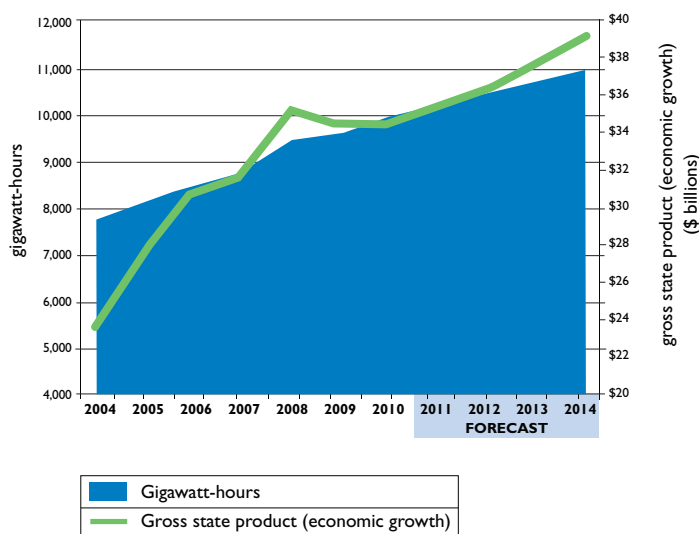


Planning for Wyoming's electricity needs

Our job: keep the power flowing; invest for the future

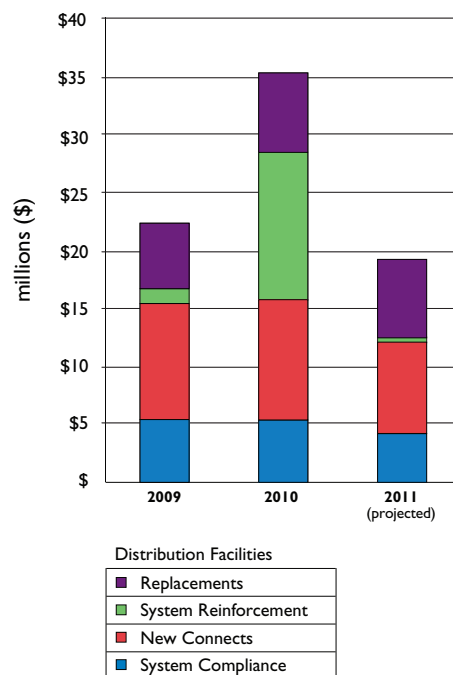
- It's our job to make sure electricity is flowing whenever our Wyoming customers need it – for comfort, safety, convenience, recreation and economic vitality.
- From 2005 to 2009, electricity use by Rocky Mountain Power customers in Wyoming increased by more than 17 percent, and our forecasts show electricity use will continue to grow over the next decade.

10-year Wyoming electricity use



- This means we need to build power plants, transmission lines and neighborhood distribution equipment to ensure electric service is ready for customers today and in the future.
- Our newest power plants are primarily natural gas and wind facilities. 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 more than two decades ago. The transmission additions recently completed, and those in the planning and permitting phase, are urgently needed to move power from where it's generated to where customers use it.

Investment in Wyoming



Keeping electricity a good value

- For years, our electricity prices in Wyoming have been among the lowest in the nation and the world.
- Our coal-fueled power plants in Wyoming provide a consistent low-cost source of power, as well as local jobs and tax base. We're improving the environmental performance of existing power plants, allowing them to continue to meet environmental regulations and supply some of the lowest-cost electricity in the nation.
- The price our customers pay for electricity has remained a good value over time when compared to the rising costs of most other goods and services. We'll continue to work diligently to keep electricity a good value for all customers.

The future of electricity prices

- The next decade will bring new challenges, however, as new generation sources are built to meet increasing customer use and environmental goals.

- Plain and simple: prices could almost double over the next ten years. We're not alone; utilities across the country are facing similar challenges.
- Annual price increases are expected for the next decade due to new electric generation and infrastructure being built to meet our customers' growing electricity needs, combined with required environmental controls and other rising costs to produce and purchase power for customers.
- Even with these increases, Rocky Mountain Power is committed to remaining a low-cost electricity provider.
- We work hard to keep controllable costs down. Between 2006 and 2010, we reduced our administrative and general costs by 32 percent. We will continue to hold the line on the costs we can control.

You can help keep electricity prices low too

- We offer award-winning programs to help you use less electricity and lower your energy bills. This helps individuals with their personal finances and helps keep electricity prices low for everyone because it delays the need to build costly new power plants. Visit wattsmart.com or call anytime, toll free at **1-888-221-7070** to learn more.

company can export renewable energy to California are untrue. This was recently affirmed by the Wyoming Public Service Commission. Only about 2 percent of the electricity on our system is used by customers in northern California, compared to the roughly 16 percent used by our customers in Wyoming.

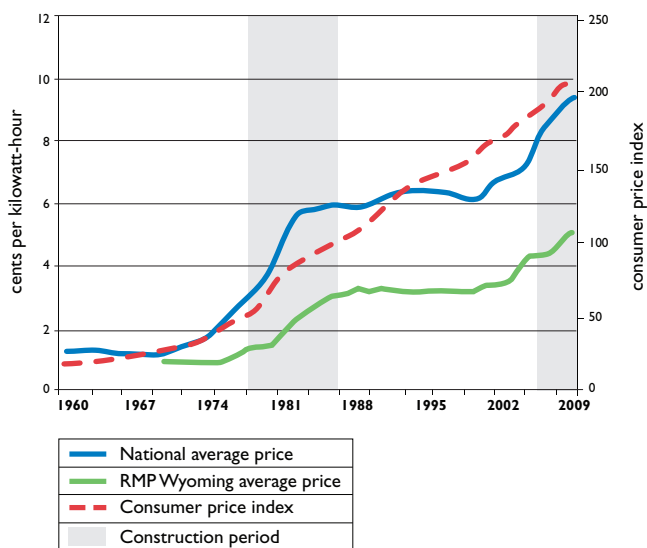
Company profits in Wyoming are modest

- There is no guaranteed profit for Rocky Mountain Power. Utility regulators in each state establish an upper limit for utility profits, or rate of return. We have not reached this limit in the past decade.
- A financially strong and credit worthy utility is good for customers. A fair return allows the company to better manage its borrowing costs for construction projects by obtaining lower interest rates. As borrowing costs are lower, customer prices are lower.

Helping those in need

- The state and federally funded Low Income Energy Assistance Program (LIEAP) is designed to help income-qualifying households pay home heating costs during the months of October through May. Those approved for heating assistance may also qualify for weatherization services. The program is administered by the Wyoming Department of Family Services. (Applications for the 2011-2012 heating season will be accepted beginning Oct. 1, 2011.)
- We partner with Energy Share of Wyoming, a private, nonprofit organization established to help people in hardship circumstances with energy-related emergencies. Funds are distributed through The Salvation Army.
- We can provide information about assistance programs, and have several options available to help customers who are having difficulty paying their bills. We encourage customers to call at the first sign of trouble, anytime, toll free at **1-888-221-7070** or visit rockymountainpower.net/assistance.

Price of electricity in relation to build cycle



How electricity prices are set

- We must be able to demonstrate to the Wyoming Public Service Commission that our decisions are prudent and the best option for customers.
- Wyoming customers pay only for what they use from shared electric system resources such as power plants and main transmission lines – about 16 percent of the total cost.
- Claims about Wyoming customers paying higher costs for wind-powered generation and transmission lines so the



Let's turn the answers on.