

History of Utah PSC Decisions on Class Cost of Service Issues in PacifiCorp General Rate Cases

April 12, 1982:

PSC Order, Docket No. 79-035-12

Distribution costs to be classified as demand-related (p4)

Federal income tax exp to be allocated on rate base (p9)

Uncollectibles NOT to be treated as customer costs for rate design purposes (p9)

Company to report results of consultant's loss factor study (p11)

Minimum bill to include cost of meter & service drop and meter reading, billing and accounting (p14-15)

March 7, 1983:

PSC Order, Docket No. 81-035-13

Stated intent of order is to provide guidelines and policies for future cost of service studies (p3)

Adopted for future use DPU classification of distribution costs (mostly demand) & rejected use of minimum distribution system (p12)

Directed Company to develop with DPU allocation factor that reflects design characteristics of the distribution system (p13)

Coal mining operation costs classified as energy-related (p15)

Adopted for future cost of service studies the Stone & Webster Study method for developing loss factors (p16)

Found reasonable Dr. Compton's criteria (reserve margins, loss of load probability & probability of contribution to system peak) for determining which months to include in a coincident peak allocation factor (p22)

Adopts 8CP allocation method for production plant (p25)

Continues use of gradualism concept for rate spread increases (p29)

Adopts as a reasonable regulatory objective - each customer schedule over time be brought to within a range of plus or minus 10% of relevant cost of service study results. (p35).

January 30, 1984:

PSC Order, Docket No. 83-035-06

Company to conduct a study to determine the proper allocation of distribution substations and primary distribution lines (p14-15)

June 7, 1985:

PSC Order, Docket No. 84-035-01

Reaffirms 8CP allocation method (p10)

Distribution Study presented – PSC allows further consideration in future case (p10)

July 1, 1985:

PSC Order, Docket No. 84-035-01

No party opposed implementation of cost-based customer charges for non-residential schedules (p6)

Cites previous finding in MFS case (82-057-15) that a customer charge results in payment by each customer of those costs he imposes upon the system, which are independent of actual energy consumption (p11)
Finds that customer charge, as opposed to a minimum bill, allows customer costs to be recovered reasonably and properly (p12)
Imposes \$1.00 residential customer charge (p12)

February 9, 1990:

PSC Order, Docket No. 89-035-10
Reaffirms 8CP allocation method (p26)
Adopts Distribution Study allocation methods for future cost of service studies (p28, 35)
Distribution (6 year) Study recommended allocation of substations & primary lines on 12 weighted coincident distribution peaks, line transformers & secondary lines on weighted annual NCP, and meters & service lines on weighted customers (p26)
A&G accounts 920 & 935 to be allocated on plant per DPU recommendation (p27)
Cites two past PSC policy guidelines (Docket No. 81-035-13) – 1-bring each class within a range of plus or minus 10% of cost of service, 2-objective of gradualism to avoid abrupt changes in rates (p31)
Approved \$1.00 customer charge for residential rates 1 & 5 (p32)

April 10, 1992:

PSC Order, Docket No. 90-035-06
Finds residential customer-related costs are \$2.15 per month (p45)
Keeps residential customer charge at \$1.00 as PSC gives greater weight to an equal sharing of schedule revenue reduction than to recovery of all customer-related costs in a customer charge (p46)
Adopts DPU/Company proposed customer charges for rates 6,6A,6B,9,9A,9B & 23 (p50,51,53,57,58)
Load research is key to effective ratemaking (p60)
Finds that accurate estimates of class load and loads within classes are essential for cost allocation and rate design (p61)
Company should maintain adequate load research and data collections so that this regulatory body can make appropriate decisions on cost allocations, rate design and evaluation of DSM programs (p61-62)

March 4, 1999:

PSC Order, Docket No. 97-035-01 (available at www.psc.utah.gov)
Rejects Company's approach to functional unbundling (p76)
Adopts 12CP, 75% demand & 25% energy, for allocating production and transmission plant (p76, 78, 79)
Rejects Company loss factors since derived by an unapproved method (p76, 80)
Rejects Company labor-based approach to allocate A&G expenses (p76, 80, 81)
Accepts DPU proposal to allocate sales for resale revenues on a 65% demand & 35% energy basis (p77, 81, 82)
Reaffirms allocation of income taxes on rate base (p77, 82)
Accepts CCS proposal for weighting factors for accounts 902 & 903 (p77, 83, 84)

Establishes Allocation Task Force to study unresolved issues (p77)
Approves use of secondary loss factors for irrigation (p85)
No changes made to customer charges (p92)
Customer charges, by previous PSC decision, are the costs of meters, service drops, meter reading and billing and collecting (p101)
Retention of both the customer charge (residential) and the minimum bill at current levels promotes an equitable intra-class distribution of the rate decrease (p103)

May 24, 2000:

PSC Order, Docket No. 99-035-10 (available at www.psc.utah.gov)
The cost of service studies on this record are not completely reliable (p79)
Implemented lifeline rate with an \$8 per month credit & \$1.8 mill per year cap (p82)
Customers hate the residential customer charge (p88)
No changes made to residential customer charge (p89)
Set line extension allowance at \$1100 for residential customers and two years of estimated revenues for non-residential customers (p84)

November 2, 2001:

PSC Order, Docket No. 01-035-01 (available at www.psc.utah.gov)
No COS issues litigated, PSC approved stipulated settlement

January 30, 2004:

PSC Order, Docket No. 03-2035-02 (available at www.psc.utah.gov)
No COS issues litigated, PSC approved stipulated settlement

February 25, 2005:

PSC Order, Docket No. 04-035-42 (available at www.psc.utah.gov)
No COS issues litigated, PSC approved stipulated settlement