,248,978) | (43,117,738) | (2,848,088) | (1,013,147) | (144,251) | (2,931,773) | (144,251) | (743,593) | (4,300) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accum Provision For Amortization | (13,826,986) | (4,564,742) | (4,524,862) | (2,916,194) | (1,401,837) | (54,616) | (7,780) | (201,416) | (7,780) | (64,848) | (273) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accum Deferred Income Taxes | (58,124,815) | (23,084,075) | (21,655,028) | (11,072,910) | (304,205) | (277,423) | (39,106) | (1,314,883) | (39,106) | (375,855) | (1,327) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unamortized ITC | (310,865) | (122,629) | (115,756) | (59,771) | (2,032) | (1,444) | (204) | (7,012) | (204) | (2,011) | (7) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Customer Advance For Construction | (886,070) | (249,663) | (479,515) | (85,871) | (26,878) | (42,670) | (5,554) | - | (5,554) | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Customer Service Deposits | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Misc Rate Base Deductions | (2,957,182) | (997,423) | (1,011,699) | (616,491) | (261,638) | (11,926) | (44,128) | (44,128) | (1,699) | (12,121) | (57) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Rate Base Deductions | (296,424,609) | (114,283,769) | (112,135,837) | (57,865,974) | (4,844,877) | (1,401,127) | (198,623) | (4,499,212) | (198,623) | (1,188,427) | (5,963) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Rate Base | 269,239,618 | 106,401,562 | 100,103,006 | 51,873,145 | 1,635,796 | 1,205,124 | 170,875 | 6,055,964 | 170,875 | 1,747,993 | 6,152 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Return On Rate Base | 6.74% | 7,169,155 | 6,744,769 | 3,495,124 | 110,217 | 81,199 | 11,513 | 410,736 | 11,513 | 117,777 | 415 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Operating Expenses | 51,760,286 | 19,172,134 | 19,132,681 | 10,526,333 | 1,287,256 | 192,963 | 28,020 | 1,039,865 | 28,020 | 299,857 | 1,076 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue Credits | (6,932,704) | (1,936,733) | (3,000,051) | (1,485,951) | (355,635) | (22,498) | (3,227) | (99,872) | (3,227) | (28,528) | (110) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Revenue Requirements | 62,888,486 | 24,404,556 | 22,877,399 | 12,635,506 | 1,041,839 | 251,664 | 36,306 | 1,350,729 | 36,306 | 389,106 | 1,381 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Return On Rate Base @ Target ROR | 8.55% | 9,094,439 | 8,556,084 | 4,433,743 | 139,816 | 103,005 | 14,605 | 521,039 | 14,605 | 149,406 | 526 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Operating Expenses Adjusted for Taxes | 54,797,134 | 20,364,370 | 20,264,342 | 11,207,575 | 1,305,585 | 206,467 | 29,934 | 1,108,271 | 29,934 | 319,444 | 1,145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue Credits | (6,932,704) | (1,936,733) | (3,000,051) | (1,485,951) | (355,635) | (22,498) | (3,227) | (99,872) | (3,227) | (28,528) | (110) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Target Revenue Requirements | 70,877,095 | 27,522,077 | 25,810,376 | 14,155,367 | 1,089,767 | 286,974 | 41,313 | 1,529,338 | 41,313 | 440,322 | 1,561 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

MISC Summary

Rocky Mountain Power
 Cost Of Service By Rate Schedule - Miscellaneous Function
 State of Wyoming
 Revised Protocol
 12 Months Ending August 2008

| A | B | C | D | E | F | G | H | I | J | K | L |
|--|------------------------------------|--------------------|-------------------------|---------------------------|--------------------------------|--------------------|-------------------------------------|---------------------|---|------------------------------------|---|
| DESCRIPTION | Wyo - Comb Jurisdiction Normalized | Residential Sch. 2 | General Service Sch. 25 | Lrg Power Service Sch. 46 | Lrg Power Service Sch. 48 Trns | Irrigation Sch. 40 | Street & Area Lighting Sch. 15 / 53 | Irrigation Sch. 210 | Street & Area Lighting Sch. 207, 211, 212 | Traffic Sglns Outdoor Lgt Sch. 212 | |
| 14 Operating Expenses | 927,679 | 186,209 | 239,833 | 226,696 | 264,830 | 2,581 | 5,484 | 337 | 1,696 | 13 | |
| 15 Operation & Maintenance Expenses | - | - | - | - | - | - | - | - | - | - | |
| 16 Depreciation Expense | - | - | - | - | - | - | - | - | - | - | |
| 17 Amortization Expense | - | - | - | - | - | - | - | - | - | - | |
| 18 Taxes Other Than Income | 1,265,401 | 232,422 | 307,418 | 317,725 | 398,091 | 2,972 | 5,114 | 434 | 1,209 | 17 | |
| 19 Income Taxes - Federal | (249,944) | (45,908) | (60,722) | (62,757) | (78,631) | (587) | (1,010) | (86) | (239) | (3) | |
| 20 Income Taxes - State | (61,186) | (11,238) | (14,865) | (15,363) | (19,249) | (144) | (247) | (21) | (58) | (1) | |
| 21 Income Taxes Deferred | - | - | - | - | - | - | - | - | - | - | |
| 22 Investment Tax Credit Adj | - | - | - | - | - | - | - | - | - | - | |
| 23 Misc Revenues & Expense | - | - | - | - | - | - | - | - | - | - | |
| 24 Total Operating Expenses | 1,881,950 | 361,484 | 471,665 | 466,300 | 565,040 | 4,822 | 9,341 | 664 | 2,608 | 26 | |
| 25 | | | | | | | | | | | |
| 26 | | | | | | | | | | | |
| 27 | | | | | | | | | | | |
| 28 Rate Base : | | | | | | | | | | | |
| 29 Electric Plant In Service | - | - | - | - | - | - | - | - | - | - | |
| 30 Plant Held For Future Use | - | - | - | - | - | - | - | - | - | - | |
| 31 Electric Plant Acquisition Adj | - | - | - | - | - | - | - | - | - | - | |
| 32 Nuclear Fuel | - | - | - | - | - | - | - | - | - | - | |
| 33 Prepayments | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) | |
| 34 Fuel Stock | - | - | - | - | - | - | - | - | - | - | |
| 35 Materials & Supplies | - | - | - | - | - | - | - | - | - | - | |
| 36 Misc Deferred Debits | 755,023 | 156,979 | 196,103 | 184,061 | 210,377 | 1,960 | 4,192 | 284 | 1,057 | 11 | |
| 37 Cash Working Capital | 16,602 | 3,333 | 4,292 | 4,057 | 4,740 | 46 | 88 | 6 | 30 | 0 | |
| 38 Weatherization Loans | 456,314 | 65,229 | 97,923 | 120,201 | 171,189 | 878 | 672 | 131 | 86 | 6 | |
| 39 Miscellaneous Rate Base | - | - | - | - | - | - | - | - | - | - | |
| 40 Total Rate Base Additions | 1,227,940 | 225,541 | 298,318 | 308,319 | 386,306 | 2,884 | 4,962 | 421 | 1,173 | 17 | |
| 41 | | | | | | | | | | | |
| 42 | | | | | | | | | | | |
| 43 Rate Base Deductions : | | | | | | | | | | | |
| 44 Accum Provision For Depreciation | - | - | - | - | - | - | - | - | - | - | |
| 45 Accum Provision For Amortization | - | - | - | - | - | - | - | - | - | - | |
| 46 Accum Deferred Income Taxes | - | - | - | - | - | - | - | - | - | - | |
| 47 Unamortized ITC | - | - | - | - | - | - | - | - | - | - | |
| 48 Customer Advance For Construction | - | - | - | - | - | - | - | - | - | - | |
| 49 Customer Service Deposits | - | - | - | - | - | - | - | - | - | - | |
| 50 Misc Rate Base Deductions | - | - | - | - | - | - | - | - | - | - | |
| 51 Total Rate Base Deductions | - | - | - | - | - | - | - | - | - | - | |
| 52 | | | | | | | | | | | |
| 53 | | | | | | | | | | | |
| 54 | | | | | | | | | | | |
| 55 | | | | | | | | | | | |
| 56 | | | | | | | | | | | |
| 57 Return On Rate Base | 82,737 | 15,197 | 20,100 | 20,774 | 26,029 | 194 | 334 | 28 | 79 | 1 | |
| 58 Total Operating Expenses | 1,881,950 | 361,484 | 471,665 | 466,300 | 565,040 | 4,822 | 9,341 | 664 | 2,608 | 26 | |
| 59 Revenue Credits | (330,412) | (53,734) | (75,665) | (84,970) | (114,050) | (719) | (947) | (103) | (220) | (4) | |
| 60 Total Revenue Requirements | 1,634,274 | 322,947 | 416,100 | 402,105 | 477,019 | 4,297 | 8,728 | 589 | 2,467 | 23 | |
| 61 | | | | | | | | | | | |
| 62 | | | | | | | | | | | |
| 63 | | | | | | | | | | | |
| 64 Return On Rate Base @ Target ROR | 104,955 | 19,278 | 25,498 | 26,353 | 33,019 | 246 | 424 | 36 | 100 | 1 | |
| 65 Total Operating Expenses Adjusted for Taxes | 1,895,709 | 384,072 | 475,008 | 469,755 | 569,369 | 4,854 | 9,396 | 669 | 2,621 | 26 | |
| 66 Revenue Credits | (330,412) | (53,734) | (75,665) | (84,970) | (114,050) | (719) | (947) | (103) | (220) | (4) | |
| 67 Total Target Revenue Requirements | 1,670,252 | 329,555 | 424,841 | 411,138 | 488,337 | 4,381 | 8,874 | 601 | 2,502 | 23 | |
| 68 | | | | | | | | | | | |

Rocky Mountain Power
Exhibit RMP __.3(EA-3)
Docket No. 20000-__-ER-07
Witness: Ebru Alpaya

BEFORE THE WYOMING PUBLIC SERVICE
COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Ebru Alpaya

Cost of Service Study Work Book

June 2007

**THIS EXHIBIT IS
VOLUMINOUS AND IS
PROVIDED UNDER
SEPARATE COVER**