



PACIFIC POWER UTAH POWER

March 15, 2005

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Julie P. Orchard
Commission Secretary

Re: Advice No. 04-13 – Docket No. 98-2035-04
Rule 25 – Customer Guarantees
Schedule 300 – Charges as Defined by the Rules and Regulations

This letter is in response to the recommendation submitted to the Commission by the Utah Division of Public Utilities (DPU) in the above docket on March 14, 2005. We ask that the Company's comments be considered by the Commission in the deliberations regarding this docket.

On December 2, 2004 PacifiCorp filed with the Commission proposed changes to Electric Service Regulation 25 and Schedule 300 requesting that the Company be allowed to continue on a voluntary basis the service quality commitments that were part of the Company's five-year merger commitment in the above docket. This five-year commitment is due to expire March 31, 2005. The Company requested Commission approval of the proposed changes by January 31, 2005 to allow for the necessary system changes, training and communication necessary to implement the modified program. We have received approval from Oregon, Wyoming, Washington, Idaho and California to implement the modified service standards essentially as proposed.

The Modified Service Standard Program is a voluntary program proposed by the Company to demonstrate our commitment to customer service, as noted in our December 2, 2004 filing letter. One of the necessary conditions of the modified program is that it be the same in all jurisdictions in order to administer the program effectively. While the DPU's memorandum generally supports this objective, the DPU is recommending a change to Customer Guarantee 7 (CG7) that deviates from what the Company proposed in the above advice filing and what was approved by the other jurisdictions served by the Company. The Company requests that the Commission not adopt the DPU's recommendation regarding CG7.

In Bob Moir's Direct Testimony in Docket No. 98-2035-04, Page 5, the Company testified that the customer would receive at least two days notice for a planned interruption. The Company interpreted Bob Moir's testimony to require two calendar days notice. However, the Company made a decision to exceed this commitment when Rule 25 was implemented and two *working* days notice for CG7 was included in Rule 25. This has turned out to be less flexible than desired and does not allow the Company to be as efficient in planning work. In order to provide more flexibility and still provide excellent service to customers, the Company is proposing that at least two calendar days notice be provided for planned interruptions similar to what was committed to in the Company's merger testimony.

When the Company surveyed other utilities about guarantee programs, we found 12 utilities in addition to PacifiCorp with a guarantee program, as described in the Company's December 2, 2004 filing letter. Only two of these 12 utilities guarantee planned interruptions and neither of these utilities offer a specific time parameter for notice. Both utilities state "we will notify you in advance." We are also unaware of any other energy utility in Utah that provides at least two days notice for planned interruptions and believe the proposed two days notice for planned interruptions provides excellent service to customers while balancing efficiency for the Company. We ask that the Commission adopt the Company's proposal relating to CG7 as submitted in the above advice filing.

825 N.E. Multnomah
Portland, Oregon 97232
(503) 813-5000

In their memorandum the DPU also recommends that the Company “collect data on the number of business customers affected and length of notice provided each business, and report this information to the Commission annually.” As indicated in the Company’s data response to the DPU, the Company does not track planned interruption records by customer types and we are unable to collect data on the number of business customers affected and the length of notice time provided each business since multiple customer types may be located on the same circuit. A manual tracking system to attempt to collect this data would be very time consuming and costly to administer. The Company strives to provide non residential customers with as much notice as possible regarding a planned interruption and we will continue to do so. The Company recently received some complaints from non residential customers about planned interruptions. In investigating these cases the Company found that customers received more than a week’s notice and in one case the customer received more than a month’s notice.

With regard to the DPU’s description of the process for calculating the “Two and One-Half Beta Method,” the threshold SAIDI value developed establishes a Major Event Day threshold rather than a Major Event threshold, as referenced on Page 11.

Thank you for consideration of the Company’s comments in response to the DPU’s memorandum submitted to the Commission on March 14, 2005 (dated February 23, 2005).

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

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

By Fax: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 800
Portland, OR 97232

Informal inquiries may be directed to Carole Rockney, Director, Customer & Regulatory Liaison, at (503) 813-7408.

Very truly yours,

D. Douglas Larson
Vice President, Regulation

Enclosures