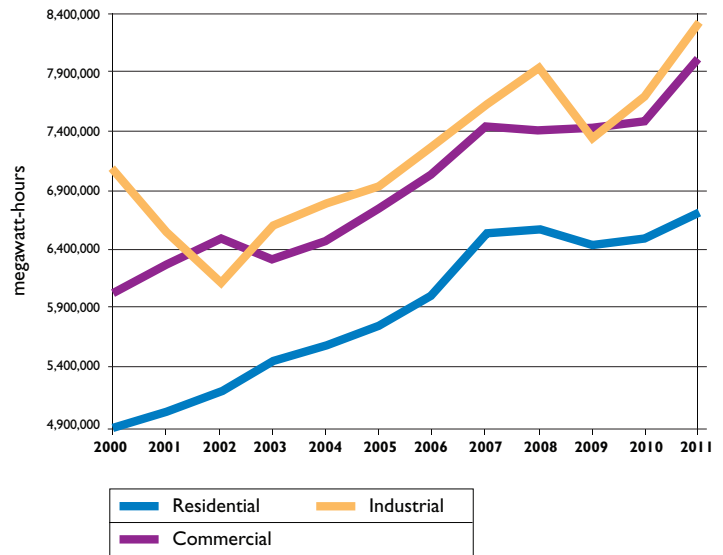


# Planning for Utah's electricity needs

## Rocky Mountain Power's job: keep the power flowing; invest for the future

- Electricity use by Utah customers continues to grow. It's our job to make sure electricity is ready and waiting, whenever our customers want it – for comfort, safety, convenience, recreation, and economic vitality.
- We're building power plants, transmission lines, neighborhood distribution equipment and improving environmental controls to ensure safe and reliable electric service is ready for customers today and in the future.
- When we build something, from the smallest neighborhood power line to our largest power plants and transmission lines, we build because our customers need it. We must be able to demonstrate to utility regulators that these decisions are prudent and in the best interest of the customers.
- Utah customers pay only for what they use from shared electric system resources such as power plants and main transmission – about 42 percent of the total cost.

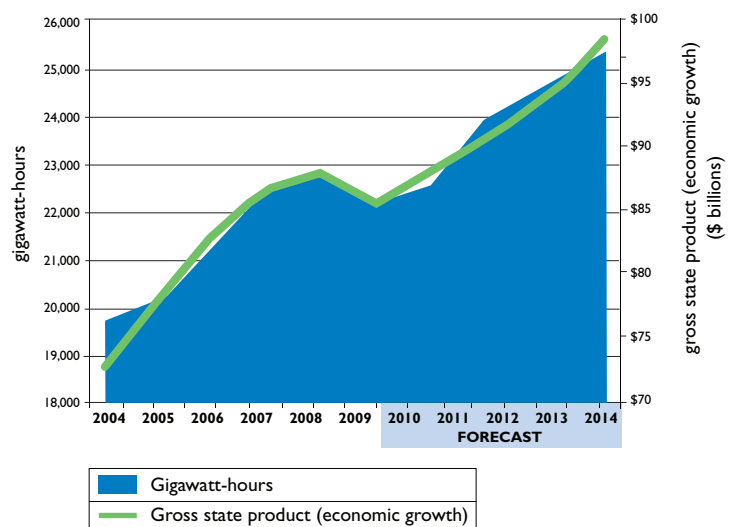
Utah's growing electricity use



## The future of electricity prices in Utah

- Despite the economic downturn, our forecasts show electricity use will continue to grow over the next decade.
- This building phase means roughly annual requests to increase prices to support the investments made to serve customers. It is similar to conditions in the 1970s and 1980s.
- Unlike most other businesses, we cannot simply increase prices on our own to keep up with rising costs.
- Instead, we must first request approval of state utility commissions, going through a public process where our price requests are thoroughly analyzed by regulators and other parties. In Utah, this process takes about eight months.

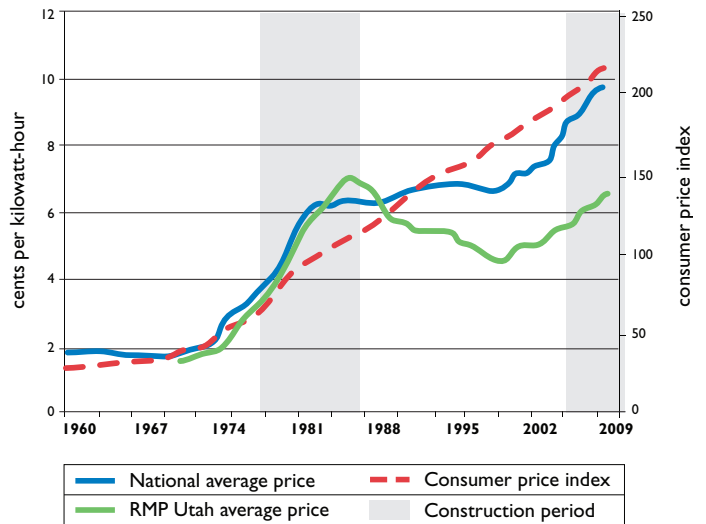
Electricity use and economic growth



## New facilities are more expensive than those built decades ago

- To serve customers electricity from new electric facilities costs significantly more than from existing facilities built decades ago. This puts upward pressure on the cost of providing electricity to customers.
- Our newest power plants are primarily natural gas and wind projects. While among the lowest cost options today, either one is about twice as expensive as the generating plants built in the 1970s and early 1980s.
- The last major additions to the company's main transmission system were made about 20 years ago. The transmission additions recently completed are urgently needed to serve customers today and in the future. Additional projects are in the planning and permitting phase. Visit our website for more details: [rockymountainpower.net/transmission](http://rockymountainpower.net/transmission).

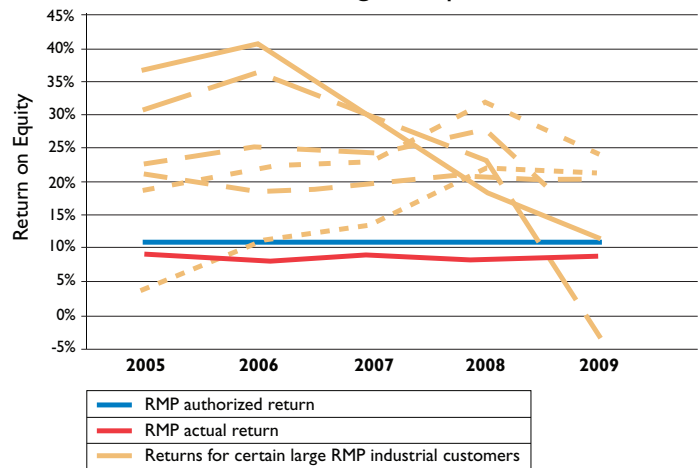
Price of electricity in relation to build cycle



## Company profits in Utah are modest

- There is no guaranteed profit for Rocky Mountain Power. Compared with our largest industrial customers, the company's returns are modest and in line with other electricity providers. Regulatory commissions in each state establish an upper limit for utility profits, or return on the money invested. We have not reached this limit for more than a decade.
- We work hard to strike the right balance between operational expenses, customer service and preventative maintenance. Over the past four years, we have reduced our administrative and general costs by \$76 million, or 32 percent.
- Rocky Mountain Power's owners re-invested all profits from 2006 through 2010 back into equipment to serve customers better because they recognized how urgently new facilities were needed. They also have provided more than \$900 million of their own cash over that time to make sure urgently needed facilities were built promptly to serve customers.
- A financially stable utility is good for customers. A fair return makes borrowing money for construction projects less costly through lower interest rates. As borrowing costs are lower, customer prices are lower.

Earnings comparison



## Customer assistance

We have assistance programs for income-qualifying customers who need help paying their power bills. In support of these programs, the company committed to contribute \$400,000 annually for Utah low-income bill payment assistance for a five-year period beginning July 1, 2006. We encourage customers to call at the first sign of trouble, anytime, toll free at **1-888-221-7070**.

## Federal Programs

Rocky Mountain Power is a member of the Utah Energy Assistance Advisory Council, which includes state officials, consumer advocates and utility representatives. If a customer needs assistance with utility payments, the company provides contacts with state officials who administer federal programs. These programs provide the first level of assistance for consumers, and annually provide in excess of \$4 million for electric and natural gas customers in Utah. The other programs mentioned below are employed as supplements to these federal programs.

## Utah Lifeline Rate and Life Support Assistance Credit

Rocky Mountain Power has a lifeline rate available to residential customers that provides a credit of up to \$11 per month to income-qualifying households. The Life Support Assistance Credit of up to \$10 per month is offered to qualifying low-income residential customers.

## Lend A Hand Program

Rocky Mountain Power solicits contributions from our generous customers through Lend-a-Hand envelopes distributed in November and February bills. The Salt Lake Chapter of the American Red Cross administers this program. The company also provides \$36,000 annually to the Red Cross that goes toward administrative costs of the program.

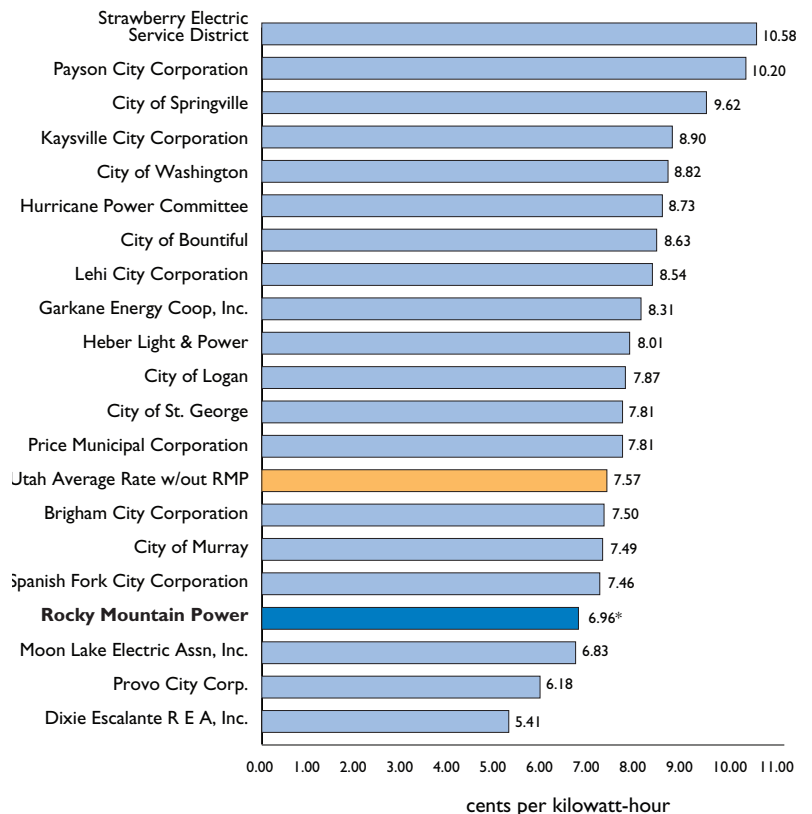
## Low-Income Weatherization Program

Rocky Mountain Power partners with the Utah Department of Community and Culture and local nonprofit agencies throughout Utah to provide energy efficiency services to income-qualifying households.

## Keeping electricity a good value

- Overall, Rocky Mountain Power customers pay among the lowest prices in the nation for electricity. They also pay some of the lowest prices compared to other electricity providers in Utah. This will continue to be true, even with the approval of proposed price increases.
- Our electricity prices have remained a good value over time when compared to the changing prices of most other goods and services.

## Utah overall average price comparison



Source: Based on Energy Information Administration, Form EIA-861, 2009  
Graph includes the 20 largest utilities by customer count. State average rate includes all utilities.

\*Rocky Mountain Power 2011 price – Utah

## Energy-saving programs available

- We offer customers several programs, called “wattsmart”, to help them use electricity more efficiently and save money. Since 2005, the energy saved in Utah through energy efficiency programs alone is enough each year to serve some 87,000 Utah households.
- In 2009, more than \$73 million was invested in energy efficiency and customer demand management programs yielding total energy savings of 270,000 megawatt-hours through energy efficiency improvements and approximately 440 megawatts of controllable customer demand management. To put this in perspective, the first year energy savings are equivalent to the annual output of 51 2-megawatt wind turbines, or enough energy to power 28,000 average residential homes for a year. The 440 megawatts of controllable customer demand is nearly equivalent to the company’s capability at one of the company’s new natural gas combustion turbine generating plants, about 500 megawatts.

## Wattsmart programs

### Cool Cash incentive

For a limited time, this program offers cash back to our residential customers for the purchase and home installation of qualifying high-efficiency evaporative cooling and central air conditioning systems.

### Cool Keeper

Customers along the Wasatch Front can help play an important role in reducing energy use and keeping everyone’s costs down. You’ll also earn a \$20 annual bill credit.

### Home Energy Savings

This program offers incentives to customers who buy energy-efficient appliances, lighting, windows, insulation or other products and services for the home. Look for program details at [rockymountainpower.net/wattsmart](http://rockymountainpower.net/wattsmart).

## Refrigerator recycling

Residential customers can recycle their old refrigerator or freezer through our *See ya later, refrigerator*® program. Call toll free 1-866-899-5539 to schedule a pick-up and collect \$30. Some restrictions apply.

## Summer electric rates

From May 1 – September 30, your Rocky Mountain Power bill will be calculated based on a tiered pricing structure, which is referred to as a “summer electric rate.” The benefits of this program are simple: to help you save energy and lower your bill. The first tier summer rate is actually lower than the flat rate the rest of the year. Customers who use less, pay less. Customers who use more, pay more.

## ENERGY STAR® New Homes

This program promotes construction of energy-efficient homes that save energy and money and conserve our shared natural resources. You’ll find increased comfort, performance and savings with ENERGY STAR. For more information visit [rockymountainpower.net/wattsmart](http://rockymountainpower.net/wattsmart) or call toll free at 1-866-344-9802.

## Power Forward

Rocky Mountain Power partners with the Utah Department of Environmental Quality and other utilities to inform the public of electrical demand levels during the summer peak season. See details at [powerforward.utah.gov](http://powerforward.utah.gov).

By using electricity more efficiently, customers can save money on their monthly bills and help keep cost down. Visit [rockymountainpower.net/wattsmart](http://rockymountainpower.net/wattsmart) for more details.



*Let's turn the answers on.*