

EBA Additional Filing Requirement 6

Please provide a summary of all settlements, liquidated damages, fines or penalties included in the energy balancing account (EBA) calculations.

1st Revised Confidential Response to EBA Additional Filing Requirement 6

Further to the Company's response to EBA Additional Filing Requirement 6 dated March 15, 2019, the Company has become aware of additional information to provide a more complete response than original provided. This 1st Revised response replaces, in its entirety, the Company's original response to EBA Additional Filing Requirement 6.

Fines and penalties have been adjusted out of net power cost (NPC) so as not to be included in the energy balancing account (EBA) calculations for calendar year 2018, as described further in the Company's response in EBA Additional Filing Requirement 14 and EBA Additional Filing Requirement 15. As described below, there is one settlement and two liquidated damage payments included in the EBA calculations for 2018:

Incremental Non-Fuel Financial Accounting Standards (FAS) 106 Savings – The EBA includes the non-fuel cost savings related to the settlement of Energy West retiree medical benefit obligation as a result of the Deer Creek mine closure. The incremental Non-Fuel FAS 106 Savings is included in the EBA deferral calculation as approved in the Public Service Commission of Utah's (UPSC) April 29, 2015 Order in Docket 14-035-147. The Total Company post-capitalization reduction in expense amount of [REDACTED] will be in effect until the Company's next general rate case (GRC).

Peabody Energy (Peabody) / Cholla – An accrual for [REDACTED] related to liquidated damages owed to Peabody has been included as an adjustment to increase actual NPC in 2018. The accrual was made in calendar year 2017 to comply with generally accepted accounting principles (GAAP). In 2017, PacifiCorp nominated [REDACTED] tons for 2018 delivery, resulting in [REDACTED] fewer tons of coal than the annual quantity required pursuant to the Cholla plant Coal Supply Agreement (CSA). PacifiCorp purchased less than the minimum under the contract because it was the most economic approach based on unit dispatch cost and lower cost energy alternatives. The accrual was removed from last year's EBA (Docket 18-035-01) because it related to calendar year 2018 NPC.

Note: the liquidated damages accrued in calendar year 2017 for [REDACTED] was an

estimate. A payment of [REDACTED] was made on January 28, 2019 calculated using the actual shortage of [REDACTED] tons, creating a true-up of [REDACTED] booked in February 2019.

A true-up to coal liquidated damages of [REDACTED] related to calendar year 2017 EBA NPC was booked in February 2018. A true-up to coal rail transportation liquidated damages of [REDACTED] related to calendar year 2017 EBA NPC was booked in March 2018.

Utah Municipal Power Agency (UMPA) – A liquidated damages payment from UMPA was received in the amount of [REDACTED] [REDACTED] occurred in calendar year 2018. This payment related to Relative Accuracy Test Audit (RATA) testing and was made in accordance with the liquidated damages provision of the Western Systems Power Pool (WSPP) agreement.

Confidential information is provided subject to Public Service Commission of Utah Rule 746-1-602 and 746-1-603.