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EBA PRELIMINARY EVALUATION SURVEY

FEBRUARY 18, 2014

Dear Stakeholder:

As an intervenor in the PacifiCorp energy balancing account docket (Docket No. 09-035-15), you are probably aware that the Utah Public Service Commission (Commission) ordered the Division of Public Utilities (Division) to provide to the Commission a preliminary evaluation of PacifiCorp's energy balancing account (EBA) in the first half of 2014. The EBA was set up by the Commission as a pilot program with a four year time period. The Division is seeking stakeholder comments on the EBA program to date as part of our evaluation. After the Division files its evaluation with the Commission, the Commission may provide an opportunity for interested parties to comment on the Division's preliminary evaluation of the EBA.

Please provide brief comments to the following questions or statements reflecting your perception and opinion regarding the EBA. Unless you wish to identify yourself, you may return this survey anonymously. Any quotations in the Division's report from responses to this survey will be anonymous, even from those respondents who identified themselves. The Division will keep e-mailed attachments and will not add identifications to the attachments, but will delete the e-mails themselves. However, your responses may be subject to a government records (GRAMA) request by a third party. Feel free to attach any additional comments to your response and return your responses to

Division of Public Utilities
c/o Charles Peterson
chpeterson@utah.gov

Fax: 801-530-6512

If you have any questions, please contact Charles Peterson at 801-530-6686. Thank you for your responses and interest in the EBA process in Utah. **Please respond by March 20, 2014.**

EBA Preliminary Evaluation Survey

1. As an incentive for PacifiCorp to minimize its power costs, the EBA pilot program provides for a 70-30 sharing mechanism. That is, if PacifiCorp is over a baseline amount on its power costs, it recovers 70 percent of the amount over the baseline; if the Company is under the baseline it returns 70 percent of the difference to ratepayers.

a. Do you believe the current 70-30 sharing mechanism is fair and reasonable? Please explain.

b. If a different sharing ratio were to be adopted, what would you recommend as the new sharing ratio? Please explain.

2. Generally, the EBA pilot program allows PacifiCorp to recover or refund net power costs, above or below the baseline, from all components of net power costs including natural gas commodity costs, coal commodity costs, short and long term wholesale electricity purchases (including hourly “balancing” purchases), geothermal production costs, and third party transmission costs.

a. Do you believe that the EBA includes the appropriate net power cost components? Please explain.

b. Do you believe that variability of some components’ costs is completely uncontrollable by PacifiCorp? Please explain and identify the costs you believe are uncontrollable.

c. If you identified uncontrollable cost components, do you believe that a sharing percentage should be applied to these uncontrollable components in the EBA? Please explain.

3. Do you believe that the EBA pilot program has had an effect on the PacifiCorp's resource portfolio both its current portfolio and its IRP preferred portfolio? Please briefly explain your answer.

4. Do you believe the EBA pilot program has affected PacifiCorp's hedging decisions? Please briefly explain.

5. Do you believe the EBA pilot program has affected the level of PacifiCorp's reliance on market purchases? Please briefly explain.

10. Do you believe PacifiCorp has and is making reasonable efforts to control net power cost variability beyond its efforts to establish an EBA, or similar mechanisms, in its service territories? Please explain.

11. Please identify and explain any other issues with the EBA that you want to bring to the Division's attention.