

Utah Utilities

SECTION 7 OF THE B&E PROFILE

09



Photo of Milford Wind Project in Southern Utah by Rob Adams

Utilities

“Energy is a critical component in sustaining Utah’s vibrant economic growth and preserving our unparalleled quality of life. With just the right blend of ambition, brain power and diverse natural resources, Utah stands ready to lead the charge in energy efficiency, renewable and alternative energy development and new and innovative technologies.”

-Former Governor Jon M. Huntsman, Jr.

UTAH’S CURRENT ENERGY PRODUCTION PORTFOLIO

Current Production

| Utah’s Current Types of Energy Production | 2008 Production |
|---|---------------------|
| Coal | 611,100,000,000 Btu |
| Crude Oil | 104,000,000,000 Btu |
| Natural Gas | 355,100,000,000 Btu |
| Hydroelectric (64) | 285,892 kW |
| Geothermal (1) | 34,000 kW |
| Biomass (2) | 4,800 kW |
| Wind (5) | 19,859 kW |
| Solar (30) | 704 kW |

Source: Energy Information Association

Production by Type of Resources

| Type of Energy Resource | % of Total Energy Produced |
|-------------------------|----------------------------|
| Fossil Fuels | 83.0% |
| Natural Gas | 15.0% |
| Renewables | 2.0% |

Source: State of Utah Energy Advisor

RENEWABLE / ALTERNATIVE ENERGY

Utah Energy Policy

The Utah Department of Energy has created three renewable energy portfolio goals: 1) increase energy efficiency by 20% by year 2015; 2) reduce greenhouse gas emissions to 2005 level by year 2020; 3) utilities must account for 20% of electric sales from renewable/non-carbon emitting energy source by year 2025. Presently in Utah, fossil fuels comprise 98.4% and renewable energy represents 1.6% of total production. In the Governor’s 10-point plan for economic development, renewable energy has been identified as a key component for Utah’s economic growth.

| Increase in Types of Energy Production | Proposed Production Increase |
|--|------------------------------|
| Biomass (2) | 3,950 kW |
| Geothermal (3) | 153,000 kW |
| Solar (2) | 28 kW |
| Wind (6) | 493,105 kW |
| Hydroelectric (1) | 60,000 kW |

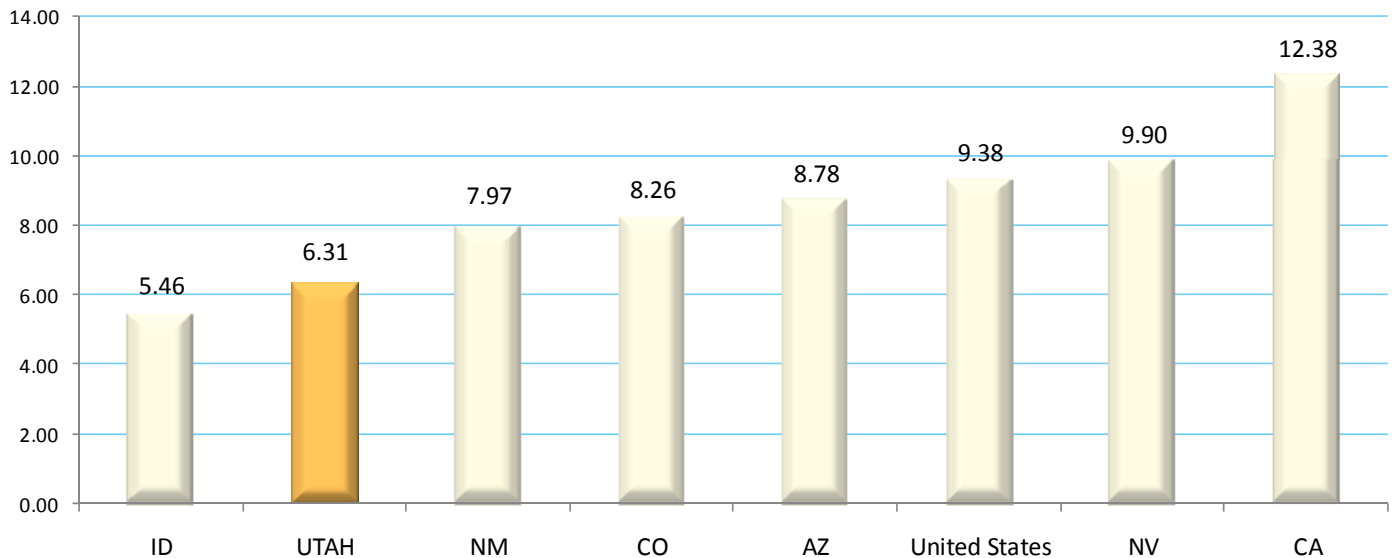
Source: Energy Information Association

ELECTRIC POWER

Industry Overview

Utah has the 2nd lowest electricity rates among the western surrounding states. Power rates among Utah's major cities compare favorably with cities across the nation. Utah has the 4th lowest average industrial electricity cost in the U.S. at 4.46¢ per kWh, compared to the nation at 6.70¢ per kWh and the 7th lowest commercial electricity cost in the U.S. at 6.63 cents per kWh, compared to the nation at 9.90¢ per kWh.¹ Overall, Utah offers excellent power services at extremely affordable and competitive rates.

Western States Average Electricity Cost (cents per kWh)



Source: Energy Information Administration

Rocky Mountain Power / PacifiCorp

Rocky Mountain Power (RMP), a subsidiary of PacifiCorp, is Utah's primary electric service provider, accounting for over 80% of electricity sales in the state of Utah. Its parent company, PacifiCorp, provides reliable, efficient energy to 1.6 million customers in six western states. RMP consistently ranks among the lowest-cost electricity producers in the United States. RMP's basic rate schedules for commercial and industrial customers are shown below. Please contact EDCUtah for more detailed information concerning specific load profiles. Here are the breakouts of the three schedules for service:

Schedule 6 – General Service (Less than 1,000 kW)

This schedule is for alternating current, single or three-phase electric service supplied at a company's available voltage (less than 46,000 volts through a single point of delivery) for all service required on the company's premises. This schedule is for non-residential customers whose loads have **not** registered 1,000 kW or more and who are not subject to service on Schedule 8. For additional information and current rates please click on the following link:

http://www.rockymountainpower.net/Regulatory_Rule_Schedule/Regulatory_Rule_Schedule2267.pdf

Schedule 8 – Large General Service (1,000 kW and Greater) – Distribution Voltage

This schedule is for alternating current, single or three-phase electric service supplied at a company's available voltage (less than 46,000 volts through a single point of delivery) for all service required on the company's premises. This schedule is for non-residential customers whose loads have registered 1,000 kW or more and who are not subject to service on Schedule 9. For additional information and current rates please click on the following link:

http://www.rockymountainpower.net/Regulatory_Rule_Schedule/Regulatory_Rule_Schedule48909.pdf

Schedule 9 – General Service – High Voltage Rates (Supplied at 46,000+ volts from a single point)

¹ Source: U.S. Department of Energy/Energy Information Administration, 2008 data

This schedule is for alternating current, three-phase electric service supplied at company’s available voltage (46,000 volts or 69,000 volts or greater through a single point of delivery) for all service required on the company’s premises. This schedule is for non-residential customers. For additional information and current rates please click on the following link: http://www.rockymountainpower.net/Regulatory_Rule_Schedule/Regulatory_Rule_Schedule2271.pdf

Cities with Municipal Power Companies

Utah has several municipal power companies that offer competitive electricity rates. Utah Associated Municipal Power Systems (UAMPS) is a political subdivision of the State of Utah. UAMPS currently has 53 members consisting of municipal electric utilities and other local government units in Utah, Arizona, California, Idaho, Nevada, New Mexico, Oregon and Wyoming. UAMPS is a project-based organization operating to provide a variety of power supply, transmission and related services to its members.

- Beaver
- Enterprise
- Hildale
- Kaysville
- Manti
- Murray
- Payson
- Spanish Fork
- Blanding
- Ephraim
- Holden Town
- Layton
- Meadow Town
- Nephi
- Price
- Spring City
- Bountiful
- Fairview
- Hurricane
- Lehi
- Monroe
- Oak City
- Provo
- Springville
- Brigham City
- Fillmore
- Hyrum
- Levan
- Morgan
- Paragonah
- Salem
- St. George
- Eagle Mountain
- Heber City
- Kanosh
- Logan
- Mt. Pleasant
- Parowan
- Santa Clara
- Washington City

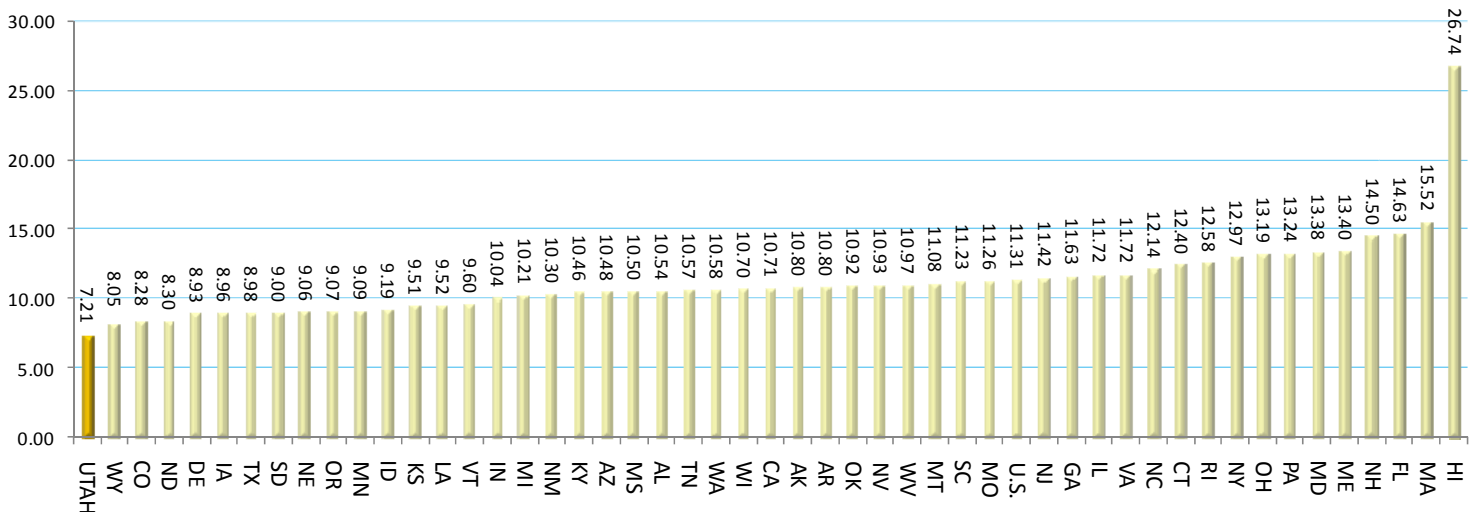
Source: Utah Associated Municipal Power Systems (UAMPS), Utah Municipal Power Agency (UMPA)

NATURAL GAS

Industry Overview

Utah has the lowest natural gas costs in the country. The state has an abundant, low cost supply of natural gas, which aids the natural gas prices in the state, making it the lowest industrial rate in the nation at \$7.21 per thousand cubic feet, 17% lower than the national average. Utah also has the lowest commercial cost in the nation at \$7.74 per thousand cubic feet, 35% lower than the national average. Close to half of the natural gas currently being used by Questar’s residential customers is provided at cost-of-service pricing versus market prices. The cost to develop and deliver the natural gas is considerably lower and more stable than the cost of gas purchased from third-party providers or Questar’s parent company.

Industrial Cost (\$ per 1,000 cubic feet)



Source: Energy Information Administration

Questar Corporation

Questar Gas Company is Utah's primary natural gas provider. Questar is in the unique position of owning a significant amount of natural gas reserves, which allows service rates to be consistently among the lowest in the nation. Large industrial users may purchase natural gas supplies from independent producers and transport the gas under a fee arrangement with the utility. Please contact EDCUtah for more detailed information concerning specific load profiles. Here are the breakouts of the three schedules for service:

FS Rate Schedule – Volumetric Rates

This schedule is for company's whose actual or estimated average daily usage is at least 40% of a peak winter day. Usage may not exceed 2,500 Dth (decatherms) in any one day during the winter season and minimal annual usage of 2,100 Dth is required. For additional information and current rates please click on the following link:
<http://www.questargas.com/Tariffs/uttariff.pdf>

F-4 Rate Schedule – Volumetric Rates

This schedule is for company's whose actual or estimated average daily usage is at least 80% of a peak winter day. Usage may not exceed 10,000 Dth (decatherms) in any one day during the winter season. For additional information and current rates please click on the following link: <http://www.questargas.com/Tariffs/uttariff.pdf>

UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY

Utah's Department of Environmental Quality (DEQ) is focused to preserve and restore Utah's natural resources. This department concentrates primarily on three key areas: air, land and water.

Air Quality

Air Permitting

DEQ is responsible for issuing permits for any operation that emits contaminants into the air. Permits may limit the amount of a particular contaminant that is released, the amount of material processed, or the amount of darkness a smoke plume can emit. There are two types of permits DEQ may issue: 1) approval orders, 2) operating permits. For additional information please click on the following link: <http://www.airquality.utah.gov/Permits/index.htm>

Small Business Assistance Program

The Small Business Assistance Program helps small businesses with permitting assistance, emission calculations, technical issues, regulatory interpretation and pollution prevention techniques. For additional information please click on the following link: http://www.airquality.utah.gov/Permits/Small_Business_Assistance_Program.htm#HAPs

Land

Division of Environmental Response & Remediation (DERR)

This division is responsible for protecting public health and Utah's environment through the cleanup of chemically contaminated sites, ensuring that underground storage tanks are used properly and providing chemical usage and emission data to the public and local response agencies. For additional information please click on the following link:
<http://www.environmentalresponse.utah.gov/>

Division of Radiation Control (DRC)

This division protects Utah citizens and the environment from sources of radiation that constitute a significant health hazard. For additional information please visit the following link:
<http://www.radiationcontrol.utah.gov/>

Solid and Hazardous Waste (SWH)

This division is accountable for proper management of solid and hazardous wastes. Permitting may be required and custom permits may be issued to a business for hazardous waste. For additional information please visit the following link: <http://www.hazardouswaste.utah.gov/>

Water

Division of Drinking Water (DDW)

This division adopts and enforces rules related to public drinking water systems and assigns a rating to reflect the condition and performance of drinking water systems. For additional information please visit the following link:

<http://www.drinkingwater.utah.gov/>

Division of Water Quality (DWO)

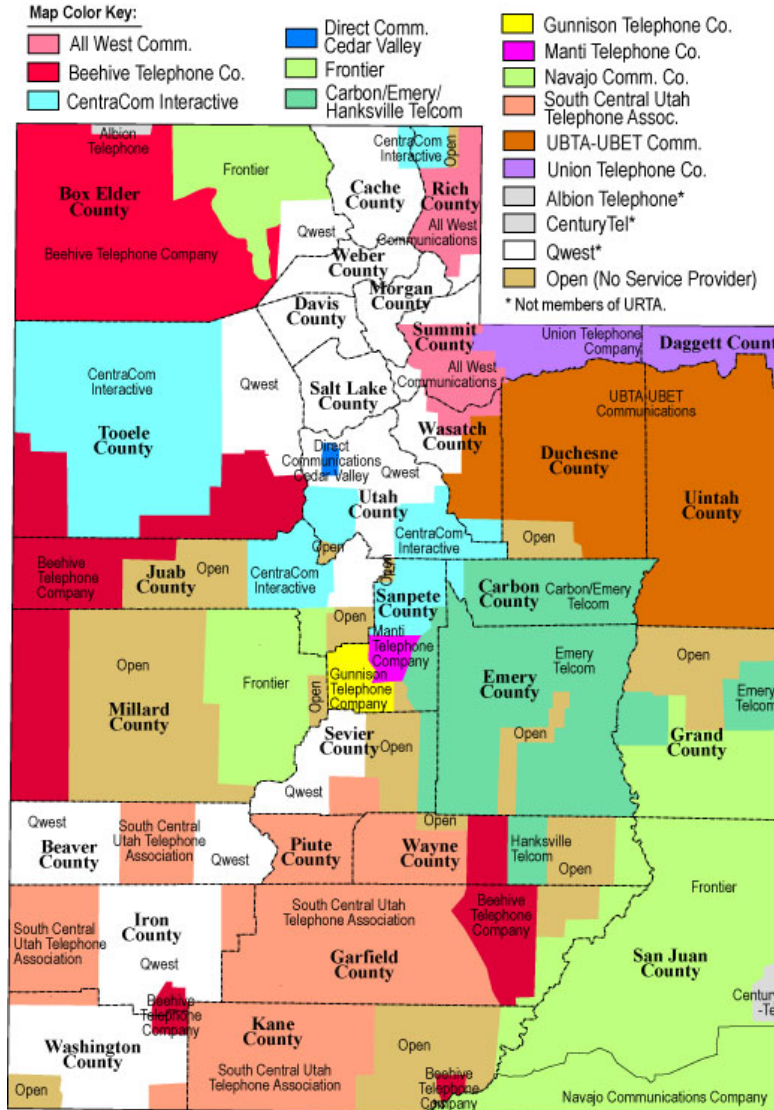
This division protects Utah's surface and underground waters and provides permits to facilities that produce, treat, dispose of or otherwise discharge wastewater in the state. The Environmental Protection Agency has delegated authority to Utah to administer its own water quality regulatory programs. For additional information please visit the following link:

<http://www.waterquality.utah.gov/>

TELECOMMUNICATIONS

URTA (Utah Rural Telecom Association)

URTA is an association representing 14 independent telephone companies in rural Utah, servicing approximately 80% of the land area in the state. These service providers offer high-speed telecom services to approximately 95% of Utah's rural population.



Source: Utah Rural Telecom Association