

EXHIBIT A

Rocky Mountain Power
Exhibit RMP___(SRM-1)
Docket No. 07-
Witness: Steven R. McDougal

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Steven R. McDougal
Results of Operations - Test Period

December 2007

Rocky Mountain Power
UTAH
Normalized Results of Operations - REVISED PROTOCOL
Twelve Months Ending June 30, 2009

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| | | |
|--|---------------------------|--------------------|
| (1) June 2009 Rolled-In Revenue Requirement | 1,566,425,726 | Page 1.4 |
| (2) Rate Mitigation Cap | 101.19% | See row (13) below |
| (3) Capped Revised Protocol Revenue Requirement | 1,585,027,032 | |
| (4) Normalized June 2009 General Business Revenues | 1,423,797,946 | Page 1.1 |
| (5) Capped Revised Protocol Price Change | <u>161,229,086</u> | |

Revised Protocol

| | | |
|--|----------------------------|------------|
| (6) Filed Revised Protocol Revenue Requirement | 1,607,228,150 | Page 1.1 |
| (7) Normalized June 2009 General Business Revenues | 1,423,797,946 | Page 1.1 |
| (8) Revised Protocol Price Change | 183,430,204 | Page 1.1 |
| (9) Capped Revised Protocol Price Change | 161,229,086 | From Above |
| (10) Reduction to Revised Protocol Revenue Requirement | <u>(22,201,118)</u> | |
| (11) Rate Mitigation Cap from July 2008 to March 2009 (9 months @ %101.25) | 75.94% | |
| (12) Rate Mitigation Cap from April 2009 to June 2009 (3 months @ %101.00) | 25.25% | |
| (13) Rate Mitigation Cap | <u><u>101.19%</u></u> | |

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Normalized Results of Operations - REVISED PROTOCOL
Twelve Months Ending June 30, 2009

| | (1) Total Adjusted Results | (2) Price Change | (3) Results with Price Change |
|---------------------------------|----------------------------------|---------------------|-------------------------------------|
| 1 Operating Revenues: | | | |
| 2 General Business Revenues | 1,423,797,946 | 183,430,204 | 1,607,228,150 |
| 3 Interdepartmental | - | | |
| 4 Special Sales | 475,021,230 | | |
| 5 Other Operating Revenues | 64,712,757 | | |
| 6 Total Operating Revenues | <u>1,963,531,933</u> | | |
| 7 | | | |
| 8 Operating Expenses: | | | |
| 9 Steam Production | 360,116,115 | | |
| 10 Nuclear Production | - | | |
| 11 Hydro Production | 15,076,131 | | |
| 12 Other Power Supply | 726,917,556 | | |
| 13 Transmission | 66,329,369 | | |
| 14 Distribution | 96,225,704 | | |
| 15 Customer Accounting | 41,008,205 | 406,836 | 41,415,041 |
| 16 Customer Service & Info | 9,306,998 | | |
| 17 Sales | - | | |
| 18 Administrative & General | 82,314,722 | | |
| 19 | | | |
| 20 Total O&M Expenses | <u>1,397,294,800</u> | | |
| 21 | | | |
| 22 Depreciation | 192,076,025 | | |
| 23 Amortization | 24,803,851 | | |
| 24 Taxes Other Than Income | 40,663,059 | - | 40,663,059 |
| 25 Income Taxes - Federal | (2,183,666) | 61,149,937 | 58,966,271 |
| 26 Income Taxes - State | 1,257,819 | 8,309,261 | 9,567,079 |
| 27 Income Taxes - Def Net | 52,862,186 | | |
| 28 Investment Tax Credit Adj. | (1,610,139) | | |
| 29 Misc Revenue & Expense | (6,780,649) | | |
| 30 | | | |
| 31 Total Operating Expenses: | <u>1,698,383,286</u> | <u>69,866,035</u> | <u>1,768,249,321</u> |
| 32 | | | |
| 33 Operating Rev For Return: | <u>265,148,646</u> | <u>113,564,170</u> | <u>378,712,816</u> |
| 34 | | | |
| 35 Rate Base: | | | |
| 36 Electric Plant In Service | 7,651,748,159 | | |
| 37 Plant Held for Future Use | 3,208,077 | | |
| 38 Misc Deferred Debits | 35,954,822 | | |
| 39 Elec Plant Acq Adj | 28,185,374 | | |
| 40 Nuclear Fuel | - | | |
| 41 Prepayments | 17,722,168 | | |
| 42 Fuel Stock | 50,604,514 | | |
| 43 Material & Supplies | 63,990,565 | | |
| 44 Working Capital | 35,057,486 | | |
| 45 Weatherization Loans | 6,317,148 | | |
| 46 Misc Rate Base | 1,773,719 | | |
| 47 | | | |
| 48 Total Electric Plant: | <u>7,894,562,031</u> | <u>-</u> | <u>7,894,562,031</u> |
| 49 | | | |
| 50 Rate Base Deductions: | | | |
| 51 Accum Prov For Deprec | (2,637,754,987) | | |
| 52 Accum Prov For Amort | (187,964,809) | | |
| 53 Accum Def Income Tax | (594,495,468) | | |
| 54 Unamortized ITC | (172,587) | | |
| 55 Customer Adv For Const | (8,076,600) | | |
| 56 Customer Service Deposits | (10,294,490) | | |
| 57 Misc Rate Base Deductions | (45,760,879) | | |
| 58 | | | |
| 59 Total Rate Base Deductions | <u>(3,484,519,820)</u> | <u>-</u> | <u>(3,484,519,820)</u> |
| 60 | | | |
| 61 Total Rate Base: | <u>4,410,042,211</u> | <u>-</u> | <u>4,410,042,211</u> |
| 62 | | | |
| 63 Return on Rate Base | 6.012% | | 8.588% |
| 64 | | | |
| 65 Return on Equity | 5.769% | | 10.750% |
| 66 | | | |
| 67 TAX CALCULATION: | | | |
| 68 Operating Revenue | 315,474,846 | 183,023,368 | 498,498,214 |
| 69 Other Deductions | | | |
| 70 Interest (AFUDC) | | | |
| 71 Interest | 132,659,362 | - | 132,659,362 |
| 72 Schedule "M" Additions | 321,867,417 | - | 321,867,417 |
| 73 Schedule "M" Deductions | 467,315,636 | - | 467,315,636 |
| 74 Income Before Tax | <u>37,367,265</u> | <u>183,023,368</u> | <u>220,390,633</u> |
| 75 | | | |
| 76 State Income Taxes | 1,257,819 | 8,309,261 | 9,567,079 |
| 77 Taxable Income | <u>36,109,447</u> | <u>174,714,107</u> | <u>210,823,554</u> |
| 78 | | | |
| 79 Federal Income Taxes + Other | <u>(2,183,666)</u> | <u>61,149,937</u> | <u>58,966,271</u> |

Rocky Mountain Power
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Normalized Results of Operations - REVISED PROTOCOL
Twelve Months Ending June 30, 2009

| | | |
|--|-----------------------|---------------|
| Net Rate Base | \$ 4,410,042,211 | Ref. Page 1.1 |
| Return on Rate Base Requested | <u>8.588%</u> | Ref. Page 2.1 |
| Revenues Required to Earn Requested Return | 378,712,816 | |
| Less Current Operating Revenues | <u>(265,148,646)</u> | |
| Increase to Current Revenues | 113,564,170 | |
| Net to Gross Bump-up | <u>161.52%</u> | |
| Price Change Required for Requested Return | <u>\$ 183,430,204</u> | |
| Requested Price Change | \$ 183,430,204 | |
| Uncollectible Percent | <u>0.222%</u> | Ref. Page 1.3 |
| Increased Uncollectible Expense | <u>\$ 406,836</u> | |
| Requested Price Change | \$ 183,430,204 | |
| Franchise Tax | 0.000% | Ref. Page 1.3 |
| Revenue Tax | 0.000% | Ref. Page 1.3 |
| Resource Supplier Tax | 0.000% | Ref. Page 1.3 |
| Gross Receipts | 0.000% | Ref. Page 1.3 |
| Increase Taxes Other Than Income | <u>\$ -</u> | |
| Requested Price Change | \$ 183,430,204 | |
| Uncollectible Expense | (406,836) | |
| Taxes Other Than Income | - | |
| Income Before Taxes | <u>\$ 183,023,368</u> | |
| State Effective Tax Rate | <u>4.54%</u> | Ref. Page 2.1 |
| State Income Taxes | <u>\$ 8,309,261</u> | |
| Taxable Income | \$ 174,714,107 | |
| Federal Income Tax Rate | <u>35.00%</u> | Ref. Page 2.1 |
| Federal Income Taxes | <u>\$ 61,149,937</u> | |
| Operating Income | 100.000% | |
| Net Operating Income | <u>61.911%</u> | Ref. Page 1.3 |
| Net to Gross Bump-Up | <u>161.52%</u> | |

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| | |
|---------------------------------|---------------------------|
| Operating Revenue | 100.000% |
| Operating Deductions | |
| Uncollectible Accounts | 0.222% See Note (1) Below |
| Taxes Other - Franchise Tax | 0.000% |
| Taxes Other - Revenue Tax | 0.000% |
| Taxes Other - Resource Supplier | 0.000% |
| Taxes Other - Gross Receipts | <u>0.000%</u> |
| Sub-Total | 99.778% |
| State Income Tax @ 4.54% | <u>4.530%</u> |
| Sub-Total | 95.248% |
| Federal Income Tax @ 35.00% | <u>33.337%</u> |
| Net Operating Income | <u><u>61.911%</u></u> |

(1) Uncollectible Accounts = 3,157,891 Pg 2.12, Utah Situs from Account 904
1,423,797,946 Pg. 2.2, General Business Revenues