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May 18, 2012

**VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY**

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City UT 84111

Attention: Gary Widerburg
Commission Secretary

**Re: Energy Balancing Account
Docket No. 11-035-T10 & Docket No. 12-035-67
Compliance Filing**

In compliance with the Commission’s orders in the above referenced dockets, enclosed for filing are an original and two copies of Electric Service Schedule 94, Energy Balancing Account (EBA) Pilot Program. Also included in the enclosed CD are the workpapers supporting the EBA rate spread and rate design. The Company will also provide an electronic version of this filing to psc@utah.gov. The Company respectfully requests an effective date of June 1, 2012.

Fourth Revision of Sheet No. B.1		Electric Service Schedules
Original Sheet No. 94.1	Schedule 94	Energy Balancing Account (EBA)
Original Sheet No. 94.2	Schedule 94	Energy Balancing Account (EBA)
Original Sheet No. 94.3	Schedule 94	Energy Balancing Account (EBA)
Original Sheet No. 94.4	Schedule 94	Energy Balancing Account (EBA)
Original Sheet No. 94.5	Schedule 94	Energy Balancing Account (EBA)
Original Sheet No. 94.6	Schedule 94	Energy Balancing Account (EBA)
Original Sheet No. 94.7	Schedule 94	Energy Balancing Account (EBA)
Original Sheet No. 94.8	Schedule 94	Energy Balancing Account (EBA)
Original Sheet No. 94.9	Schedule 94	Energy Balancing Account (EBA)

In response to the direction given in the Commission’s May 1, 2012 order on the EBA tariff in Docket 11-035-T10, the following changes have been made to the version of Schedule 94 filed December 12, 2011:

Application – The language on the application of the EBA to special contracts has been replaced with the language directly from the statute.

EBA Deferral Account Balance – the language has been changed to reflect the Division’s unopposed modification to this definition.

Applicable FERC Accounts – The Division’s medium level of FERC and SAP account detail has been added to the tariff. In its order the Commission agreed with the Division’s recommendation to attach the detailed listing of accounts to the end of Schedule 94. To avoid the duplication of including both the Company’s proposed FERC account listing in the body of the tariff and a detailed account listing at the end of the tariff, the medium level of FERC and SAP account detail has been placed in the body of the tariff.

EBA Rate Determination – In its order the Commission approved two approaches for the allocation of EBA costs to rate schedules. For the 2012 EBA rate change is to be allocated on the basis of the total rate spread in the last general rate case. Subsequent EBA rate changes are to be allocated using the Composite NPC Allocator. To avoid confusion and to make the tariff language apply to both the 2012 and future EBA rate changes, the reference to the “rate spread approved by the Commission in the most recent general rate case” has been modified to read “rate spread approved by the Commission.”

Monthly Bill – As in the Application paragraph, the reference to special contracts has been replaced with the language directly from the statute.

In response to the direction given in the bench order issued in Docket 12-035-67 at the May 14, 2012 hearing, the Company has made the following additional changes to the version of Schedule 94 filed December 12, 2011:

EBA Rate Determination – In its bench order the Commission directed the Company to develop the 2012 EBA Rate using the billing determinants from the last general rate case without adjustment. In response to this direction, the tariff language reference to “for the EBA Rate Effective Period” was removed from the description of how the EBA rate will be determined. The new sentence now reads “The new EBA rate will be determined by dividing the EBA Deferral Account Balance allocated to each rate schedule and applicable contract by the schedule or contract forecasted Power Charge and Energy Charge revenues”

The workpapers showing the development of the EBA rate spread and rate design were prepared in compliance with the Commission bench order referenced above to develop the 2012 EBA Rate using the billing determinants from the last general rate case without adjustment.

Questions regarding this filing may be directed to Dave Taylor at (801) 220-2923.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation & Government Affairs

Enclosures