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Commerce

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MEMORANDUM

To: Utah Commission of Public Utilities

From: Utah Division of Public Utilities
Irene Rees, Director
Energy Section
Artie Powell, Acting Director
Abdinasir Abdulle, Technical Consultant

Date: November 24, 2004

Re: Utah Holiday 2003 Storm Inquiry – Docket No. 04-035-01

On May 13, 2004, PacifCorp (Company) submitted to the Commission a report of their December outage investigation (Utah Power, Public Service Commission Inquiry Report, Utah Holiday 2003 Storm Inquiry), which the Commission asked them to conduct. In this report the Company made 28 recommendations. On May 12, 2004, Williams Consulting, Inc. (WCI) (a consulting firm selected by the Division to provide an independent assessment of the Company's report) submitted its report to the Division (which was subsequently submitted to the Commission) and provided a copy to the Company. Besides the Company's recommendations, WCI suggested 18 additional recommendations to be implemented by the Company.

On September 9, 2004, the Company held a meeting in which they presented the status of its recommendations and a response to the WCI's additional recommendations. In its presentation the Company indicated that they agreed with some of the WCI's

recommendations and disagreed with some others and provided an explanation of their disagreement.

Williams Consulting, Inc. reviewed PacifiCorp's response to WCI's recommendations and submitted their comments to the Division on October 8, 2004. WCI's comments indicate that the Company has made progress in addressing both the recommendations that they suggested and those suggested by WCI in relation to the Utah Holiday 2003 Storm Inquiry. Williams also indicated that it disagrees with some of PacifiCorp's responses to its additional recommendations.

After reviewing the information presented by the Company during the meeting on September 9, 2004 and WCI's comments, the Division identified that there were areas of significant disagreement. Consequently, On November 4, 2004, the Division filed a memorandum with the Commission in which the Division recommended that the Commission hold a technical conference in which the costs and the benefits of some of the recommendations and ways to monitor any action steps associated with the recommendations and how to measure progress would be discussed.

On November 23, 2004, in a phone conference between PacifiCorp, Williams, and the Division, PacifiCorp and WCI disagreements were discussed and resolved to the satisfaction of WCI. Therefore, the Division believes that the requested technical conference would not be necessary and withdraws its recommendations. The Division is planning to file its comments with the Commission early next week.

CC: Service List