

W O R K C O P Y

The
PUBLIC SERVICE COMMISSION
of
UTAH

Report for the Fiscal Year
July 1, 1986 through June 30, 1987

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The Honorable Norman H. Bangerter
Governor, State of Utah
210 State Capitol
Salt Lake City, Utah 84114

Dear Governor Bangerter,

In compliance with the requirements of Section 54-1-10, UCA, 1953, as amended, to "...make and submit to the governor an annual report containing a complete account of the transactions of its office, together with such facts, suggestions, and recommendations as it may deem necessary," we transmit herewith the Annual Report of the Public Service commission of the State of Utah for the fiscal year July 1, 1986 through June 30, 1987 for your information and consideration.

This report includes information regarding the acts and proceedings of the Commission as it discharges the duties and exercises the legislative, adjudicative, and rule-making powers committed to it by law.

Respectfully Submitted,

BRIAN T. STEWART, Chairman

BRENT H. CAMERON, Commissioner

JAMES M. BYRNE, Commissioner

----- PERSONNEL -----

June 30, 1987

Brian T. (Ted) Stewart	Chairman
Brent H. Cameron	Commissioner
James M. Byrne	Commissioner
Douglas C. W. Kirk	Executive Staff Director
Stephen Hewlett	Commission Secretary
David L. Stott	Legal Counsel
Laurie Noda	Staff Attorney
Kent Walgren	Administrative Law Judge
A. Robert Thurman	Administrative Law Judge
Rodger Weaver	Senior Economist
James Logan	Economist
Joe Dunlop	Telecommunications Analyst
Daniel Gimble	Utility Analyst
Barbara Stroud	Technical Staff Secretary
Beverly Grossaint	Docket Secretary
Brenda Warner	Docket Secretary
Floy Wilcox	Office Specialist
Jeanne Wride	Office Specialist
Vern Wilde	Court Reporter

Commission "Philosophy" ???

Simonelli

The Commission accepted a stipulated settlement between Utah Power and Light, the Division of Public Utilities and other parties and ordered Utah Power and Light to refund sixty million dollars to its Utah utility ratepayers and coal purchasers. The Order also required future information access, productivity improvements and competitive bid actions. (Case 84-035-12)

On August 10, 1984, in Utah Power & Light Company's general rate case, James J. Simonelli, a past employee of Emery Mining Corporation, appeared before the Public Service Commission as a witness sponsored by the Committee of Consumer Services. Mr. Simonelli presented a written statement and a list of allegations of impropriety and improper conduct of Emery Mining, the operator of Utah Power's coal mines. There was not enough time to hear the allegations and evidence of Mr. Simonelli before the statutorily imposed rate case deadline. The matter was removed from the rate case and placed in a separate investigatory docket.

The Committee of Consumer Services, Emery Mining, Utah Power & Light, the Utility Shareholders Association and others raised a number of issues. The Commission on December 20, 1984, issued its order that it had no prima facie case before it on which to proceed and, therefore, granted the Motion to Dismiss without prejudice.

The Commission ordered that the Division of Public Utilities perform an analysis of Mr. Simonelli's allegations, study the efficiency of Utah Power's coal mining operation including the Emery Mining contract and to make recommendations on further action. On November 3, 1986, after 18 months of investigation, the Division submitted its Report. On November 24, 1986 the Division filed a Petition against Utah Power and filed comments on Prospective Issues with the Commission.

On December 2, 1986, the Commission ordered that the proceedings be bifurcated with the historical issues to be decided in this case and prospective issues to be considered in a new, separate case.

Motions to intervene were filed by numerous parties. The Commission granted the Motions to intervene of the Committee of Consumer Services and the Idaho Public Utilities Commission and allowed Amicus status to the Attorney General, The Utility Shareholders Association and Deseret Generation and Transmission. Several parties who were denied full intervention petitioned the Supreme Court for extraordinary relief but the Court denied their petitions.

The report of the Division of Public Utilities concludes that between 1982 and 1986, Utah ratepayers were charged \$72,800,000 more for the coal component of their electrical energy than they should have been. Utah Power & Light denied the Division's findings but at the time the Settlement Agreement was reached, had not yet filed testimony refuting the findings or supporting its position.

In the absence of a Settlement Agreement, the Commission feels it is probable that this case would have consumed significant time and attention of the Commission and extraordinary expenses of the public and Utah Power and the energy of all parties concerned. The total time to ultimate resolution, including probable appeals, could be two to five years and would have adverse impact on both ratepayers and the financial integrity of the Company. With the concurrence of the Commission, Utah Power and the Division engaged in a settlement conference and reached a Settlement Agreement which includes both a dollar amount and several future actions. The signatories have stipulated to and agreed with the settlement.

Having reviewed the Stipulation and Settlement and having considered the length, expense and complexity of alternatives, the Commission issued its Order on March 31, 1987. Utah Power was ordered to refund Sixty Million dollars to its Utah utility ratepayers and coal purchasers over a period of seven years. The refunds are to be derived from revenues collected in years prior to 1987, do not include interest and do not constitute a fine or penalty.

The Company was also ordered to study, with the Division and others, alternatives for future coal and energy supply. The Company is to allow access to information needed to exercise regulatory authority, to work jointly with the Division to recommend consultants on mine productivity and coal ash handling, to competitively bid future service and supply contracts and to obtain prior approval for any third party operation of Company mines.

UAMPS

In an interim, emergency decision, the Commission ordered Utah Power and Light to construct a 345 kV line to serve southwest Utah. The Order precluded any other construction by Utah Power and Light or by the Utah Association of Municipal Power Systems (UAMPS). It also ordered further study of utility wheeling practices. (Case 85-2011-01)

A letter dated January 16, 1985 from the U. S. Bureau of Land Management notified the Commission that two entities were seeking approval to construct transmission lines traversing public lands into Washington County, and requested Commission

analysis of the necessity for the lines. These were the Utah Association of Municipal Power Systems, (for itself, Deseret Generation and Transmission Cooperative, "DG&T", and the City of Saint George) and Utah Power and Light Company. An investigative docket was opened but information was insufficient for a Commission decision. Utah Power protested the UAMPS proposed transmission construction and initially refused to file an affirmative case supporting its own proposed transmission project. On August 2, 1985, UAMPS filed an application seeking authorization for construction of transmission facilities. The investigative and UAMPS dockets were combined.

Utah Power agreed that its response to the UAMPS application would be an affirmative case for its own project. At that point UP&L's project was tied to the proposed sale of 100MW of Hunter Unit No III to Nevada Power that would require a new 345 kV line. Following UP&L's formal application, the Commission opened a docket to consider the UP&L's proposal but refused a motion to combine it with the investigative and UAMPS dockets. The Commission approved the sale of the power and notified the parties that their presentations and deliberations would be based on that approval.

Months of public hearings produced a voluminous record upon which the Commission would base its decision. Subsequent to the time the record was closed but during the pendency of Commission deliberations, events occurred which made the record seriously incomplete. The first was the failure of UP&L to complete its sale to Nevada Power owing to a decision of the Nevada Public Service Commission. The second was the approval of Mountain Fuel's request to install gas transmission and distribution service within the same southwestern Utah area which should change the projected electricity load. The Commission raised many questions and then reopened the hearing for one day on February 11, 1987, to obtain answers.

These two factors along with other major unknowns support a short-term solution to deal with the emergency of providing power by the 1987-1988 heating season. This is expected to allow time for uncertainties to be resolved so that a proper final solution can be determined.

From the very beginning of these proceedings, the Commission has encouraged a negotiated settlement of the case. This has been because of the extremely complicated issues involved (technical complexity, cost, customers of both UAMPS and UP&L in the same area, legal considerations and the long standing conflict between UP&L and some UAMPS member municipalities) and the belief that a negotiated settlement would foreclose protracted Commission hearings and the likelihood of lengthy, unproductive legal battles. The Commission recognized that the ultimate losers in such battles would be the electrical power consumers, regardless of who serves them. Discussions, however, did not yield a settlement.

UP&L serves approximately 75 percent of all Utahns. During the 1970's Utah had unusually strong economic and population growth. With the electric load increasing rapidly, UP&L was permitted to construct plant to meet the forecast growth. This large scale construction caused electric rates to increase dramatically. A change in the sale of wholesale electricity and the load growth expectations not being realized resulted in excess generation capacity in UP&L's system.

UAMPS desires independence from UP&L and what it feels is UP&L's lack of cooperation that makes pooling and dispatching of UAMPS resources unreasonably difficult and costly to its members. It appears that UAMPS is willing to incur considerable cost to gain this independence. UP&L, on the other hand, is the utility that the Commission has certificated to serve the area of concern in this case. It, therefore has the rights and obligations as a regulated provider and must be ready, able and willing to serve both today and tomorrow. UAMPS has no such requirement to serve its members. UP&L's rates are set not just on the customers to be served in this case, but are averaged over the entire system. UP&L argues that at least some of UP&L's excess capacity resulted from projections that included UAMPS' members' needs. They further argue that UAMPS' proposal would harm the other 75 percent of Utah consumers that are UP&L's ratepayers.

The bases for the Commission's decisions in this case include (1) several material factors that are still uncertain, (2) several available options and components, (3) the southwest Utah area will continue to be integrally tied to the rest of the state for some time, (4) the Commission's perspective must be statewide (5) there is an urgent need for at least minimal new transmission capacity in southwest Utah, and (6) the Commission's decision will approve the lowest cost current construction to meet the emergency southwest Utah requirements while leaving open as many future alternatives as possible.

The Commission finds that neither UAMPS' nor UP&L's proposals are appropriate at this time. It would be derelict in its duty to authorize the UAMPS' proposal which would cost \$189.27 per kW delivered in the first year. This compares with \$31.84 for the next highest alternative and \$12.47 for the first phase project approved in this case. To ensure a reasonable resolution of other UAMPS concerns, the Commission established a docket to investigate the utility wheeling practices in Utah.

The Commission ordered UP&L to construct their proposed 345 kV line from Newcastle to Central with the intention of having it operational by the 1987-1988 heating season. No further construction expenditures are authorized by the Order. Any future expenditures will be approved by the Commission when uncertainties are sufficiently clarified to permit a finding in the public interest.

ServiceLink

The Commission Ordered that Mountain Bell may continue to contract with ServiceLink for its operator services until further order of the Commission. (Case 86-049-07)

On April 16, 1986, Mountain Bell informed the Commission of their intention to create a subsidiary entitled ServiceLink to provide operator services to Mountain Bell. ServiceLink was to be staffed by operators formerly employed by Mountain Bell but transferred to AT&T as a part of divestiture. The Commission had reservations and concerns about the proposed arrangement and informed Mountain Bell in a letter dated April 29, 1986 of its intention to hold hearings on the subject.

Hearings were scheduled in September but, to accommodate the parties, were rescheduled for late October and Early November. Briefs were filed by the parties December 5 and 8, and final oral argument took place December 11, 1986.

At the time, the Commission had four integrally related actions pending. First, a generic docket was open to consider the issue of relationships of telecommunications exchange carriers. In that docket the Commission has issued its order setting forth its conclusions about the authority over affiliate relationships of telecommunications utilities. Second, the Commission has published its proposed Rule 95 and held a hearing on the proposed changes in Rule 95, which, among other things, requires the reporting of certain transactions between utilities and their unregulated affiliates. Third, the Commission has established a case in which it is specifically considering the affiliate relationships of Mountain Bell. Fourth, the Commission retained the consulting services of Price-Waterhouse Company to recommend a process for evaluating proposed affiliate formation and affiliate transactions.

The Commission chose to temporarily stand aside and allow the Mountain Bell/ServiceLink relationship to proceed pending the results of the actions described above. They emphasized that their standing aside was based upon their desire to have this additional information and upon representations of ServiceLink and Mountain Bell. ServiceLink indicated that it will make available to the Commission and the Division of Public Utilities, books and records sufficient to enable auditing of all transactions between ServiceLink and Mountain Bell. Mountain Bell represented that the costs of operator services will be maintained at a level no greater than that which could have been provided internally; that the contract represents a \$2 million savings over the cost incurred with AT&T; and that it can guarantee response to service problems through the contract.

It was again emphasized that in allowing the Mountain Bell-ServiceLink relationship to continue, the Commission in no way

attenuates its authority to investigate any act or non-act of a public utility which may harm the public.

On April 24, 1987, the Commission issued the order that Mountain Bell may continue until further order of the Commission to contract with Service Link for its operator services.

Co-Generation Security Provision

The Commission ordered that three new methods in addition to project failure insurance be available to cogenerators and small power producers for providing protection to the ratepayer from early project failure or abandonment. (Case 85-015-01)

In the Commission's earlier cogeneration Order on March 14, 1985, they said, "We seek a regulatory environment which will encourage small power production, while at the same time protecting the interests of the ratepayers and the general public." The order outlined a Standard Form Contract with failure insurance to protect the ratepayer from the exposure arising upon early project failure or abandonment. The central issue of the current case is how to provide this security for the developer's potential liability to repay the portion of the levelized rate which represents a "prepayment" for capacity.

At the Commission's January 1986 hearing on the application of Arizona Micro Utilities, the parties stipulated that project failure insurance was not reasonably commercially available at present. The Commission scheduled a hearing to consider alternative security options and also reconstituted the Contract Task Force to study the security provision problem. The Task Force considered several options including self insurance and second liens and also attempted to identify the actual risk to the ratepayers. They, however, were unable to develop and report a consensus proposal to replace the failure insurance option.

The matter came up for hearing on May 22, 1986. Represented at the hearing were; Utah Power and Light, the Division of Public Utilities, the Utah Energy Office, the Utah Council of Independent Power Producers (UCIPP) and Sunnyside Cogeneration Association. After a two day hearing, the parties filed final briefs in lieu of final argument. Three alternatives were presented by the parties.

Utah Power and Light proposed a pooling concept in which small hydroelectric projects could pool their funds to provide the required security. Under this concept, a project would either join an established pool or form its own pool. No project would be required to join a specific pool, nor would any pool be forced to allow any other project to join.

The Utah Energy Office proposed that ratepayer security be achieved by an "Enhanced Second Lien" procedure. If buyer and

/seller cannot negotiate a mutually agreeable security arrangement, the seller would have the option of providing security through either (1) insurance, (2) a defined second lien, (3) a limited cash reserve or (4) a charge against unsecured balances.

The Division of Public Utilities proposed a project security alternative based on capacity payments in five year increments. The project would be paid for during the time the project has been on-line in five year increments. This would result in the project receiving less revenue in the early years of operation and more revenues in the later years.

The Commission found all three alternatives to be reasonable. It then, on March 5, 1987, ordered Utah Power and Light to negotiate power purchase contracts with qualifying cogeneration and small power producers which at the seller's option may include one the three approved alternatives to the project failure insurance already approved.

Life Line

The Commission ordered a surcharge on other telephone service users to assist low-income households in securing telephone service. (Case 85-999-13)

Having adopted a Joint Board recommendation to assist low-income households in securing telephone service, the Federal Communications Commission provided a waiver of the federal residential customer access charge if the state adopted a qualifying plan for local lifeline assistance. Following a mandate from the Utah Legislature, the Commission initiated rulemaking proceedings for the establishment of Lifeline Rates

The Commission received a "Proposed Settlement Stipulation" dated December 1, 1986 from all parties in this matter. The stipulation covered the assumptions, estimates, data and calculations used to develop the 1987 annualized cost projections for the Commission's and the Utah Department of Social Service's administration and the lifeline telephone service revenue requirement. Lifeline telephone service will be provided by: Beehive Telephone Company, Contel and Mountain Bell.

The Commission ordered that the stipulation be approved and adopted. They further ordered that the surcharge would be collected from ratepayers by the telephone companies. The specific surcharge rates would be \$0.18 per access line, 0.65% of billed revenue of toll and WATS service, intra and inter LATA, and 1.88% of intrastate access services billed revenue for non-regulated interexchange carriers (resellers).

Gas Transmission to Southwest Utah

Four separate entities submitted applications to provide natural gas service to customers in central and southwest Utah. On January 5, 1987, the Commission ordered that Mountain Fuel Supply be authorized to provide this service. (Cases 86-2016-01, 86-057-03, 86-091-01 and 86-2019-01)

Four separate entities submitted applications to provide natural gas service to residential, commercial, and industrial customers in central and southwest Utah. They were Natural Gas Corporation of Utah (NGC), Mountain fuel Supply Company (MFS), Central Utah Gas Company (CUG) and Grynberg Petroleum Company (GPC).

The area proposed to be served in varying degrees by the applicants included the counties of Sanpete, Sevier, Piute, Iron and Washington as well as future expansion in Juab, Millard, Garfield and Beaver Counties. This area is not presently served by a natural gas utility.

CUG and NGC were both formed for the specific purpose of bringing natural gas service to central and southwest Utah. CUG had filed a previous application in 1984 but the Commission found it deficient in material respects. Mountain Fuel is currently engaged in the business of distributing natural gas as a public utility in northern Utah and southwestern Wyoming. GPC is an oil and gas company established in Colorado and would form a separate Utah corporation should it be awarded a certificate.

Several companies, cities, counties and associations were granted permission to intervene in the proceedings. The Central/ Southern Utah Gas Coalition was one of these; they submitted a statement of position that included five goals. These goals included allowance for interconnection by municipally owned systems and for relatively short term franchises.

The Commission found the mandatory franchise terms and municipal system interconnection inappropriate. It found that it is in the public interest to issue to Mountain Fuel Supply Company a certificate of public convenience and necessity authorizing it to construct, operate and maintain a natural gas distribution system in central and southwest Utah communities which have or will grant acceptable franchises to Mountain Fuel. On January 5, 1987, The Commission ordered the issuance of the certificate, set timing and conditions of implementation and reconfirmed the existing gas service rules and regulations.

(See the Simonelli, UAMPS and the Cogeneration Security Provision cases in the "Major Cases" section of this report.)

Utah Power & Light Promissory Notes

The Commission, on September 10, 1987 authorized Utah Power & Light to issue and sell promissory notes to banks and dealers in commercial paper, with maturities of not more than nine months in the aggregate principle amount of not more than \$245 million. (Case 86-035-12)

Utah Power & Light First Mortgage Bonds

On September 18, 1986, the Commission authorized Utah Power & Light to issue not more than \$170 million in first mortgage bonds for the purpose of redeeming some outstanding securities bearing higher dividend rates than those currently prevailing. (Case 86-035-15)

Utah Power & Light First Mortgage Bonds

On November 10, 1986, the Commission authorized Utah Power & Light to issue not more than \$92 million in first mortgage bonds for the purpose of redeeming some outstanding securities bearing higher dividend rates than those currently prevailing. (Case 86-035-18)

Mount Wheeler Power Inc. Loans

On January 9, 1987, the Commission approved Mount Wheeler Power Inc.'s petition to obtain loans from the Federal Financing Bank in the amount of \$1,689,000 for the improvement and expansion of its substation for interconnection with the Intermountain Power Project line. (Case 86-031-01)

Utah Power & Light Leasing Subsidiary

On January 16, 1987, the Commission ordered that Utah Power & Light Company could form a wholly-owned leasing subsidiary for the purpose of leasing street lighting and various other systems and equipment to third parties. The approval was subject to specific findings of fact and stipulations. (Case 86-035-10)

Cogeneration Approval

The power purchase agreement between Utah Power & Light and Jon T. Wall was found to be in the public interest and was approved on January 30, 1987. (Case 86-035-04)

Cogeneration Standard Form Contract

On April 3, 1987, the Commission ordered that cogenerators and small power producers are subject to the provisions of and eligible to receive the terms of the Standard Form Contract. (Case 80-999-06)

Cogeneration Approval

The power purchase agreement between Utah Power & Light and Calvin G. Fox was found to be in the public interest and was approved on April 7, 1987. (Case 87-035-02)

Cogeneration Approval

The power purchase agreement between Utah Power & Light and Great Western Power & Light, Inc. was found to be in the public interest and was approved on April 8, 1987. (Case 87-035-05)

Cogeneration Approval

The power purchase agreement between Utah Power & Light and American Fork Hydro Associates was found to be in the public interest and was approved on April 8, 1987. (Case 87-035-08)

Utah Power & Light First Mortgage Bonds

On April 15, 1987, the Commission authorized Utah Power & Light to issue not more than \$95 million in first mortgage bonds for the purpose of redeeming some outstanding securities bearing higher dividend rates than those currently prevailing. (Case 87-035-09)

Moon Lake Electric Association Rules & Regulations

Changes in Moon Lake Electric Association's rules residential customer occupancy, reconnection fee timing and the handling of seasonal customers were approved by the Commission on April 23, 1987. (Case 86-030-04)

Moon Lake Electric Association Loans

On April 23, 1987, the Commission approved Moon Lake Electric Association's petition to obtain loans from the REA in the amount of \$3,477,000 and from the CFC in the amount of \$1,536,082 for the building of substations, transmission and distribution lines and the rebuilding of existing lines. Approval was contingent upon the facilities not conflicting with any other certificated public utility. (Case 87-030-01)

Borrowing by Garkane Power Association, Inc.

On April 24, 1987, the Commission approved the borrowing of up to \$5,672,606 from the United States of America and up to \$2,431,117 from the National Rural Utilities Cooperative Finance Corporation for the stipulated construction and operating of 111 additional miles of electric lines. (Case 87-028-01)

Capital Credit Refund to customers in Kane County

The Utah portion of the Garkane Power Association capital credit refund was delivered to, and maintained in an interest-bearing account by Utah Power & Light. The Commission ordered Utah Power & Light to refund the balance in this account to the current customers in Kane County. (Case 85-028-02)

Cogeneration Approval

The power purchase agreement between Utah Power & Light and Sunnyside Cogeneration Associates was found to be in the public interest and was approved on May 11, 1987. (Case 87-035-04)

Utah Power & Light First Mortgage Bonds

On May 26, 1987, the Commission authorized Utah Power & Light to issue not more than \$77,200,000 in first mortgage bonds for the purpose of refunding outstanding bonds and financing certain pollution control facilities at the Hunter, Huntington, and Naughton Plants. (Case 87-035-17)

Cost-Based Time Differentiated Rates

Interim approval was granted by the Commission to Utah Power and Light for specific cost-based time differentiated service schedules. The terms, rates and availability of said schedules are subject to Commission examination in a later case. (Case 86-035-23)

(See the Gas Transmission to Southwest Utah case in the "Major Cases" section of this report.)

Mountain Fuel Supply gas for "West Desert Pumping"

Mountain Fuel Supply negotiated a contract with the Utah Division of Water Resources for gas to used in the natural gas engines used to pump water from the Great Salt Lake onto the west Desert. On August 8, 1987, the Commission in summary procedure ordered that the order is in the public interest and is approved. (Case 86-057-06)

Mountain Fuel Supply Base Rate Adjustment

On August 14, 1987, the Commission ordered that Mountain Fuel Supply's requested base rate decrease of \$.09 per typical GS-1 customer be approved based upon continued investigation by the Division of Public Utilities on increasing supplier non-gas costs. (Case 86-057-05)

Utah Gas Service's Gas Balancing Account

On September 10, 1987, the Commission under summary procedure ordered that the accounting of Utah Gas Service's Gas Balancing Account be approved with no rate adjustment. (Case 85-059-02)

Utah Gas Service Co. Rate Decrease

Settlement Agreements and amendments were reached which resolved several disputes between Utah Gas Service and gas suppliers which resulted in lowered gas prices from the suppliers. On September 30, 1986, the Commission ordered under summary procedure that the Settlement Agreements be approved and that Utah Gas Service's requested 5% rate decrease be approved. (Cases 86-059-01 and 86-059-02)

Mountain Fuel Supply Little Cottonwood Canyon Service Terms

On October 2, 1987, the Commission ordered approval of a special tariff for service to customers in the Little Cottonwood Canyon area. Tariff terms included service termination procedures for customers who breached their agreement to pay prorated share of costs. (Case 86-057-08)

Utah Gas Service Emergency Rate Increase

On November 17, 1987, the Commission ordered that the emergency rate increase for industrial customers be approved only until the Commission enters its decision on the pending general rate case or until interim rates are authorized. (Case 86-059-03)

Emergency Interruptible Industrial Transportation Rates

The application of Mountain Fuel Supply and the motion by Amax Magnesium for approval of interruptible industrial transportation rates were approved on an interim basis by the Commission on November 26, 1986. Application of the order was restricted to this specific emergency. (Case 86-057-07)

Utah Gas Service Co. Rate Decrease

A joint stipulation and settlement proposal was reached by the Utah Gas Service Company, The Division of Public Utilities and the Committee of Consumer Services. On December 22, 1987, the Commission approved the settlement proposal and ordered the adjustment to the Gas Balancing Account and the rate decrease which averaged 3.9% for residential/commercial customers. (Cases 86-059-03 and 86-059-04)

Interruptible Industrial Transportation Rates

The application of Mountain Fuel Supply for approval of interruptible industrial transportation rates was approved on an interim basis by the Commission on April 2, 1987. Several modifications and restrictions relative to volume, incremental loads, rates, etc. were contained in the order. (Case 86-057-07)

"Insulate Now" Program Elimination

The "Insulate Now" Program was ordered eliminated by the Commission due to its steadily declining usage by ratepayers. (Case 87-057-T02)

Mesa Pipeline Company Not a Public Utility

On May 7, 1987, the Commission ordered that Mesa Pipeline was not subject to the regulatory jurisdiction of the Commission solely by reason of its sales made to Mountain Fuel Resources, Inc. Mesa's regulatory status related to sales to other entities was reserved for future determination if required. (Case 87-056-01)

Utah Gas Service Rate Decrease

The Commission, on May 27, 1987, issued a Summary Order approving an adjustment to Utah Gas Service's gas balancing account and related rate decrease. The decrease amounted to 3.49 percent for the average residential customer. (Case 87-059-01)

(See the ServiceLink and Lifeline cases in the "Major Cases" section of this report.)

Refunds To Former Customers of Long Distance Telephone Company

On July 3, 1986, the Commission approved the accounting submitted by the Sorensen System of Sorensen's refunds to the former customers of Long Distance Telephone Company. (Case 84-088-01)

AT&T Limited Intra-LATA telecommunications Service

Following receipt of a proposed settlement stipulation from the parties in the matter, the Commission, on September 4, 1986, ordered that AT&T Communications of the Mountain States, Inc. be granted expanded authority in its present certificate to provide intra-LATA telephone and telecommunications service in providing Software Defined Network Service between points in Utah. (Cases 85-087-02 and 85-087-T04)

Daniels & Associates Mobile Telephone Service

The Commission, on September 15, 1986 ordered that Daniels & Associates be issued a Certificate of convenience and necessity authorizing it to operate a radio-telephone utility in the Domestic Public and Mobile Service. The order set conditions of operation and agreement with Mountain Bell. (Case 86-2022-01)

Uintah Basin Telephone Depreciation Schedule Revision

On October 29, 1986, the Commission ordered approval of Uintah Basin Telephone's requested revisions to account number usage and depreciation schedules as modified by the Division of Public Utilities. (Case 86-053-01)

Utah State University Telecommunication Reseller Status

On November 6, 1986, the Commission ordered that Utah State University be granted non-reseller status for the purpose of supplying telephone service to students residing in campus housing. (Case 86-2021-01)

Jurisdiction over intrastate Cable Television Companies

On its own motion, on November 17, 1986, the Commission made a declaratory ruling that one-way cable television is without the Commission's jurisdiction under current, applicable law. (Case 85-999-15)

Brigham Young University Telecommunications Reseller Status

On November 21, 1986, the Commission ordered that Brigham Young University and its students are a single entity and therefore is granted a waiver from designation as a telecommunications reseller and is not subject to Resell/Sharing tariffs. (Case 86-2023-01)

Manti Telephone Company Pay Station Rate Increase

The Commission, on November 24, 1986, ordered that Manti Telephone Company's request be granted to increase its pay station local rate from \$.10 to \$.25. (Case 86-046-T01)

Daniels & Associates' Acquisition of Mobile Telephone Inc.

On December 10, 1986 the Commission approved the acquisition by Daniels & Associates of the operating rights under Certificate No. 1856 formerly held by Mobile Telephone, Inc. of Southern Utah. (Case 86-2022-02)

Mountain Bell Late Payment Charge

Representatives of a broad range of interests, leaving no significant group unrepresented, entered into a stipulation that was presented to the Commission. On December 31, 1986, the Commission approved the stipulation and ordered into effect the tariff containing a charge for late payment to Mountain Bell. (Case 86-049-T06)

Cellular One

Approval was granted by the Public Service Commission on January 5, 1987 to ACC/McCaw Cellular of Salt Lake City to construct and operate a cellular mobile radio telecommunications system in the Salt Lake City, Utah Metropolitan Area ("MSA"). The significance of this occurrence is that it paves the way for the deregulation of cellular service within the nine months after both the wire-line and nonwire-line carriers receive their covering license from the FCC. (Case 86-2020-01)

Reasonableness of Mountain Bell's Return on Equity

Several agencies of the Federal Government filed a joint petition that the Commission investigate the reasonableness of Mountain Bell's return on equity in light of the current economic conditions. On January 14, 1987, the Commission dismissed the petition and ordered the Division of Public Utilities to continue to monitor Mountain Bell's earning levels. (Case 86-049-09)

Microwave Telecommunications Operating Rights

A negotiated stipulation on the application of Max Bangerter for certain operating rights was reached between Max Bangerter dba Microwave Telecommunications, Daniels and Associates, inc., the Division of Public Utilities and David B. Williams dba Industrial Communications. On January 14, 1987, the Commission concluded that the stipulation was in the public interest, accepted and approved the stipulation and ordered that the Commission did not have jurisdiction over the case. (Case 86-2024-01)

Mobile Radio Exemption From Regulation

This case presents the first opportunity for the Commission to apply the provisions of the statute enacted by the Utah Legislature in 1985, which authorizes the Commission to exempt certain telecommunication services from regulation. The statute requires effective competition, reasonably available alternatives, no captive customer base and action in the public interest. The commission found that these criteria were met in Moab, Monticello, Ogden, Price, Provo, Salt Lake City and Vernal and ordered that mobile radio suppliers in these cities need not seek approval of rate changes. The order also stated that rural radio service will continue subject to all regulatory requirements. (Cases 85-049-09 and 95-999-19)

Telecommunications Affiliated Relationships

On April 24, 1987, the Commission issued a declaratory order that it has authority under the laws of the State of Utah to investigate and evaluate any proposed affiliate relationship or any affiliate transaction by a public utility and to approve or disapprove same. (Case 86-999-09)

Mountain Bell Tariff Revision on Billing Services

Revisions to the billing and collections sections of the Intrastate Access Tariff, as requested by Mountain Bell, were approved on May 8, 1987. (Case 87-049-T02)

Surcharge for Deaf

Acting on an emergency basis on June 11, 1987, the Commission ordered a surcharge be collected on each residence and business access line in the state. The surcharge is to be identified on the billings as "1987 Legislative Deaf Tax". The funds will be used for a program to serve the needs of the hearing and speech impaired. (Case 87-999-04)

Pine Hollow Estates Culinary Water Service

On December 8, 1987, the Commission granted a certificate of convenience and necessity to Pine Hollow Estates to render culinary water service in the Pine Hollow Estates Subdivision. (Case 85-2165-01)

Storm Haven Water Company Hook-Up Fee Increase

On January 20, 1987, the Commission ordered that Storm Haven Water Company could increase its water hook-up fees from \$400 to \$1,000. (Case 86-014-01)

White City Water Company Acquisition of Assets

White City Water Company asked for approval from the Commission to acquire a water plant from the Salt Lake County Water Conservancy District. On February 25, 1987, The Commission ordered that Commission approval of the action was not necessary. (Case 86-018-01)

Dammeron Valley Water Works Rates and Charges Adjustment

Dammeron Valley Water owners and users reached a stipulated agreement relative to an increase in culinary water rates and separate irrigation water rates. This agreement was approved by the Commission in its Order issued May 8, 1987. (Case 87-2025-01)

----- TRANSPORTATION CASES -----

The Commission is charged with the responsibility of regulating motor carriers for hire, engaged in the transportation of passengers or property for hire in the State of Utah.

The issuance or cancellation of Certificates of Convenience and Necessity issued to common carriers, and permits issued to contract carriers requires a formal hearing, and an order of the Commission. Interstate carrier licenses require only that the carrier provide evidence of ICC authority, evidence of insurance, and designation of process agent.

Exempt motor carriers are exempt from regulation by the Commission, under Section 54-6-12, Utah Code Annotated 1953. These carriers are issued exempt certificates when they register their operations with the Division of Public Utilities.

There were 608 orders issued involving motor carriers during the fiscal year ended June 30, 1987. Of these orders, 270 included motor carrier rates and were initiated by show cause orders. The remaining orders mainly involved motor carrier operating authority with a few orders in miscellaneous matters.

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Table 1
TREND OF ELECTRIC RATES AND USE OF
ELECTRIC POWER IN UTAH
Residential Service

The table below shows information on the use and cost of electricity for residential customers for years beginning 1980.

Year	Annual Average Use Per Customer	Average Charge Per Kilowatt- Hour	Annual Average Bill Per Customer
------	--	--	---

INVESTOR OWNED UTILITIES*

1983	6,695	7.635c	511.17
1984	6,744	8.273c	557.98
1985	6,775	8.666c	587.14
1986	6,696	8.587c	574.97

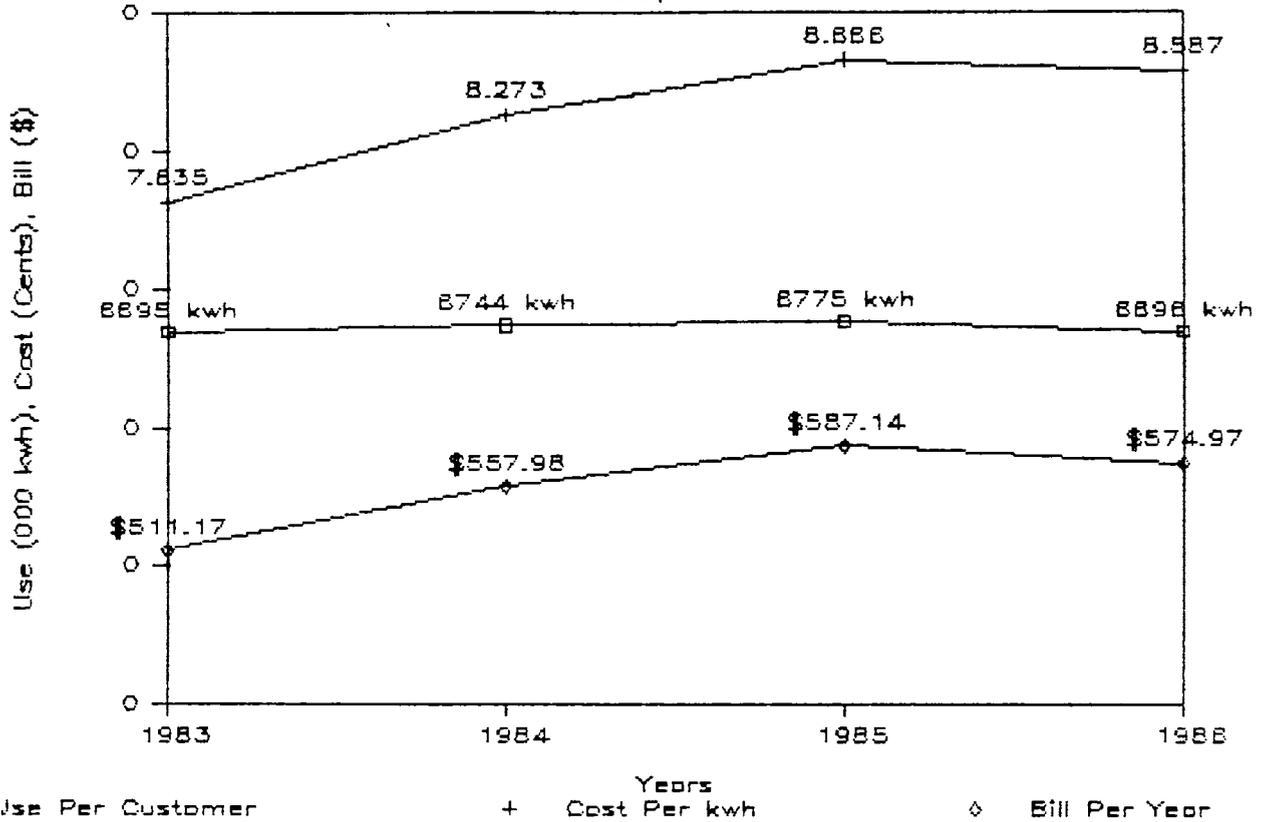
RURAL ELECTRIC COOPERATIVE ASSOCIATIONS

1983	9,710	4.908c	476.55
1984	10,383	5.245c	544.58
1985	10,313	5.862c	604.56
1986	9,523	6.322c	602.05

* UP*L Rate 1 - Excludes Strawberry data

INVESTOR OWNED UTILITIES

Graph 1a



RURAL ELECTRIC COOPERATIVE ASSOCIATION

Graph 1b

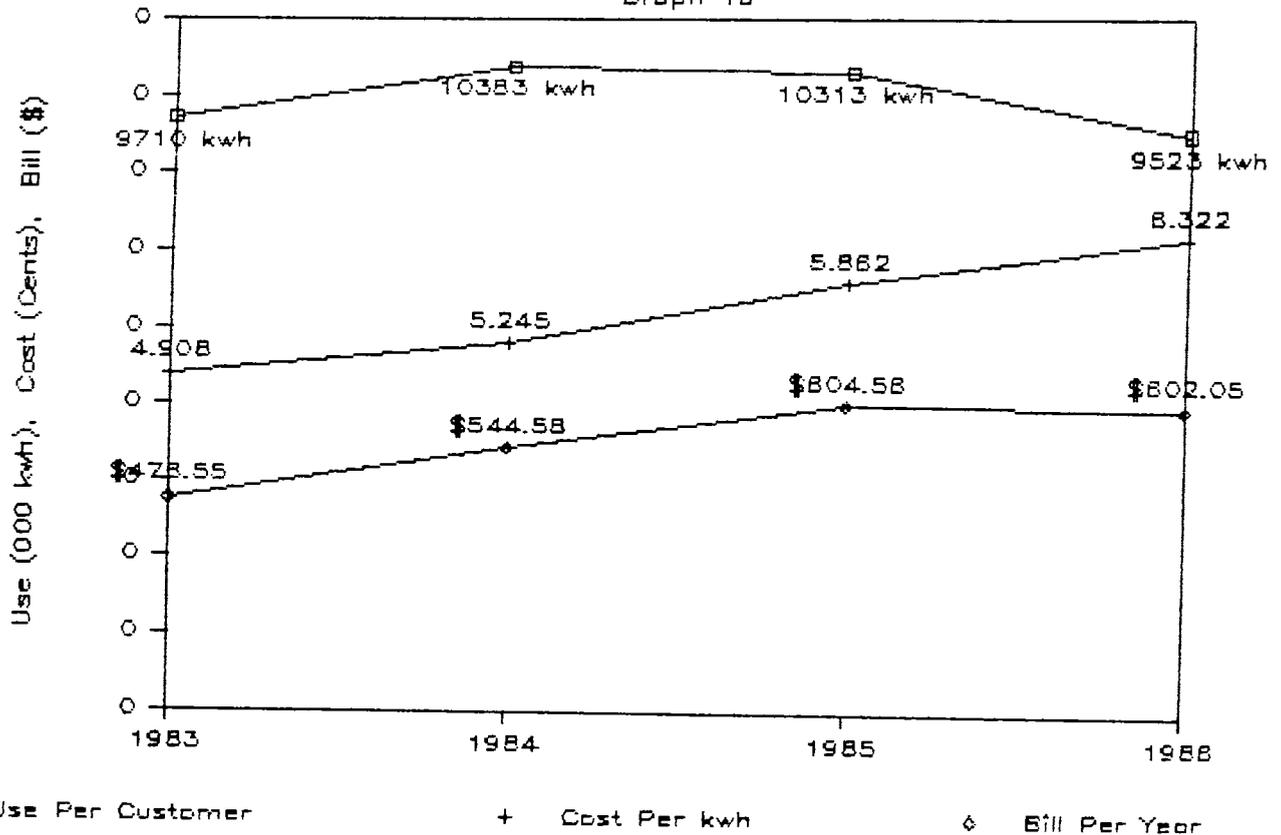


Table 2
KILOWATT-HOUR SALES AND CUSTOMERS
Calendar Year Ended December 31, 1986

A summary of the kilowatt-hours sold and the average number of customers served in Utah by electric utilities regulated by the Commission during the year fiscal year ending December 31, 1986 is portrayed in the table below.

Type of Customer	Kilowatt-Hours Sold (Thousands)	Average Number of Customers
INVESTOR OWNED UTILITIES		
Residential	3,005,172,341	410,123
Commercial	2,831,672,148	38,151
Industrial (Includes irrigation sales)	4,010,802,064	7,527
Public street and highway lighting	46,637,150	1,614
Other sales to public authorities	<u>541,816,915</u>	<u>48</u>
Total sales to ultimate consumers	10,436,100,618	457,463
Sales for resale	<u>3,070,355,534</u>	<u>21</u>
Total Sales Investor Owned Utilities	13,506,456,152	457,484
COOPERATIVE ELECTRIC ASSOCIATIONS		
Residential	161,449,141	16,954
Irrigation	66,384,731	1,008
Commercial	57,952,015	2,714
Industrial	387,114,985	635
Public street and highway lighting	1,164,951	35
Other sales to public authorities	<u>2,672,924</u>	<u>89</u>
Total sales to ultimate consumers	676,738,747	21,435
Sales for resale	<u>0</u>	<u>0</u>
Total Sales - Cooperative Elec Assoc	676,738,747	21,435
SUMMARY - ALL UTILITIES		
Total sales to ultimate consumers	11,112,839,365	478,898
Total sales for resale	<u>3,070,355,534</u>	<u>21</u>
Total Sales - All Utilities	14,183,194,899	478,919

KILOWATT-HOUR SALES AND CUSTOMERS

Graph 2

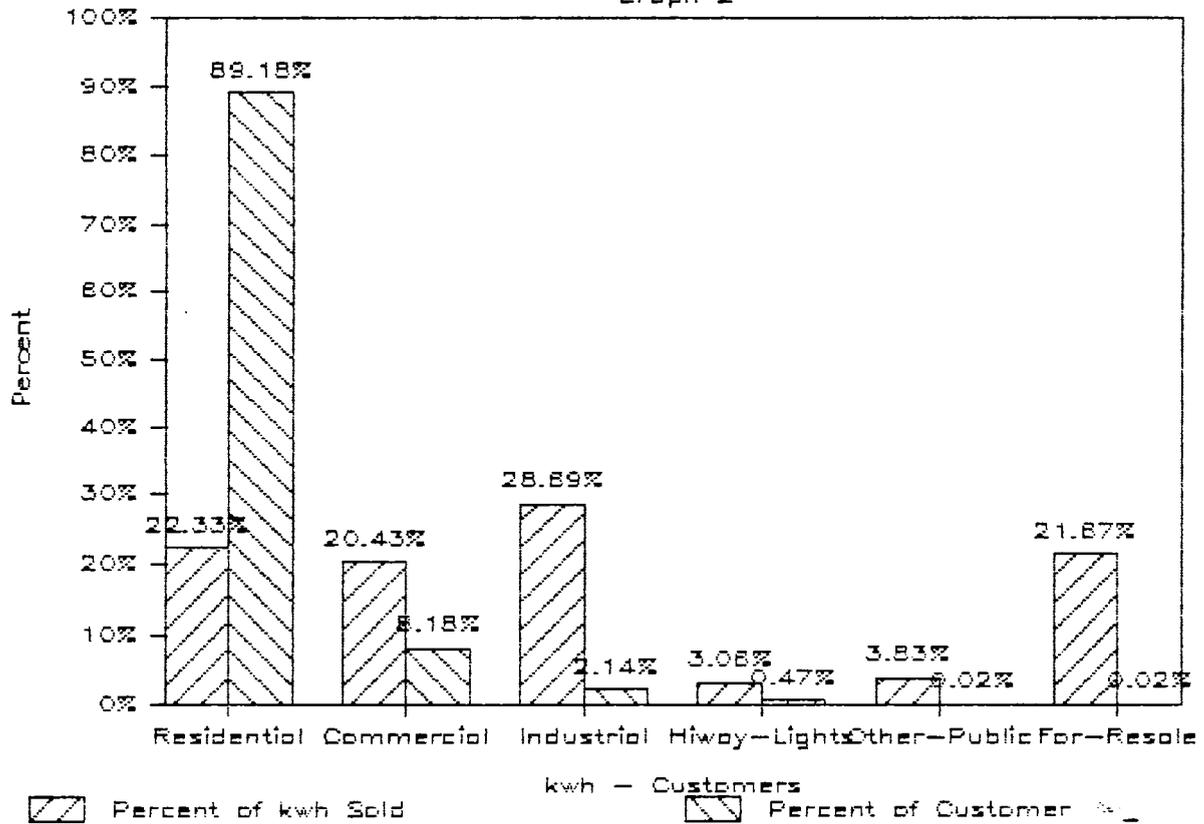


Table 3
ELECTRIC UTILITY REVENUE
Utah Jurisdictional Only - By Customer Class
Calendar Year ended December 31, 1986

The table below shows the Utah jurisdictional revenue each electric utility received during the calendar year ended December 31, 1986 from the various customer classes.

Residential	Commercial Industrial Irrigation	Street and Other Public	Sales For Resale	TOTAL
=====				
COOPERATIVE ELECTRIC ASSOCIATION				
Bridger Valley Electric Association				
278,558	203,670	8,372		490,600
Deseret Generation and Transmission Co-Op*			105,126,916	105,126,916
Dixie Escalante REA				
1,399,296	4,145,679	6,547		5,551,522
Empire Electric Association				
418,192	386,394	16,575		821,161
Flowell Electric Association				
144,804	343,367			488,171
Garkane Power Association				
2,021,814	2,232,413	158,708		4,412,935
Moon Lake Electric Association				
5,412,035	21,348,994	55,488		26,816,517
Mt. Wheeler Power				
67,158	164,893			232,051
Raft River Rural Electric Co-Op				
184,398	723,018			907,416
Wells Rural Electric Co.				
383,686	763,176	1,008		1,147,870
<u>Subtotals</u>				
10,309,941	30,311,604	246,698	105,126,916	145,995,159
INVESTOR OWNED				
Strawberry Electrical Service District**				
482,023	425,049	6,399		913,471
Strawberry Water Users Association			2,319,375	2,319,375
Utah Power & Light Co.				
257,260,195	425,402,060	36,434,030	73,893,656	792,989,941
<u>Subtotals</u>				
257,742,218	425,827,103	36,440,429	76,213,031	796,222,787
<u>Total Revenue</u>				
268,052,159	456,138,713	36,687,147	181,339,947	942,217,946

* Includes revenues from inside and outside of Utah

** Year ending September 30, 1956

ELECTRIC UTILITY REVENUE

Graph 3

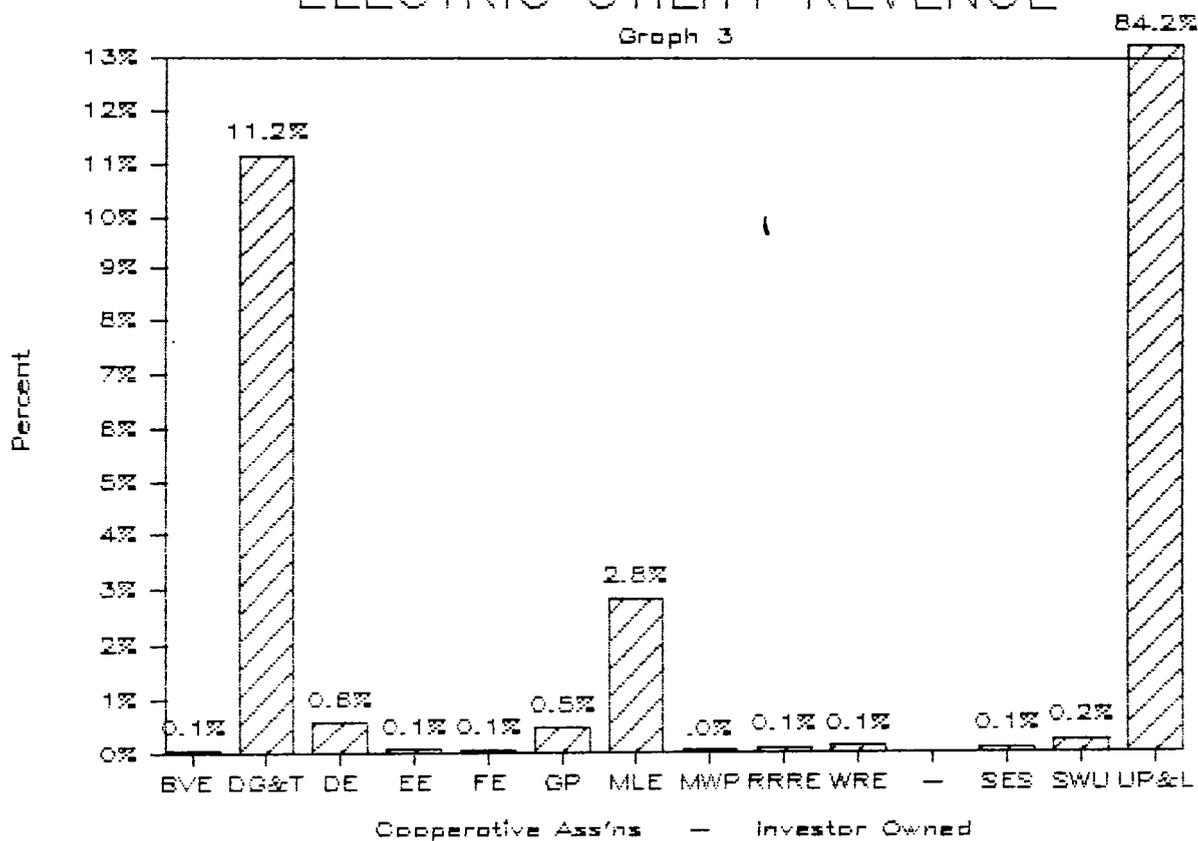
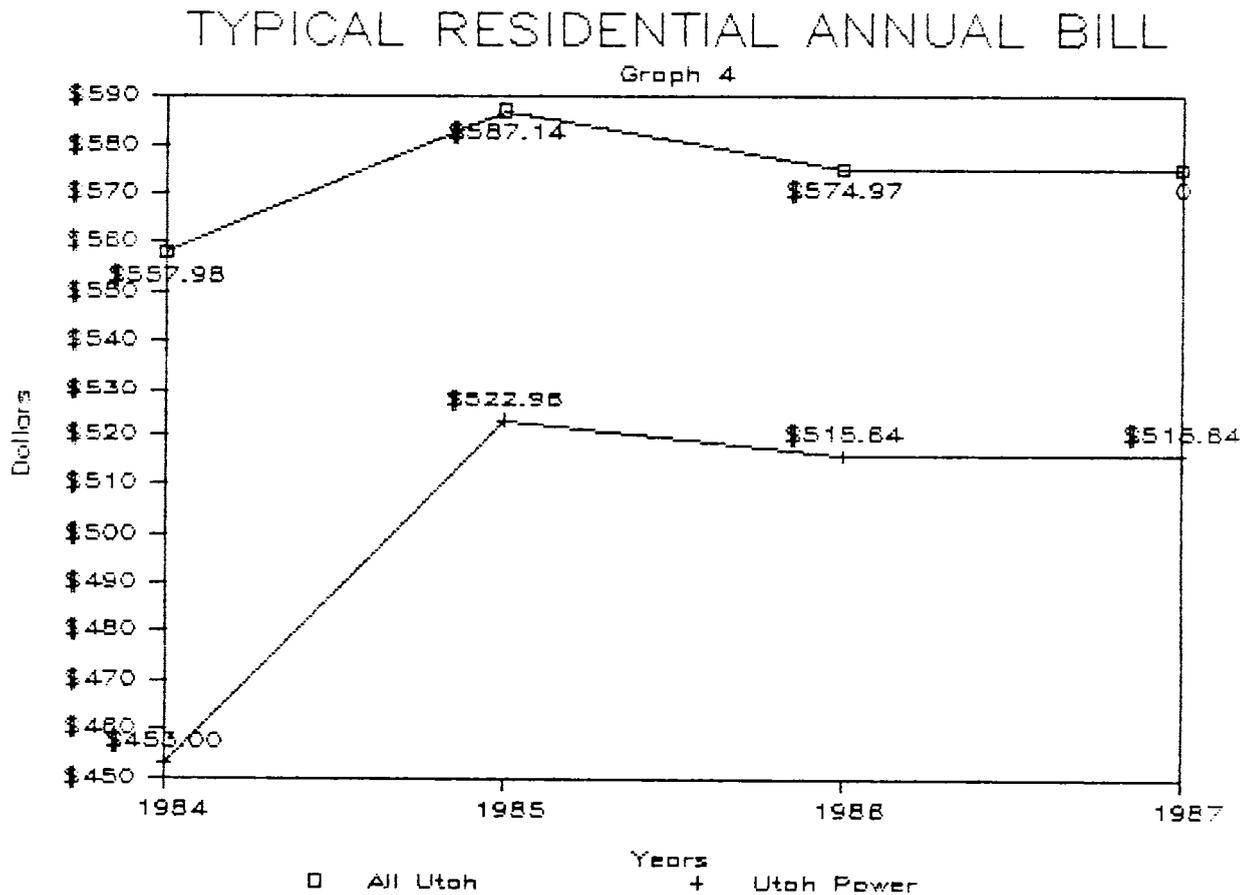


Table 4
 UTAH POWER & LIGHT COMPANY
 Typical Residential Customer Annual Bill
 Utah Schedule No. 1 Customer
 500 KWH Per Month

The table below shows the annual bill for a typical Utah schedule No. 1 residential customer of Utah Power & Light Company using 500 Kilowatt-hours per month based on the rates in effect on January 1 of each year since 1980 and the percentage increase each year's bill is over the preceding year.

Rates In Effect On	Annual Bill	Percent Change
January 1, 1984	453.00	-
January 1, 1985	522.96	15.4%
January 1, 1986	515.64	(1.4%)
January 1, 1987	515.64	0%



----- NATURAL GAS UTILITY STATISTICS -----

Table 5
TREND OF NATURAL GAS RATES AND USE OF GAS IN UTAH
Residential and Commercial Customers

The table below summarizes usage of natural gas for years beginning with 1980. The average annual bill per residential and commercial customer decreased by \$98.49 or 12.9 percent during 1986 over 1985. At the same time, average usage decreased by 10.0 percent.

Year	Annual Average Use Per Customer	Average Charge Per Mcf	Annual Average Bill Per Customer
------	---------------------------------	------------------------	----------------------------------

INVESTOR OWNED UTILITIES

1980	154.78 Mcf	\$ 2.752	\$ 426.01
1981	143.54	\$ 3.239	464.99
1982	160.62	\$ 3.670	589.55
1983	145.80	\$ 4.655	678.71
1984	161.86	\$ 5.295	856.98
1985	147.23	\$ 5.178	762.33
1986	132.45	\$ 5.012	663.84

NATURAL GAS RATES AND USE

Graph 5

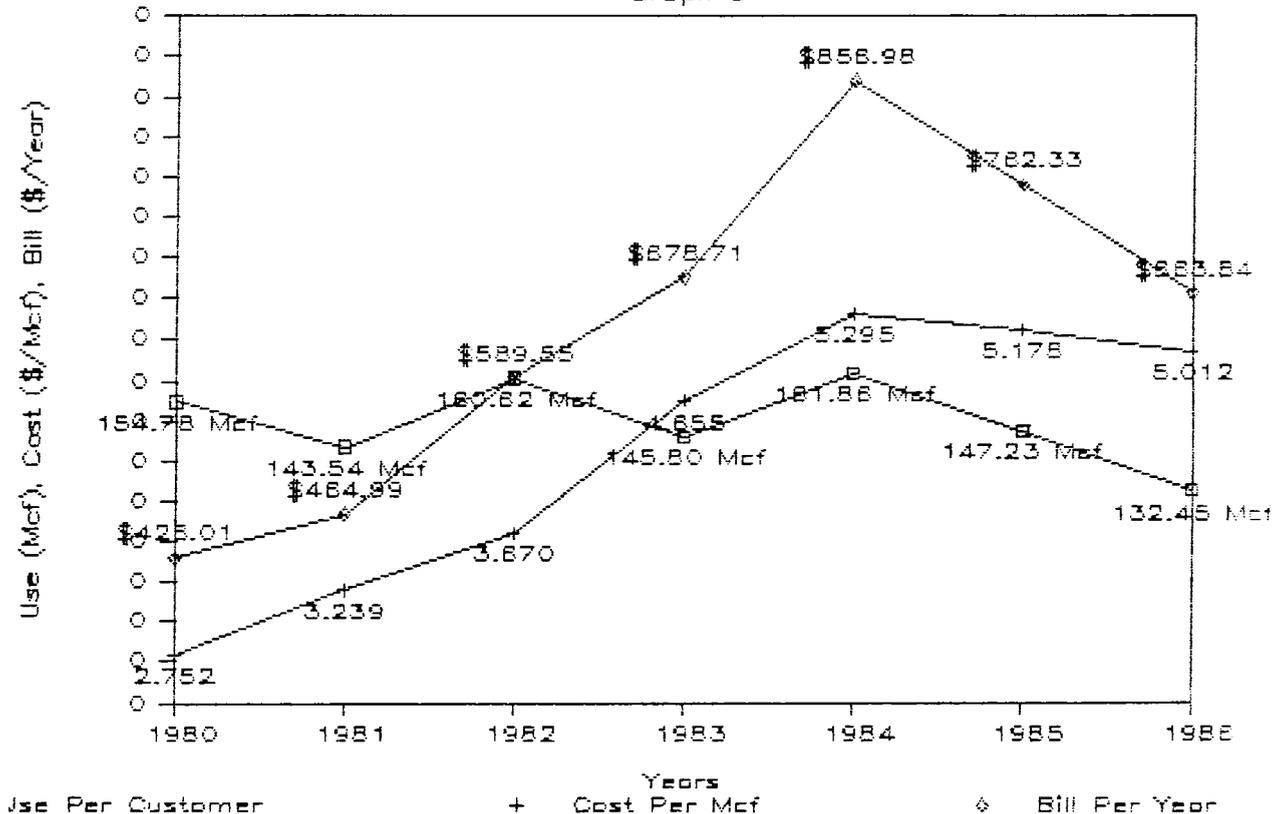


Table 6
MCF SALES AND CUSTOMERS
1986

A summary of number of Mcf (thousands of cubic feet) sold and the average number of customers served in Utah during the year ended December 31, 1986 is shown in the table below.

Type of Customer	MCF Sold (14.73 PSIA)	Average Number of Customers
INVESTOR OWNED UTILITIES		
Residential and Commercial	57,704,233	435,683
Industrial	26,445,005	567
Other sales to public authorities	<u>7,117</u>	<u>1</u>
Total sales to ultimate consumers	84,156,355	436,251
Sales for resale	<u>159,669</u>	<u>3</u>
Total Sales-Investor Owned Utilities	84,316,023	436,254

NATURAL GAS SALES AND CUSTOMERS

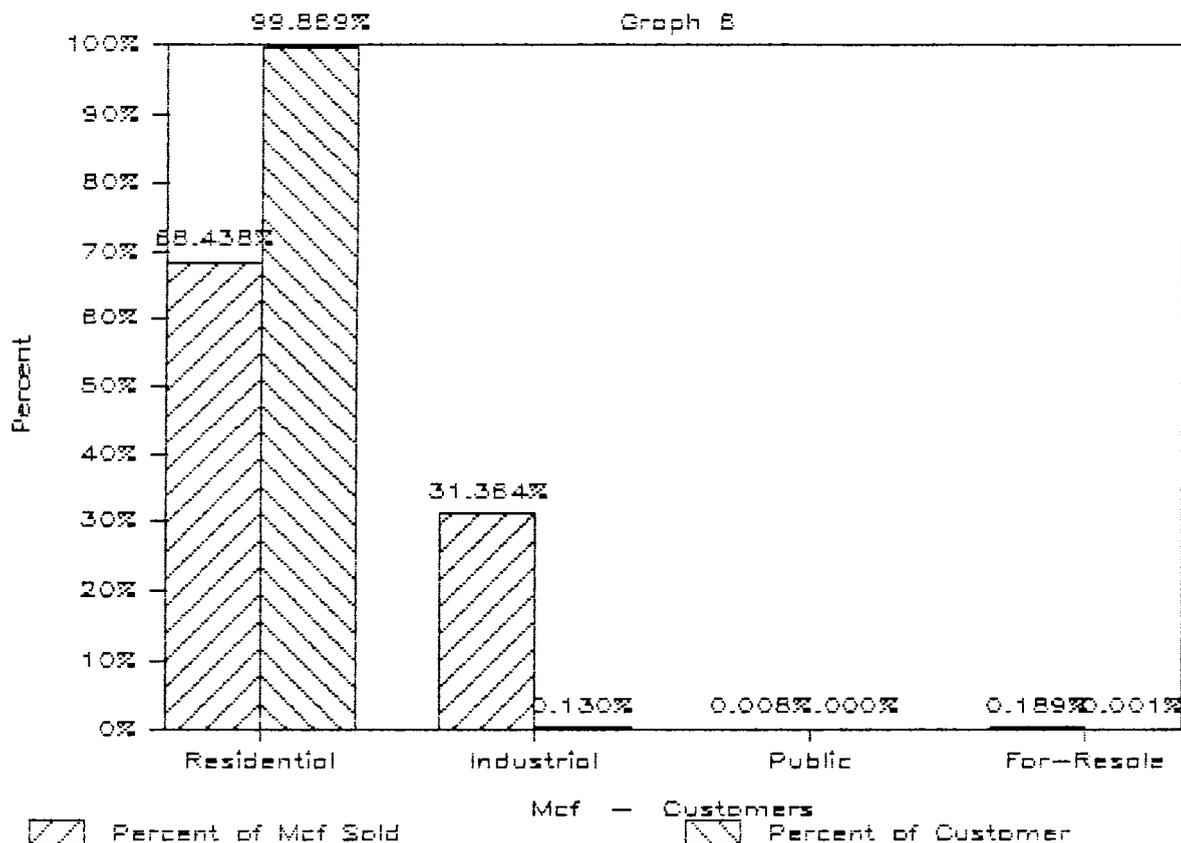


Table 7
 GAS UTILITY REVENUE
 Utah Jurisdiction Only
 By Customer Class
 1986

The table below shows the Utah Jurisdictional revenue

Category	Mountain Fuel Supply	Utah Gas Service	Total
Resident'l & Commerc'l	\$285,461,028	\$3,761,531	\$289,222,559
Industrial	84,633,922	987,005	85,620,927
Public Authorities & Other		41,726	41,726
Total Retail	\$370,094,950	\$4,790,262	\$374,885,212
Sales for Resale	510,592		510,592
TOTAL SALES	\$370,605,542	\$4,790,262	\$375,395,804

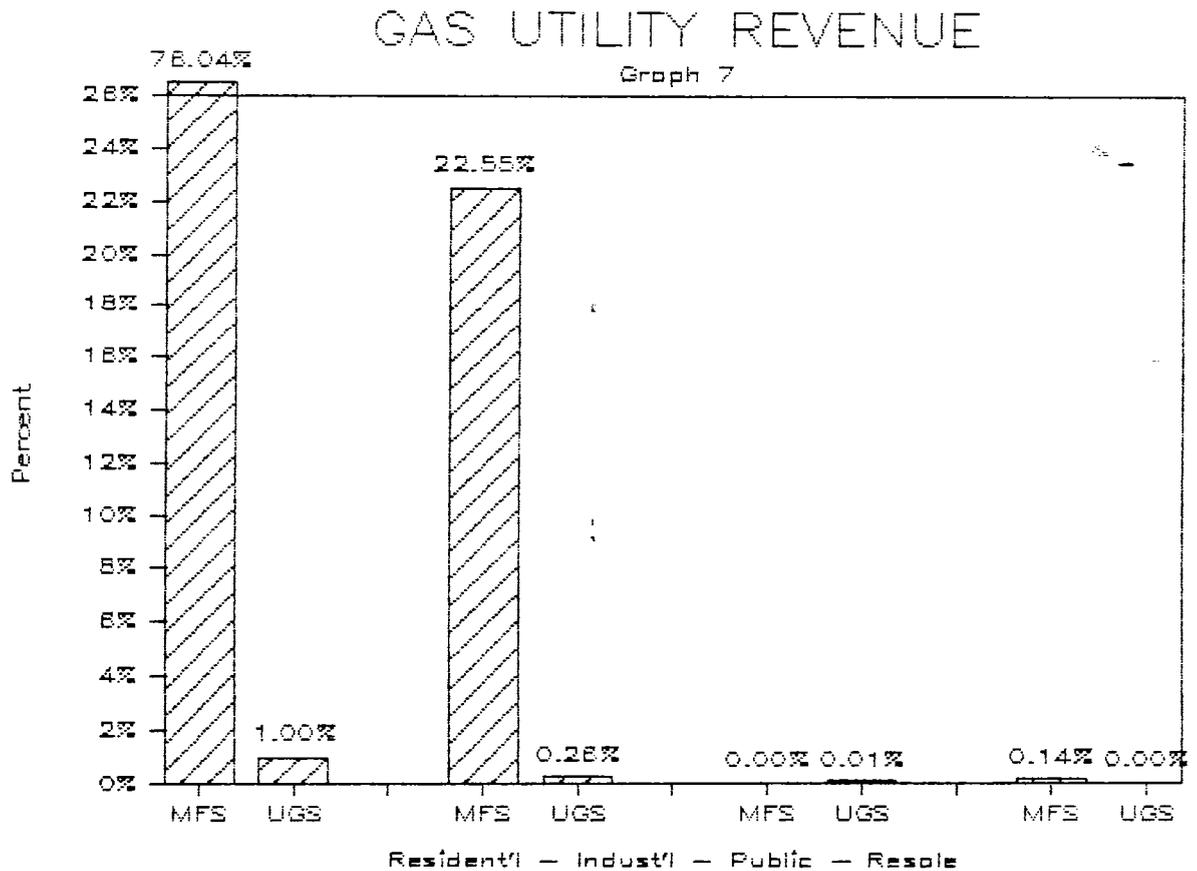


Table 8
MOUNTAIN FUEL SUPPLY COMPANY
Typical Residential Customer Annual Bill
Utah GS-1 Customer
Based on Usage at 1150 Therms Per Year

The table below shows the annual bill for a typical Utah residential customer of Mountain Fuel Supply Company using 180 Mcf of gas per year based on the rates in effect on January 1 of each year since 1980, and percentage increase each year's bill is over the preceding year.

Rates In Effect On:	Annual Bill	Percent Change
January 1, 1980	\$426.01	-
January 1, 1981	464.99	9.2%
January 1, 1982	589.55	26.8%
January 1, 1983	678.71	15.1%
January 1, 1984	856.96	26.3% 
January 1, 1985	762.33	(11.0%)
January 1, 1986	663.84	(12.9%)

Table 9
 TELEPHONE LINES BY MAJOR CLASSIFICATION
 Within The State of Utah
 December 31, 1986

The table below shows the number of telephone lines in service by classification within the State of Utah as of December 31, 1986. This table does not include extensions on each line.

Category	Residence Service	Business Service	Total
Main Lines	499,218	114,297	613,515
Mobile Lines		667	667
P.B.X.		136	136
Coin Lines		8,615	8,615
Total Company Phone Lines			<u>622,933</u>
Service Lines			60
Misc. Mountain Bell Lines			<u>50,383</u>
Total Telephones Lines in Service			<u>673,376</u>

TELEPHONE LINES BY MAJOR CLASSIFICATION

Graph 9

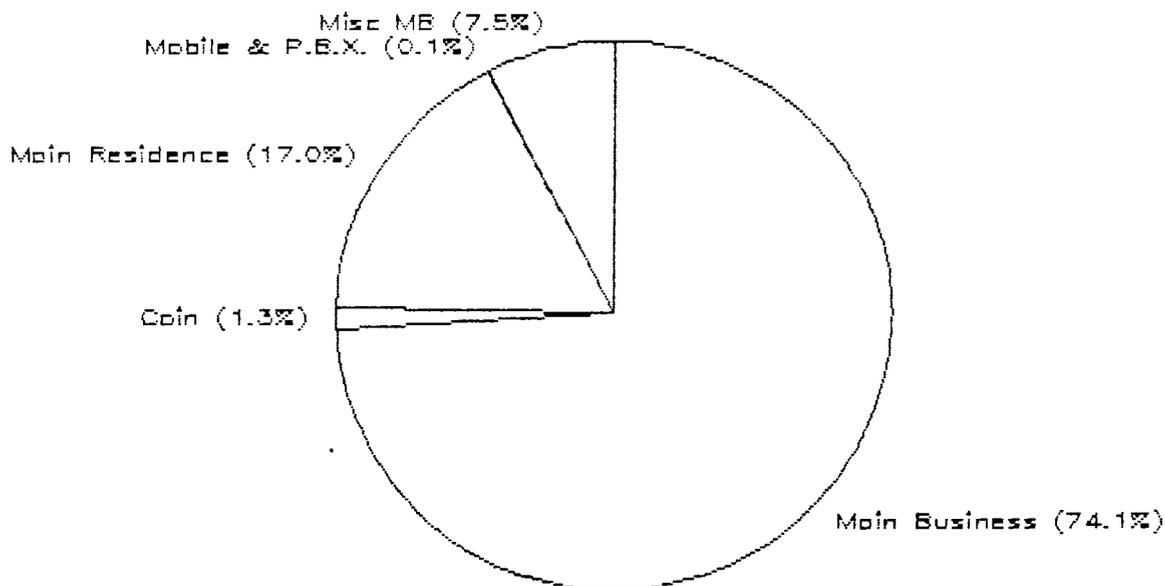


Table 10
NUMBER OF COMPANY TELEPHONES/LINES IN UTAH

The table below shows the number of company owned telephones in service in Utah during the years since 1980. There was a x.xx% increase in the number of telephones during 1986. Note that since the divestiture of AT&T, the statistics show number of lines rather than number of phones.

Year	Net Gain (Loss) During Year	Number At End of Year
1980	41,169	1,075,040
1981	6,042	1,081,082
1982	(38,672)	1,042,410
1983	(212,717)	829,693
1984	.	.
1985	.	.
1986	.	673,376

Table 11
 AVERAGE MONTHLY TELEPHONE BILLING
 INCLUDING BASIC SERVICE AND LONG DISTANCE

Year	Residential Customer	Business Customer	Residential Percent Customer	Business Percent Customer
1980	.	.	-	-
1981	\$30.38	\$179.90	-	-
1982	33.73	199.45	11.03%	10.87%
1983	34.98	211.23	3.71%	5.90%
1984
1985
1986	.			

Table 12
 SUMMARY OF PROCEEDINGS
 INVOLVING MOTOR CARRIER AUTHORITY

The table below summarizes the proceedings involving Motor Carrier Authority.

Type of Authority	Issued	Cancelled
Certificates of Convenience and Necessity	97	36
Contract Carrier Permits	27	24
Interstate Carrier Licenses	1,775	621
Exempt Licenses and Certificates	475	210
Total	<u>2,374</u>	<u>891</u>

Table 13
 CERTIFICATES OF CONVENIENCE AND NECESSITY
 ISSUED TO MOTOR CARRIERS
 July 1, 1986 through June 30, 1987

Name of Carrier	Date Of Order	Certificate Number	Case Number
<u>ISSUED</u>			
Trailways Lines Inc.	7-14-86	2,184	86-750-01
Kappen & Ruhter Trucking	8-13-86	2,186	86-744-01
S & S Garage & Bulldozg	8-14-87	1,104	86-743-01
Milne Truck Lines	8-19-86	2,187	86-242-01
D & D Container, Inc.	8-27-86	2,188	86-565-01
Getter Trucking	8-28-86	2,270	86-757-01
Lissonbee & Sons	8-28-86	2,189	84-228-01
Western Greyhound Lines	9-17-86	1,453	86-755-01
Tom Justice Constructn	10-29-86	1,985	86-759-01
Aspen Distribution Svcs	11- 3-86	2,193	86-569-01
Michael H. Harrison	11- 5-86	2,196	86-767-01
Ernie Vigil Trucking	11-17-86	2,195	86-749-01
JKL Construction	11-17-86	2,134	86-766-01
Kay Bethers Trucking	12- 1-86	1,941	86-427-03
Pine Creek Tours, Inc.	12- 8-86	2,086	86-748-01
All States Moving & St	12-16-86	2,199	86-105-01
Sugar House Van Lines	12-30-86	2,200	86-322-01
A+ Starving Students	1- 5-87	1,554	86-784-01
J H Cronin Pickup & Del	1- 7-87	2,202	86-769-01
R. D. B., Inc.	1- 8-87	1,958	86-772-01
Sun Valley Stages	1- 8-87	2,203	86-535-01
Field Oil Co. Inc.	1- 8-87	2,204	86-782-01
Le Bus	1- 8-87	2,205	86-785-01
Sterling Limousine, Inc	1-12-87	2,206	86-779-01
Mountain States Moving	1-14-87	2,207	86-251-02
Darryl B. Taylor Transp	1-14-87	2,208	86-751-02
Basin Moving & Storage	1-14-87	2,209	86-448-01
Utah Package Xpress,	1-14-87	2,210	86-341-02
D & S Trucking	1-15-87	2,211	86-786-01
Larry Pacoe	1-16-87	2,212	86-788-01
Wright Way Truckingm Fl	1-16-87	2,213	86-788-01
W. W. Clyde & Co.	1-20-87	2,214	86-790-01
American Mobile Home Tr	1-21-87	2,215	86-787-01
Motor Cargo	1-21-87	2,216	86-250-01
Spreader Specialists	1-26-87	2,217	86-663-01

Table 13
(Continued - Page 2 of 3)

Tours of the Big Country	1-27-86	1,594	86-328-01
Barney Trucking, Inc.	1-27-87	2,218	86-416-01
Pedal Express Couriers	1-28-87	2,219	86-690-02
Norton Fruit Co. of SL	1-28-87	2,220	86-804-01
Milne Truck Lines	1-28-87	2,221	86-242-04
Toraco Enterprises	1-28-87	2,222	86-696-01
Utah Wyoming Freight Ln	1-29-87	2,223	86-709-02
Pumpers Inc.	2- 2-87	2,224	86-783-01
Celebrity Limousine Ltd	2- 3-87	2,225	86-800-01
Steere Tank Lines	2- 3-87	2,226	86-802-01
J. C. Bangerter & Sons	2- 4-87	2,227	86-446-02
Trailways Lines, Inc.	2- 6-87	2,184	86-750-02
Transit Homes of Amer	2-10-87	2,228	86-729-01
Quick Transportation	2-11-87	2,229	86-251-01
Turner Moving & Storage	2-12-87	2,227	86-410-01
P*I*E Nationwide	2-18-87	2,230	86-795-01
Valley Cargo, Inc.	2-19-87	2,231	86-791-01
Jim Nebeker Trucking	2-20-87	2,232	86-796-01
Ashworth Transfer	2-20-87	2,233	86-110-02
Haslam Distrib & Expres	2-20-87	2,234	86-544-01
Koch Service Inc.	2-24-87	2,235	86-741-03
General Transportation	2-24-87	2,236	86-792-01
Canyon Transportation	2-25-87	2,237	86-731-01
Smith Transit Inc.	2-26-87	2,238	86-529-01
W. S. Hatch Co.	2-2 -87	2,239	86-192-01
Savage Brothers	2- -87	2,240	87-308-01
Gary Lee Jackson	2- 2-87	2,241	87-809-01
Mountain States Moving	2-11-87	2,229	86-251-01
Communications Int'l	3- 6-87	2,182	76-734-01
Hanstin Co, Inc.	3- 6-87	2,242	87-817-01
Formal Limousine, Inc.	3- 9-87	2,243	86-803-01
A Touch of Class	3- -87	2,244	87-815-01
C & D Equipment	3- 9-87	2,245	86-807-01
Calzona Tankways, Inc.	3- -87	2,246	86-777-01
Basin Transportation	3-17-87	2,247	87-811-01
Mangum's Mobile Towing	3-23-87	2,148	86-776-01
Lewis Bros. Stages, Inc	3-25-87	2,248	86-226-02
Ruan Transportation Corp	3-25-87	2,249	86-599-01
H. D. Delivery Service	3-25-87	2,241	86-701-01
American Distrib Cntrs	3-30-87	2,250	86-652-01

Table 13
(Continued - Page 3 of 3)

Gail E. Paxton Constr	4- 3-87	2,251	87-824-01
Uintah Freightways	4- 8-87	2,252	86-335-01
Danny Porter Trucking	4- 8-87	2,253	87-829-01
ANR Freight System, Inc	4- 9-87	2,254	86-733-01
R. W. Jones Trucking	4- 9-87	2,255	87-214-01
SMP, Inc.	4-10-87	2,256	86-678-01
Morning Star Transp	4-13-87	2,257	86-778-01
Expressco Inc.	4-14-87	2,258	87-763-01
Green River Transp Co.	4-16-87	2,129	87-597-01
Oborn Transfer & Stor	4-23-87	2,259	87-264-01
Presidential Limousine	5- 7-87	2,260	86-764-01
Norton Fruit Co. of SL	5- 8-87	2,261	87-804-01
SIS Distribution, Inc.	5-12-87	2,262	86-732-01
Solid Gold Cadillac Lim	5-12-87	2,263	86-794-01
Herman Bros. Inc.	5-12-87	2,264	87-808-01
Jones Moving & Storage	5-20-87	2,265	87-537-01
CTI	5-20-87	2,266	86-385-01
Viking Freight System	6-10-87	2,267	86-781-01
Inter City Delivery	6-10-87	2,268	87-844-01
Carlson Construction	6-16-87	2,269	87-816-01
Getter Trucking, Inc.	6-16-87	2,270	87-757-01
Tri-Valley Transport'n	6-16-87	2,271	87-837-01
Ray J. Hartley	6-16-87	2,272	87-856-01
Duane Hall Trucking	6-16-87	2,273	86-188-01
R. Hodges & Hodges	6-16-87	2,274	87-827-01
Salt Lake Transfer	6-16-87	2,275	87-857-01
Atwater Trucking	6-16-87	2,276	87-857-01

Table 14
 CERTIFICATES OF CONVENIENCE AND NECESSITY
 CANCELLED FOR MOTOR CARRIERS
 July 1, 1986 through June 30, 1987

Name of Carrier	Date Of Order	Certificate Number	Case Number
<u>CANCELLED</u>			
American Bus Line, Inc.	7-14-86	1,643	76-389-01
Reed Truck Line, Inc.	7-15-87	1,881	86-292-01
Paul Ott Mangum	7-29-86	2,017	86-490-01
Park City Transport	8- 1-87	1,815	82-594-01
Castle Country Transp	8-12-86	1,900	86-OSC-600
Liquid Transport	8-13-86	1,969	86-744-01
Kenneth Silliman	8-14-86	1,104	86-743-01
Moroni Coal & Bldg Sup	8-27-87	1,918	86-565-01
Lisonbee & Sons	8-28-86	1,711	86-228-01
Brian Head Transp Svcs	10-28-86	2,026	86-657-01
A & B Construction	10-29-86	1,985	86-759-01
Canyon Country Scenic	10-29-86	2,142	86-592-01
Utah Unique Tours	11-06-86	2,119	86-601-01
JKL/Guzman, Inc.	11-17-86	2,134	86-766-01
Rimrock Resort Ranch	12- 8-86	2,086	86-748-01
Purity Warehouse	1- 5-87	1,554	86-784-01
Ekker Enterprises	1- 6-87	2,100	86-171-01
Dalgarno Transp. Inc.	1- 8-87	1,958	86-772-01
Smith Transit, Inc.	2-27-87	2,146	86-529-01
L & J Transport	3- 3-87	1,996	87-489-01
Yellow Cab of Provo	3- 4-87	1,599	87-371-01
Lewis Bros. Stages Inc.	3-25-87	2,150	85-226-02
PBI Freight Service	3-26-87	2,056	81-274-02
Savage Brothers, Inc.	4- 3-87	1,957	86-308-01
Savage Brothers, Inc.	4- 3-87	2,104	86-308-01
Savage Brothers, Inc.	4- 3-87	2,122	86-308-01
A.N.R. Freight System	4- 9-87	1,258	86-733-01
U.S. Pollution Control	4- 2-87	2,033	86-579-01
Oborn Transfer & Stor	4-23-87	2,135	87-264-01
Roush Trucking	5- 8-87	2,156	86-685-01
Whitfield Tank Lines	5-19-87	2,183	86-746-03
Norwood Transportation	5-20-87	2,046	86-385-01
Easy Ride Transportat'n	5-21-87	2,132	87-655-01
JKL Construction	6- 2-87	2,134	86-745-01
Quickhop Corporation	6- 3-87	1,978	86-765-01
Energy Express, Inc	6-24-87	2,021	87-501-01

Table 15
 CONTRACT MOTOR CARRIER PERMITS ISSUED
 July 1, 1986 through June 30, 1987

Name of Carrier	Date Of Order	Permit Number	Case Number
<u>ISSUED</u>			
Ray Bethers Trucking	7-22-86	683	86-427-02
D & L Cooper	8-25-86	686	86-161-03
J. C. Trucking	8-26-86	687	86-487-01
Nelson Trucking & Excav	9- 5-86	657	86-259-01
Delivery Specialists	9- 9-86	688	86-742-01
Cheyenne Oil Transp Co.	10- 9-87	607	86-756-01
L. W. Miller Transportn	10-30-86	689	86-758-01
Armadillo Express	11-12-86	690	86-756-01
P & H Truckig	11-17-86	691	86-747-01
Terry J. Boren	11-25-86	692	86-768-01
Farnsworth Trucking	1- 7-87	693	86-449-02
Bulkmatic Transport Co	1- 8-87	694	86-739-02
Norwood Transportation	1-13-87	695	86-385-01
Norwood Transportation	1-13-87	696	86-385-01
Five State Transport	1-29-87	697	86-771-01
Del-Mar Construction	1-30-87	649	86-619-01
James J. Gallery Inc.	2- 2-87	698	86-798-01
J. C. Bangerter & Sons	2- 4-87	685	86-446-02
Randall Distribution Co	2- 6-87	699	86-806-01
Eagle Express	2-25-87	701	86-656-02
Greg Larson	3-18-87	702	86-547-01
Americold Transportation	5-12-87	698	86-798-01
Karl Bankowski	5-12-87	703	87-828-01
Rockhill Farms Trucking	5-19-87	704	86-770-01
Milne Truck Lines	6-22-87	705	87-242-01
Thomas Peck & Sons	6-25-87	684	86-281-02
Ryder Dist. Resources	6-29-87	700	87-618-01

Table 16
 CONTRACT MOTOR CARRIER PERMITS CANCELLED
 July 1, 1986 through June 30, 1987

Name of Carrier	Date Of Order	Permit Number	Case Number
<u>CANCELLED</u>			
Tower Products	7-17-86	581	86-429-01
Burma Road Transit	7-18-87	562	86-479-01
B&T Truck Lines	7-18-86	547	86-111-01
Lee Ray Farnsworth	7-22-87	593	86-449-01
Commodity Transport	7-23-86	631	86-545-01
Mont Trucking	7-23-87	580	86-422-01
Key of Utah Valley Limo	7-29-86	614	86-504-01
Cole Trucking	7-29-87	625	86-551-01
Independence Enterprises	8-11-86	632	86-OSC-200D
Servicar of Utah	8-12-86	613	86-312-01
Del-Mar Construction	9- 5-86	649	86-619-01
Husky Oil Transport'n	10- 9-87	607	86-756-01
Jensen Trucking	10-29-86	635	86-455-01
Trans Continental Tras	11-18-86	655	86-649-01
Mountain Transport Inc	11-28-86	633	86-573-01
Delivery Svc & Transf	12- 2-86	504	5165
Metropolitan Cont Svcs	12- 2-86	658	86-OSC-05
H. S. Sowards & Sons	12-12-86	604	86-318-01
G. E. M. Transport	1-13-87	650	86-385-01
G. E. M. Transport	1-13-87	652	86-385-01
Matador Service, Inc.	2-27-87	680	86-741-01
Amax Magnesium Corp	3- 4-87	556	6954
Commercial Cartage	4-16-87	979	87-149-01
H & M Truck Line	6- 2-87	521	87-186-01

Table 17
 PROCEEDINGS BEFORE THE PUBLIC SERVICE COMMISSION
 July 1, 1986 through June 30, 1987

HEARINGS

Number of Hearings .
 Number of Hearing Days .

FORMAL CASES

Utilities	No. Of Cases Heard	No. Of Orders Issued

Electric	.	.
Natural Gas	.	.
Telecommunications	.	.
Water	.	.
Motor Carrier	.	.
Railroad	.	.
Miscellaneous	.	.

Table 18
 SUMMARY OF ORDERS ISSUED IN MAJOR ELECTRIC, NATURAL GAS
 AND TELECOMMUNICATION RATE CASES
 July 1, 1986 through June 30, 1987

Company	Date Of Order	Case No.	Amount Requested	Amount Granted	% Of Request
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INVESTOR OWNED ELECTRIC COMPANIES

Utah Power	3-31-87	84-035-12	*	8,571,429	*
Total				8,571,429	

NATURAL GAS COMPANIES

Mountain Fuel	8-14-86	86-057-05	1,589,056	1,589,056	100%
Mountain Fuel	2- 5-87	87-057-01	362,688	362,688	100%
Total			1,951,744	1,951,744	100%

TELECOMMUNICATIONS COMPANIES

(There Were No Mountain Bell Rate Cases This Fiscal Year)

Table 19
 FIXED UTILITY CERTIFICATES OF CONVENIENCE AND NECESSITY
 ISSUED OR CANCELLED
 July 1, 1986 through June 30, 1987

Name of Utility Number	Date Of Order	Certificate Number	Case
ISSUED			
Daniels & Associates	12-10-86	2,198	86-2022-02
X	xx-xx-8x	x,xxx	xx-xxx-xx
X	xx-xx-8x	x,xxx	xx-xxx-xx
X	xx-xx-8x	x,xxx	xx-xxx-xx
CANCELLED			
X	xx-xx-8x	x,xxx	xx-xxx-xx
X	xx-xx-8x	x,xxx	xx-xxx-xx

Table 20
 PUBLIC UTILITIES UNDER THE JURISDICTION OF THE COMMISSION
 June 30, 1987

Class of Utility	Number
Electric Companies, Investor Owned	3
Electric Cooperatives (REAs)	10
Motor Carriers Holding Intrastate Authority*	663
Motor Carriers Holding Interstate Authority*	9,443
Natural Gas Companies	4
Railroads	5
Telecommunications Companies	23
Water Companies	15
Water and Sewer Companies	2
Sewer Companies	1
TOTAL	<u>10,169</u>

* Includes carriers hauling exempt commodities

Table 21
 STATEMENT OF COMMISSION FINANCES
 July 1, 1986 through June 30, 1987

Funds Available:

Non-Lapsing Balance 7-1-86	\$ 0
Public Utility Regulatory Levy	4,093,000
Collections	1,647,600
Federal Funds for DOT-Pipeline Safety	40,500
General State Cutback	(280,600)
TOTAL AMOUNT AVAILABLE	\$5,500,500

Expenditures:	Personal Services	Travel	Current Expenses	Capital Outlay	Totals
Pub Svc Comm	\$ 839,900	\$12,800	\$128,400	\$ 7,500	\$ 988,600
Div Pub Util	1,906,800	57,700	388,700	12,700	2,365,900
Com Cons Svc	267,000	9,600	168,100	1,600	446,300
Atty Gen			.	.	332,400
Dept of Tran		.	.		431,600
Cent Admin		.	.	.	249,400
TOTAL EXPENDITURES		.	.	.	\$4,814,200

Balance	686,300
Lapsing Balance	(67,800)
Non-Lapsing Balance	\$618,500