

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application of	)	<u>DOCKET NO. 03-2035-02</u>
PACIFICORP for Approval of its Proposed	)	
Electric Service Schedules and Electric	)	<u>REPORT AND ORDER CONFIRMING</u>
Service Regulations	)	<u>BENCH DECISION</u>

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ISSUED: May 6, 2003

SYNOPSIS

The Public Service Commission of Utah approves, with modifications to the proposed schedule, a stipulation which resolves test period, rate effective date and scheduling issues.

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APPEARANCES

Edward A. Hunter	for	PacifiCorp
Michael L. Ginsberg Assistant Attorney General	"	Division of Public Utilities
Reed Warnick Assistant Attorney General	"	Committee of Consumer Services
Gary Dodge	"	UAE Intervention Group
William Evans	"	UIEC

By The Commission:

PROCEDURAL HISTORY

On April 2, 2003, PacifiCorp and the Division of Public Utilities filed a Joint Motion for Approval of Test Period and Scheduling Stipulation and Issuance of Notice. On April 7, 2003, the Commission issued a notice of the hearing on the Joint Motion.

The stipulation was presented to the Commission at a hearing on April 16, 2003. At the hearing, Doug Larson, for PacifiCorp, and Ron Burrup, for the Division of Public Utilities, presented testimony in support of the stipulation. No party presented any testimony in opposition to the stipulation. The Commission questioned the parties and witnesses regarding various aspects of the stipulation and the evidence presented.

STIPULATION

Paragraph 8 of the stipulation addresses the test period for this case. In this paragraph, the parties agree that the base test

period for this case will be the 12 month period from April 1, 2002 through March 31, 2003 and will include average customers, average loads and average rate base. They also agree that any party may propose annualizing, normalizing and known and measurable adjustments, but that known and measurable adjustments will be limited to those that reflect changes that have occurred, or will occur on or before January 1, 2004.

In paragraph 15 of the stipulation, the parties agree that the rates approved by the Commission in this case will become effective for service rendered on and after January 1, 2004, but that those rates will begin to be collected from customers on bills for service rendered on and after April 1, 2004. The stipulation also provides that any amounts due or refunds owing for service during the period January 1, 2004 through March 31, 2004 will be collected through a surcharge or refunded through a credit on customer bills. Finally, paragraph 15 provides that the Commission will, on or before January 1, 2004, make PacifiCorp's current rates interim during the period from January 1, 2004 through March 31, 2004.

In addition to these provisions, the stipulation also includes a proposed schedule for this case, including proposed dates for revenue requirement and rate spread hearings.

### DISCUSSION

Settlement of matters before the Commission is encouraged at any stage of proceedings. Utah Code Ann. § 54-7-1. *See also Utah Dept. of Admin. Services v. Public Service Commission*, 658 P.2d 601, 613-14 (Utah 1983). The Commission may approve a stipulation or settlement after considering the interests of the public and other affected persons if it finds the stipulation or settlement in the public interest. *Id.* Accordingly, we must determine whether the Stipulation in this case is in the public interest.

The parties to the stipulation include PacifiCorp, state agencies with responsibility for customer interests and representatives of a diverse group of PacifiCorp customers, from some of the largest to residential and irrigation customers. If these parties agree that the test period and rate effective date provisions of the stipulation are fair, just and reasonable, this is strong evidence that we should find that the stipulation is in the public interest.

In addition, we rely on the testimony of Mr. Burrup and Mr. Larson. Mr. Larson testified that PacifiCorp had originally intended to file a case on May 1, 2003 for an increase in general rates effective January 1, 2004 using a combination of actual and projected data. Mr. Larson explained that in discussions of those plans with the Division, the Committee of Consumer Services and others, several issues had been raised, including auditing and rate stability concerns. Mr. Larson testified that this stipulation was negotiated in order to address those issues in a fair and reasonable way. Mr. Burrup explained that the Division supported the stipulation for a number of reasons, including the fact that it would provide the Division and other parties with additional time to audit test period data and that it would promote rate stability by synchronizing any rate change resulting from this case with the expiration of PacifiCorp's Schedule 95 surcharge.

In response to questions from the Commission, the parties to the stipulation agreed that it would be acceptable to change the revenue requirement hearing dates in paragraph 13 of the stipulation to January 26, 2004 through February 3, 2004 and to change the rate spread hearing dates in paragraph 14 to February 9, 2004 through February 13, 2004. The parties also informed the Commission that additional changes in the proposed schedule could be required to accommodate the changes in the hearing dates and subsequently proposed changes to the rebuttal and intervenor direct testimony filing dates in paragraphs 9 and 10 of the stipulation.

Based upon the foregoing analysis, the Commission issued a bench decision approving the stipulation, subject to the specified changes in the hearing dates. In confirmation of that bench order, the Commission now makes the following findings of fact, conclusions of law and order.

### FINDING OF FACT

1. The stipulation is, with the revisions specified below to the testimony filing and hearing dates in paragraphs 9, 10, 13 and 14, an appropriate resolution of the test period, rate effective date, interim rate and other issues it addresses and is in the public interest.

## CONCLUSIONS OF LAW

1. The hearing on this stipulation was appropriately held pursuant to proper notice.
2. Settlement of disputed issues is to be encouraged. Utah Code Ann. § 54-7-1. *See also Utah Dept. of Admin. Services v. Public Service Commission*, 658 P.2d 601, 613-14 (Utah 1983). After examining the Stipulation, the Commission concludes that, with the revisions specified below to the testimony filing and hearing dates in paragraphs 9, 10, 13 and 14, it is in the public interest.
3. It is in the public interest to adopt the test period and other provisions specified in paragraph 8 of the stipulation.
4. It is in the public interest to adopt the rate effective date, interim rate and other provisions specified in paragraph 15 of the stipulation.

## ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Stipulation of PacifiCorp, the Division, the Committee, the Irrigators, the UAE Intervention Group, the United States Executive Agencies and CrossRoads Urban Center in this docket dated April 4, 2003 is, with the revisions specified below to the testimony filing and hearing dates in paragraphs 9, 10, 13 and 14, approved and is incorporated in this Order.
2. The schedule of proceedings in this matter shall be as follow:

May 15, 2003	PacifiCorp initial filing
July 31,2003	PacifiCorp direct revenue requirement testimony due
September 15, 2003	PacifiCorp direct class cost of service, rate spread and rate design testimony due
October 15, 2003	PacifiCorp additional direct revenue requirement testimony due
October 31, 2003	PacifiCorp additional direct class cost of service and rate spread exhibits due
December 5, 2003	All other parties' direct revenue requirement testimony due
January 9, 2004	All other parties' direct class cost of service, rate spread and rate design testimony due
January 12, 2004	PacifiCorp and all other parties' rebuttal revenue requirement testimony due
January 30, 2004	PacifiCorp and all other parties' rebuttal class cost of service, rate spread and rate design testimony due

January 26, 2004	Revenue requirement hearings to commence. Hearings will extend to February 3, 2004 if necessary.
February 2, 2004	Public witness hearing to commence at 4:00 p.m.
February 9, 2004	Class cost of service, rate spread and rate design hearings to commence. Hearings will extent to February 13, 2004 if necessary.

DATED at Salt Lake City, Utah this 6<sup>th</sup> day of May, 2003.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard,  
Commission Secretary

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