

Case No. PAC-E-21-07
Exhibit No. 39
Witness: Steven R. McDougal

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Steven R. McDougal

Revenue Requirement Summary

May 2021

Rocky Mountain Power
IDAHO
Results of Operations - 2020 PROTOCOL
12 Months Ended DECEMBER 2020

	(1) Total Results	(2) Price Change	(3) Results with Price Change
1 Operating Revenues:			
2 General Business Revenues	271,491,123	19,031,069	290,522,193
3 Interdepartmental	-		
4 Special Sales	26,532,670		
5 Other Operating Revenues	8,925,427		
6 Total Operating Revenues	<u>306,949,220</u>		
7			
8 Operating Expenses:			
9 Steam Production	59,893,123		
10 Nuclear Production	-		
11 Hydro Production	2,570,259		
12 Other Power Supply	74,662,740		
13 Transmission	13,023,401		
14 Distribution	9,853,900		
15 Customer Accounting	4,657,873	32,165	4,690,038
16 Customer Service & Info	352,925		
17 Sales	-		
18 Administrative & General	8,875,081		
19			
20 Total O&M Expenses	<u>173,889,302</u>		
21			
22 Depreciation	55,431,133		
23 Amortization	10,741,114		
24 Taxes Other Than Income	10,396,520	49,290	10,445,810
25 Income Taxes - Federal	(4,686,047)	3,798,753	(887,294)
26 Income Taxes - State	1,447,140	860,312	2,307,452
27 Income Taxes - Def Net	(1,671,807)		
28 Investment Tax Credit Adj.	(142,935)		
29 Misc Revenue & Expense	(94,333)		
30			
31 Total Operating Expenses:	<u>245,310,086</u>	<u>4,740,521</u>	<u>250,050,607</u>
32			
33 Operating Rev For Return:	<u>61,639,134</u>	<u>14,290,548</u>	<u>75,929,683</u>
34			
35 Rate Base:			
36 Electric Plant In Service	1,741,250,962		
37 Plant Held for Future Use	(0)		
38 Misc Deferred Debits	28,490,611		
39 Elec Plant Acq Adj	160,459		
40 Pensions	466,341		
41 Prepayments	3,149,944		
42 Fuel Stock	13,561,325		
43 Material & Supplies	13,921,070		
44 Working Capital	865,781		
45 Weatherization Loans	1,687,321		
46 Misc Rate Base	-		
47			
48 Total Electric Plant:	<u>1,803,553,813</u>	<u>-</u>	<u>1,803,553,813</u>
49			
50 Rate Base Deductions:			
51 Accum Prov For Deprec	(523,167,385)		
52 Accum Prov For Amort	(38,033,409)		
53 Accum Def Income Tax	(146,398,485)		
54 Unamortized ITC	(36,448)		
55 Customer Adv For Const	(5,426,428)		
56 Customer Service Deposits	-		
57 Misc Rate Base Deductions	(95,886,199)		
58			
59 Total Rate Base Deductions	<u>(808,948,354)</u>	<u>-</u>	<u>(808,948,354)</u>
60			
61 Total Rate Base:	<u>994,605,459</u>	<u>-</u>	<u>994,605,459</u>
62			
63 Return on Rate Base	6.197%		7.634%
64			
65 Return on Equity	7.480%		10.200%
66			
67 TAX CALCULATION:			
68 Operating Revenue	56,585,485	18,949,614	75,535,099
69 Other Deductions			
70 Interest (AFUDC)	(5,519,102)		(5,519,102)
71 Interest	22,327,273	-	22,327,273
72 Schedule "M" Additions	90,852,961	-	90,852,961
73 Schedule "M" Deductions	98,754,956	-	98,754,956
74 Income Before Tax	<u>31,875,320</u>	<u>18,949,614</u>	<u>50,824,933</u>
75			
76 State Income Taxes	1,447,140	860,312	2,307,452
77 Taxable Income	<u>30,428,180</u>	<u>18,089,301</u>	<u>48,517,481</u>
78			
79 Federal Income Taxes + Other	<u>(4,686,047)</u>	<u>3,798,753</u>	<u>(887,294)</u>

Rocky Mountain Power
 IDAHO
 Results of Operations - 2020 PROTOCOL
 12 Months Ended DECEMBER 2020

Net Rate Base	\$ 994,605,459	Ref. Page 1.0
Return on Rate Base Requested	<u>7.634%</u>	Ref. Page 2.1
Revenues Required to Earn Requested Return	75,929,683	
Less Current Operating Revenues	<u>(61,639,134)</u>	
Increase to Current Revenues	14,290,548	
Net to Gross Bump-up	<u>133.17%</u>	
Price Change Required for Requested Return	<u>\$ 19,031,069</u>	
Requested Price Change	\$ 19,031,069	
Uncollectible Percent	0.169%	Ref. Page 1.2
Increased Uncollectible Expense	<u>\$ 32,165</u>	
Requested Price Change	\$ 19,031,069	
Franchise Tax	0.000%	
Revenue Tax	0.000%	
Resource Supplier Tax	0.000%	
Gross Receipts	0.259%	
Increase Taxes Other Than Income	<u>\$ 49,290</u>	
Requested Price Change	\$ 19,031,069	
Uncollectible Expense	(32,165)	
Taxes Other Than Income	(49,290)	
Income Before Taxes	<u>\$ 18,949,614</u>	
State Effective Tax Rate	4.54%	Ref. Page 2.1
State Income Taxes	<u>\$ 860,312</u>	
Taxable Income	\$ 18,089,301	
Federal Income Tax Rate	21.00%	Ref. Page 2.1
Federal Income Taxes	<u>\$ 3,798,753</u>	
Operating Income	100.000%	
Net Operating Income	<u>75.091%</u>	Ref. Page 1.2
Net to Gross Bump-Up	<u>133.17%</u>	

Rocky Mountain Power
IDAHO
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12 Months Ended DECEMBER 2020

Operating Revenue	100.000%
Operating Deductions	
Uncollectible Accounts	0.169% See Note (1) below
Taxes Other - Franchise Tax	0.000%
Taxes Other - Revenue Tax	0.000%
Taxes Other - Resource Supplier	0.000%
PUC Fees Based on General Business Revenues	<u>0.259%</u>
Sub-Total	99.572%
State Income Tax @ 4.54%	<u>4.521%</u>
Sub-Total	95.051%
Federal Income Tax @ 21.00%	<u>19.961%</u>
Net Operating Income	<u><u>75.091%</u></u>

(1) Uncollectible Accounts = 458,857 Pg 2.11, Situs from Account 904
271,491,123 Pg 2.2, General Business Revenues

ROCKY MOUNTAIN POWER

State of Idaho
 Unadjusted, Adjusted & Normalized Results of Operations - 2020 Protocol
 General Rate Case December 2021

	(1) Unadjusted Results	(2) Type 1 Adjustments	(3) Total Adjusted Actual Results	(4) Type 2 Adjustments	(5) Total Annualized Actual Results	(6) Type 3 Adjustments	(7) Total Normalized Results
1 Operating Revenues:							
2 General Business Revenues	291,171,039	(19,249,793)	271,921,247	(430,123)	271,491,123	-	271,491,123
3 Interdepartmental	-	-	-	-	-	-	-
4 Special Sales	10,071,267	-	10,071,267	-	10,071,267	16,461,403	26,532,670
5 Other Operating Revenues	9,006,972	(64,871)	8,942,101	1,395	8,943,495	(18,068)	8,925,427
6 Total Operating Revenues	310,249,279	(19,314,664)	290,934,615	(428,729)	290,505,886	16,443,334	306,949,220
7							
8 Operating Expenses:							
9 Steam Production	61,639,722	595,771	62,235,493	-	62,235,493	(2,342,370)	59,893,123
10 Nuclear Production	-	-	-	-	-	-	-
11 Hydro Production	4,401,964	(1,888,274)	2,513,690	-	2,513,690	56,569	2,570,259
12 Other Power Supply	63,261,903	(303,124)	62,958,778	-	62,958,778	11,703,961	74,662,740
13 Transmission	12,160,756	48,755	12,209,511	-	12,209,511	813,890	13,023,401
14 Distribution	9,564,266	-	9,564,266	-	9,564,266	289,634	9,853,900
15 Customer Accounting	4,481,904	(29)	4,481,875	-	4,481,875	175,998	4,657,873
16 Customer Service	352,056	(4,597)	347,459	-	347,459	5,466	352,925
17 Sales	-	-	-	-	-	-	-
18 Administrative & General	15,360,151	93,444	15,453,596	-	15,453,596	(6,578,515)	8,875,081
19 Total O&M Expenses	171,222,722	(1,458,054)	169,764,668	-	169,764,668	4,124,634	173,889,302
20 Depreciation	40,448,993	(986,110)	39,462,883	2,817,877	42,280,760	13,150,373	55,431,133
21 Amortization	2,682,363	73,633	2,755,996	27,412	2,783,409	7,957,705	10,741,114
22 Taxes Other Than Income	9,794,184	-	9,794,184	-	9,794,184	602,336	10,396,520
23 Income Taxes - Federal	6,259,389	(3,657,426)	2,601,963	(89,093)	2,512,870	(7,198,917)	(4,686,047)
24 Income Taxes - State	2,576,412	(828,306)	1,748,106	(20,177)	1,727,929	(280,790)	1,447,140
25 Income Taxes - Def Net	(14,927,970)	14,896,359	(31,611)	(699,560)	(731,171)	(940,636)	(1,671,807)
26 Investment Tax Credit Adj.	(250,976)	-	(250,976)	-	(250,976)	108,042	(142,935)
27 Misc Revenue & Expense	(128,645)	34,312	(94,333)	-	(94,333)	-	(94,333)
28 Total Operating Expenses:	217,676,471	8,074,408	225,750,879	2,036,459	227,787,339	17,522,747	245,310,086
29							
30 Operating Rev For Return:	92,572,807	(27,389,072)	65,183,735	(2,465,188)	62,718,547	(1,079,413)	61,639,134
31							
32 Rate Base:							
33 Electric Plant In Service	1,697,919,263	5,560,200	1,703,479,462	-	1,703,479,462	37,771,499	1,741,250,962
34 Plant Held for Future Use	606,721	(606,721)	-	-	-	-	-
35 Misc Deferred Debits	41,403,779	(23,525,794)	17,877,985	-	17,877,985	10,612,627	28,490,611
36 Elec Plant Acq Adj	521,564	-	521,564	-	521,564	(361,105)	160,459
37 Pensions	1,598,232	(1,131,891)	466,341	-	466,341	-	466,341
38 Prepayments	3,149,944	-	3,149,944	-	3,149,944	-	3,149,944
39 Fuel Stock	14,199,711	-	14,199,711	-	14,199,711	(638,386)	13,561,325
40 Material & Supplies	14,261,191	-	14,261,191	-	14,261,191	(340,121)	13,921,070
41 Working Capital	897,265	(11,138)	886,126	(205)	885,922	(20,141)	865,781
42 Weatherization Loans	1,687,321	-	1,687,321	-	1,687,321	-	1,687,321
43 Misc Rate Base	-	-	-	-	-	-	-
44 Total Electric Plant:	1,776,244,989	(19,715,345)	1,756,529,645	(205)	1,756,529,440	47,024,373	1,803,553,813
45							
46 Rate Base Deductions:							
47 Accum Prov For Deprec	(512,940,617)	-	(512,940,617)	-	(512,940,617)	(10,226,768)	(523,167,385)
48 Accum Prov For Amort	(38,063,374)	-	(38,063,374)	-	(38,063,374)	29,865	(38,033,409)
49 Accum Def Income Tax	(144,690,910)	3,542,563	(141,148,346)	699,560	(140,448,786)	(5,949,699)	(146,398,485)
50 Unamortized ITC	(41,878)	-	(41,878)	-	(41,878)	5,430	(36,448)
51 Customer Adv For Const	(5,020,919)	(405,509)	(5,426,428)	-	(5,426,428)	-	(5,426,428)
52 Customer Service Deposits	-	-	-	-	-	-	-
53 Misc Rate Base Deductions	(118,914,627)	16,230,971	(102,683,656)	-	(102,683,656)	6,797,458	(95,886,199)
54							
55 Total Rate Base Deductions	(819,672,325)	19,368,025	(800,304,300)	699,560	(799,604,740)	(9,343,614)	(808,948,354)
56							
57 Total Rate Base:	956,572,664	(347,319)	956,225,345	699,355	956,924,700	37,680,759	994,605,459
58							
59 Return on Rate Base	9.678%	-	6.817%	-	6.554%	-	6.197%
60 Return on Equity	14.068%	-5.415%	8.653%	-0.497%	8.156%	-0.675%	7.480%
61							
62 TAX CALCULATION:							
63 Operating Revenue	86,229,662	(16,978,445)	69,251,217	(3,274,018)	65,977,199	(9,391,714)	56,585,485
64 Other Deductions	-	-	-	-	-	-	-
65 Interest (AFUDC)	(5,519,102)	-	(5,519,102)	-	(5,519,102)	-	(5,519,102)
66 Interest	21,184,877	280,834	21,465,710	15,699	21,481,410	845,864	22,327,273
67 Schedule "M" Additions	67,372,942	(738,417)	66,634,525	2,845,289	69,479,814	21,373,148	90,852,961
68 Schedule "M" Deductions	81,187,665	246,925	81,434,590	-	81,434,590	17,320,396	98,754,956
69 Income Before Tax	56,749,164	(18,244,621)	38,504,543	(444,428)	38,060,116	(6,184,796)	31,875,320
70							
71 State Income Taxes	2,576,412	(828,306)	1,748,106	(20,177)	1,727,929	(280,790)	1,447,140
72 Taxable Income	54,172,752	(17,416,315)	36,756,437	(424,251)	36,332,186	(5,904,006)	30,428,180
73							
74 Federal Income Taxes + Other	6,259,389	(3,657,426)	2,601,963	(89,093)	2,512,870	(7,198,917)	(4,686,047)

(2) Type 1 adjustments involve normalization for out of period historical and unusual items that occur during the Base Period.

(4) Type 2 adjustments annualizes changes that occurred during the Base Period.

(6) Type 3 adjustments are known and measurable items that will occur in a future period.

IDAHO SUMMARY OF ADJUSTMENTS TOTAL

	Total Adjustments	Revenue Adjustments (Tab 3)	O&M Adjustments (Tab 4)	Net Power Cost Adjustments (Tab 5)	Depreciation & Amortization (Tab 6)	Tax Adjustments (Tab 7)	Misc Rate Base Adjustments (Tab 8)
1 Operating Revenues:							
2 General Business Revenues	(19,679,916)	(19,679,916)	-	-	-	-	-
3 Interdepartmental	-	-	-	-	-	-	-
4 Special Sales	16,461,403	-	-	16,461,403	-	-	-
5 Other Operating Revenues	(81,545)	128,700	(210,246)	-	-	-	-
6 Total Operating Revenues	(3,300,058)	(19,551,215)	(210,246)	16,461,403	-	-	-
7							
8 Operating Expenses:							
9 Steam Production	(1,746,599)	-	846,699	(2,071,418)	59,573	-	(581,453)
10 Nuclear Production	-	-	-	-	-	-	-
11 Hydro Production	(1,831,705)	-	(1,847,499)	-	15,794	-	-
12 Other Power Supply	11,400,837	-	(227,633)	10,757,967	9,896	-	860,607
13 Transmission	862,645	-	110,293	744,286	8,067	-	-
14 Distribution	289,634	-	256,067	-	33,568	-	-
15 Customer Accounting	175,969	-	164,480	-	11,489	-	-
16 Customer Service & Info	869	-	236	-	634	-	-
17 Sales	-	-	-	-	-	-	-
18 Administrative & General	(6,485,070)	-	(5,762,495)	-	12,859	-	(735,434)
19 Total O&M Expenses	2,666,580	-	(6,458,853)	9,430,835	151,878	-	(456,281)
20 Depreciation	14,982,139	-	-	1,842	11,727,229	-	3,253,068
21 Amortization	8,058,751	-	-	6,989	2,548,140	-	5,503,622
22 Taxes Other Than Income	602,336	-	-	-	-	602,336	-
23 Income Taxes: Federal	(10,945,436)	(3,919,354)	(227,360)	1,393,015	(140,359)	(6,193,876)	(1,857,502)
24 State	(1,129,273)	(887,625)	(51,491)	315,479	(31,787)	(53,176)	(420,673)
25 Deferred Income Taxes	13,256,163	-	1,806,929	17,912	(3,375,027)	14,441,640	364,709
26 Investment Tax Credit Adj.	108,042	-	-	-	-	108,042	-
27 Misc Revenue & Expense	34,312	-	34,312	-	-	-	-
28 Total Operating Expenses:	27,633,615	(4,806,979)	(4,897,463)	11,166,072	10,880,074	8,904,966	6,386,944
29							
30 Operating Rev For Return:	(30,933,673)	(14,744,236)	4,687,217	5,295,330	(10,880,074)	(8,904,966)	(6,386,944)
31							
32 Rate Base:							
33 Electric Plant In Service	43,331,699	-	-	266,377	-	-	43,065,322
34 Plant Held for Future Use	(606,721)	-	-	-	-	-	(606,721)
35 Misc Deferred Debits	(12,913,167)	-	-	-	2,214,806	-	(15,127,974)
36 Elec Plant Acq Adj	(361,105)	-	-	-	-	-	(361,105)
37 Pensions	(1,131,891)	-	-	-	-	-	(1,131,891)
38 Prepayments	-	-	-	-	-	-	-
39 Fuel Stock	(638,386)	-	-	-	-	-	(638,386)
40 Material & Supplies	(340,121)	-	-	-	-	-	(340,121)
41 Working Capital	(31,484)	-	-	-	-	-	(31,484)
42 Weatherization Loans	-	-	-	-	-	-	-
43 Misc Rate Base	-	-	-	-	-	-	-
44 Total Electric Plant:	27,308,824	-	-	266,377	2,214,806	-	24,827,640
45							
46 Deductions:							
47 Accum Prov For Deprec	(10,226,768)	-	-	(1,842)	(8,586,782)	-	(1,638,144)
48 Accum Prov For Amort	29,965	-	-	(6,989)	(76,460)	-	113,414
49 Accum Def Income Tax	(1,707,575)	-	(2,408,178)	666	2,648,379	(2,898,171)	949,729
50 Unamortized ITC	5,430	-	-	-	-	5,430	-
51 Customer Adv For Const	(405,509)	-	-	-	-	-	(405,509)
52 Customer Service Deposits	-	-	-	-	-	-	-
53 Miscellaneous Deductions	23,028,429	-	7,906,403	-	(1,108,945)	11,278,309	4,952,662
54							
55 Total Deductions:	10,723,972	-	5,498,225	(8,165)	(7,123,807)	8,385,568	3,972,152
56							
57 Total Rate Base:	38,032,796	-	5,498,225	258,212	(4,909,001)	8,385,568	28,799,792
58							
59							
60 Estimated ROE impact	-6.588%	-2.918%	0.818%	1.043%	-2.070%	-1.906%	-1.762%
61							
62							
63							
64 TAX CALCULATION:							
65							
66 Operating Revenue	(29,644,177)	(19,551,215)	6,215,295	7,021,737	(14,427,247)	(602,336)	(8,300,410)
67 Other Deductions	-	-	-	-	-	-	-
68 Interest (AFUDC)	-	-	-	-	-	-	-
69 Interest	1,142,397	-	211	-	-	1,142,186	-
70 Schedule "M" Additions	23,480,020	-	(113,544)	8,831	13,727,083	573,250	9,284,399
72 Schedule "M" Deductions	17,567,291	-	7,235,698	81,682	-	-	10,249,911
73 Income Before Tax	(24,873,845)	(19,551,215)	(1,134,158)	6,948,886	(700,164)	(1,171,272)	(9,265,921)
74							
76 State Income Taxes	(1,129,273)	(887,625)	(51,491)	315,479	(31,787)	(53,176)	(420,673)
77 Taxable Income	(23,744,572)	(18,663,590)	(1,082,667)	6,633,406	(668,377)	(1,118,096)	(8,845,248)
78							
79 Federal Income Taxes	(10,945,436)	(3,919,354)	(227,360)	1,393,015	(140,359)	(6,193,876)	(1,857,502)