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Attorneys for PacifiCorp

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application
of PacifiCorp for an Increase in
it Rates and Charges

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Docket No. 01-035-01
APPLICATION

PacifiCorp, doing business as Utah Power & Light Company (“PacifiCorp” or “Company”), hereby applies to the Utah Public Service Commission, pursuant to Utah Code Ann. §54-7-12, for an order authorizing a general increase in its rates and charges for electric service provided in the state of Utah. PacifiCorp respectfully represents as follows:

1. PacifiCorp is a public utility in the state of Utah and is subject to the Commission’s jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. PacifiCorp provides electric service to approximately 1.5 million retail customers in the states of Oregon, Utah, Washington, California, Idaho and Wyoming. Its principal place of business in Utah is located at 201 South Main Street, Salt Lake City, Utah.

2. Communications regarding this filing should be addressed to:

Matthew Wright
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and,

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3. PacifiCorp's current tariff rates were established by Order dated May 24, 2000 in Docket. No. 99-035-10. The Company's current rates do not provide sufficient revenue for the Company to recover the reasonable costs of providing electric service in the state of Utah, are not just and reasonable as required by Utah Code Ann. § 54-3-1, and do not provide the opportunity to earn a reasonable rate of return. As shown in the testimony filed herewith, the Company is experiencing an annual revenue deficiency for service in Utah of approximately \$142 million, based upon 1999 results of operations, normalized and adjusted as described in testimony, a return on equity of 11.5%, and a hypothetical capital structure comprised of 49.2% long-term debt, 3.2% preferred stock, and 47.6% common equity. Accordingly, PacifiCorp requests an increase in prices for Utah tariff customers in the amount of \$142,157,165.

4. The Company proposes a test year based on normalized and adjusted 1999 results of operations, as described in the testimony submitted with this Application. The Company will file cost-of-service, rate spread and rate design testimony by February 6, 2001.

5. Pursuant to Utah Code Ann. § 54-7-12(3)(a), PacifiCorp also requests, under a separate motion, that the Commission issue an order authorizing interim relief, effective January 22, 2001, in the amount of \$142,157,165.

6. PacifiCorp submits with this Application the testimony and exhibits of the following witnesses:

- (a) Bruce N. Williams, who will address the Company's cost of debt and cost of preferred stock;
- (b) Matthew Wright, who will testify regarding the Company's need for the general rate increase;
- (c) D. Douglas Larson, who will discuss the Company's requested revenue requirement based on the results of operations for the 1999 test year, along with adjustments to those results;
- (d) Daniel C. Peterson, who will address certain adjustments to the Company's 1999 results of operations;
- (e) Ted Weston, who will address certain adjustments to the Company's 1999 results of operations;
- (f) Samuel C. Hadaway, who will address capital structure, cost of equity, and the overall rate of return for PacifiCorp; and
- (g) Mark Widmer, who will discuss the Company's net power costs and the causes for the increase in power costs.

WHEREFORE, PacifiCorp respectfully requests that the Commission issue its Order:

1. Approving PacifiCorp's proposed revenue requirement increase in the amount of \$142,156,165; and
2. Providing such further relief as the Commission deems just and reasonable.

DATED this _____ day of January, 2001.

Respectfully submitted,

Edward A. Hunter
John M. Eriksson
Stoel Rives LLP

CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of the foregoing APPLICATION to be served upon the following by United States mail, postage prepaid, at the addresses indicated on January 12, 2001:

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