
In the Matter of the Application of ROCKY
MOUNTAIN POWER for an Accounting
Order Regarding Pension Curtailment and
Pension Measurement Date Change

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DOCKET NO. 08-035-93

Report and Order

ISSUED: January 6, 2009

By The Commission:

I. Background and Procedural History.

On November 4, 2008, PacifiCorp dba Rocky Mountain Power (the “Company”) filed an Application with the Commission seeking an accounting order authorizing the Company to record a net reduction to the regulatory asset associated with the existing pension and other post-retirement welfare assets for a pension curtailment gain and a measurement date change transitional adjustment. The Application was supported by the testimony of Steven R. McDougal, director of revenue requirement for the Company.

The Division of Public Utilities (Division) and the Committee of Consumer Services (Committee) participated as parties, and filed testimony on December 18, 2008.

On December 23, 2008, the Company, Division, and Committee participated in settlement discussions and reached an agreement in principle to settle all issues associated with this Docket. This agreement was finalized and signed by all Parties, and filed with the Commission on January 5, 2008.

On January 6, 2009, the Commission held a hearing on the Stipulation. Daniel Solander, counsel for Rocky Mountain Power, appeared on behalf of the Company. Steven McDougal testified on behalf of the Company. Michael Ginsburg, Assistant

Attorney General appeared on behalf of the Division. David Thompson testified on behalf of the Division. Paul Proctor, Assistant Attorney General, appeared for the Committee. Cheryl Murray testified for the Committee.

II. Stipulation and Order

The terms of the Stipulation agreed to by the Parties and presented to the Commission at the January 6, 2009, hearing are as follows:

- RMP agrees to reduce the amortization period of the \$40.519 million pension benefit from ten years, as proposed in the application, to three years;
- the Parties agree that the amortization of pension benefits shall begin January 1, 2009 and such amortization shall be included in the revenue requirement of the Company's current general rate case, Docket No. 08-035-38;
- the Parties agree to the amortization of the \$13.773 million measurement date change transitional adjustment over ten years, as proposed by the Company in the application;
- the Parties agree that the amortization of the measurement date change transitional adjustment shall begin January 1, 2008, and that the second year of the ten year amortization occurring in 2009 will be reflected in the Company's revenue requirement in its current general rate case, Docket No. 08-035-38;
- the Parties agree that the unamortized balances of the pension measurement date change and pension curtailment benefit will not be included in rate base during the amortization periods; and

- the Company acknowledges that it should have included in its 2007 general rate case filing (Docket 07-035-93) information on this known and required future change in treatment to the pension measurement date.

Based on the Commission's review of the Stipulation, and based on the testimony and representations made at the hearing, the Commission concludes that the Stipulation is just and reasonable and in the public interest. Therefore, the Commission enters this ORDER approving the Stipulation in its entirety.

DATED at Salt Lake City, Utah, this ___ day of January 2009.