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December 18, 2008

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Attention: Julie Orchard
Commission Secretary

Re: Proposed Modifications to Performance Standards and Customer Guarantees
(Docket No. 05-035-54).

PacifiCorp (d.b.a. Rocky Mountain Power) hereby submits to revise the Company's Network Performance Standards for Revised Baselines. The requested effective date of the revisions is retroactive to April 1, 2008 and replaces the June 4, 2008 filing.

Background

In 1999, PacifiCorp agreed to implement a program titled the Service Standards Program, comprised of Performance Standards and Customer Guarantees. The Company committed to a five-year term for the program duration and began offering the Customer Guarantees to customers as of February 29, 2000. Improvements to network and customer service performance were initiated at approximately the same time. This program expired on March 31, 2005, but was initially extended voluntarily and then later affirmed and further extended through December 31, 2011, as part of the MidAmerican Energy Holding Company's acquisition of PacifiCorp in Docket No. 05-035-54. The commitment extending the program through 2011 recognized that certain program modifications may be appropriate, and this is incorporated into the language of the commitment:

MEHC and PacifiCorp commit to continue customer service guarantees and performance standards as established in each jurisdiction, provided that MEHC and PacifiCorp reserve the right to request modifications of the guarantees and standards after March 31, 2008, and the right to request termination (as well as modification) of one or more guarantees or standards after 2011. The guarantees and standards will not be eliminated or modified without Commission approval.

The purpose behind the Service Standards Program was to improve service to customers and to emphasize to employees that customer service, including system reliability, is a top priority. This focus on system-level reliability performance and individual transactions with customers has honed the Company's operations and been effective in setting priorities for employees as they conduct their daily work. The Company has been very successful with these programs as demonstrated by its semiannual Service Standards Program filings.

In considering how to proceed upon completion of the second phase of the Service Standards program, the Company made the determination that both the Customer Guarantees Program and the Performance Standards Programs (Network Performance Standards and Customer Service Performance Standards) should be continued, but the Network Performance Standards should be slightly modified. This determination was based on the positive customer, employee and regulatory feedback regarding the service standards, process improvements that have resulted from the service standards, and the Company's desire to maintain its focus on providing excellent customer service to our Utah customers.

Customer Guarantee Program Proposal

The Company is not proposing changes to the current Customer Guarantees Program as reflected in Rule 25. This status quo proposal is a result of customer and employee feedback. Surveys of customers and employees indicated the level of service provided by the current program remains high. Customers expressed an overall appreciation of the program and the Company's continued focus on providing a high level of service. The Company will continue this program until December 31, 2011. At that time, the program will be reviewed to determine whether it is most appropriate to request to continue, modify or terminate the program.¹

Description of Modified Network Performance Standard Proposal

The Company is proposing that Network Performance Standards be retained, but proposing the basis for developing targets be modified in order to continue cost-effective improvements in system wide reliability and to maintain responsiveness in the event of outages. The Company proposes that improvement targets should be developed around outage events that are of a controllable nature on the distribution system, and therefore develops the category of "Controllable Distribution" outages. Controllable outage events are attributed to causes against which the Company is able to implement system improvements that have a high probability of avoiding future recurrence at a local level.

¹ No modifications are being proposed to the credits associated with the Customer Guarantees and Performance Standards as set forth in Schedule 300.

For example, outages that are related to equipment failure or animal interference are controllable distribution outages since the Company can take measures to avoid them in the future and have some fairly high certainty these events will not recur. On the other hand, transmission outage events and car-hit-pole interference outage events do not conform to the distinction of controllable distribution, and while important to avoid, are generally not avoidable via engineered programs.

Network Performance Standard 1

During the three-year nine-month period of the Modified Network Performance Standards Program, the Company will report total and underlying SAIDI (system average sustained interruption duration index) for each year. Further, within the three-year nine-month period, it will improve controllable distribution outage duration by 29% over the average prior period performance, resulting in a controllable distribution SAIDI reduction of 21 minutes, to a target¹ of no more than 50.8 minutes. This target continues the improvement trend delivered previously on controllable distribution outages only.

Network Performance Standard 2

During the three-year nine-month period of the Modified Network Performance Standards Program, the Company will report total and underlying SAIFI (system average sustained interruption frequency index) for each year. Further, within the three-year nine-month period, it will improve controllable distribution outage frequency by 27% over the average prior period performance, resulting in a controllable distribution SAIFI reduction of 0.141 events, to a target of no more than 0.383 events. This target continues the improvement trend delivered previously on controllable distribution outages only.

Network Performance Standard 3

The Company will select a maximum of five under-performing circuits in Utah on an annual basis and will undertake corrective measures to reduce the average circuit performance indicator² (CPI) by 20% within five years. (CPI includes all outage events experienced by customers, including transmission and local transmission outage events, as well as events that meet the criteria of the IEEE major event definition discussed above.) The Company believes this measure provides an important way to target circuit improvements for the benefit of customers.

¹ The target is developed by categorizing outages into controllable distribution causes and evaluating prior average performance.

² In the case of transmission circuit selection, TCPI (transmission circuit performance indicators) will be used to evaluate performance improvements.

Network Performance Standard 4

The Company will restore power outages due to loss of supply or damage to the Company's distribution system to 80 percent of customers within three hours on an average basis. This is an important way to target both reliability performance as well as the responsiveness of the Company to restore service for customers.

Customer Service Performance Standards

Customer Service Performance Standard 5

The Company is not requesting modifications to Customer Service Performance Standard 5: Telephone Service Level.

Customer Service Performance Standard 6

The Company is not requesting modifications to the Customer Service Performance Standard 6: Commission Complaint Response/Resolution.

For your convenience, a copy of the Customer Guarantee program and an updated version of the proposed modifications to the Performance Standards is attached for review.

It is respectfully requested that all formal correspondence and Staff requests regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Please direct any informal questions to Barbara Coughlin at 503-331-4306.

Sincerely,

Jeffrey K. Larsen
Vice President - Regulation

Enclosures