

**UIEC Data Request 15.46**

Is the price PacifiCorp charges in the wholesale market the highest incremental cost PacifiCorp faces for power at the time the sale occurs or some other price? If some other price, please explain a) how the price of that power is developed, and b) why the highest cost of power experienced by PacifiCorp during the hour in which the power is sold is not the proper basis for costing the power sold by PacifiCorp in the wholesale market.

**Response to UIEC Data Request 15.46**

The price the Company charges in the wholesale market is not based on the Company highest incremental cost. The price is determined by the aggregate of the wholesale market participants through the process of willing buyers and willing sellers transacting. The Company does not attempt to manipulate wholesale market prices. If the wholesale market price is less than the variable cost of a Company-owned or contracted generator, then the Company reduces generation and purchases power or avoids selling power in the wholesale market. Conversely, if the wholesale market price is greater than the variable cost of a Company-owned or contracted generator, then the Company generates power to sell or to avoid purchases in the wholesale market. This process is applied to the Company's generation fleet and is subject to generator capabilities and operating reserve requirements, among other restrictions.