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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application	:	
of PacifiCorp for an Increase	:	Docket No. 01-035-01
in its Rates and Charges	:	
	:	STIPULATION

On January 12, 2001, PacifiCorp initiated this matter by filing a request for an increase in rates. On February 12, 2001, PacifiCorp supplemented its filing with revenue requirement testimony reflecting a twelve-month test period of October 1, 1999 through September 30, 2000. PacifiCorp and other parties subsequently filed testimony regarding cost of service and spread and design of rates, as well as other related issues. On September 10, 2001, the Commission issued its Report and Order in the revenue requirement phase of this case (the "Order"), authorizing an increase in the Company's revenue requirement in the amount of approximately \$40.6 million. The Division of Public Utilities ("Division"), the Committee of Consumer Services ("Committee") and other parties have met on a number of occasions to discuss issues remaining to be resolved in the spread phase of this case. As a result of those discussions, and based on their examination of testimony and data, and information disclosed through discovery, the Parties whose names appear on the signature pages hereof have resolved by settlement the remaining issues raised in testimony in this case. This Stipulation sets forth all the terms and conditions of such settlement. The Parties have entered into this Stipulation voluntarily and they agree, and respectfully submit to the Commission, that this Stipulation is just, reasonable, and in the public interest.

Now, therefore, the Parties hereby stipulate and agree as follows:

1. Rate Spread and Design Generally. The rate increase approved in the Order shall be spread to customer classes in accordance with Exhibit A, attached hereto and incorporated herein. Except as set forth below, rate increases for Electric Service Schedules receiving an increase will be implemented through uniform percentage increases to energy and, if applicable, demand charges.

2. Schedules 19 and 21. On the effective date of the rate schedules filed pursuant to the order in the spread phase of this case (“rate change date”), the Company’s Electric Service Schedule 19 shall be eliminated, and the customers currently on that Schedule shall be moved to applicable general service Schedules. Schedule 21 will not be eliminated in this case, but will remain closed to any new service connections, and the demand charge under Schedule 21 will be increased in this case to \$3.00 per kW. PacifiCorp agrees to notify the Schedule 21 customers that as a result of this rate change, they may have lower billings under other applicable rate schedules.

3. Residential Inverted Block Rates. Electric Service Schedule Nos. 1 and 3 shall be designed to provide for an inverted rate design for the months May through September, with a rate for tail block usage above 400 kWh during those months that is \$0.007837 per kWh higher than the rate for the initial block. The rate for the other seven months shall be a flat rate with the same value as the initial block of the May through September rate.

4. Time of day rates. The customer service charge for Electric Service Schedule 2 shall be \$3.74 per month, for Schedules 6, 6A and 6B shall be \$14.74 per month, for Schedules 9, 9A and 9B shall be \$98.29 per month, and for Schedule 23B shall be \$6.69 per month. The revenue shortfall attributed to such reduced customer service charges for Schedules 6A, 6B, 9A

and 9B shall be collected through uniform percentage increases to the demand and energy charges.

The Company will provide as part of its filing in the next general rate case appropriate data, so that if the Company does not propose alternative time-of-day rate schedules, other parties have sufficient information on which to develop time-of-day rates. This data may include load data from customers currently with time-of-day metering, load research data for other customers, marginal cost information, and other information still to be determined.

5. Service to customers over 50 MW. The parties agree that neither PacifiCorp's proposals regarding service to customers with load greater than 50 MW, nor the Division's proposal regarding a service schedule for customers receiving service at 138 kv, should be adopted in this case. Further, the parties recommend that the Commission open a docket to investigate the cost implications of and values related to high voltage service, interruptible service and other issues the Commission deems appropriate.

6. Service for customers with self-generation. The parties agree that the Energy Efficiency Advisory Group should address rate issues facing customers with self-generation facilities interconnected with the Company's distribution system as part of the Commission-ordered study on distributed generation.

7. Tariff rider for Demand Side Management (DSM). The parties agree that the issues related to whether a tariff rider providing for the recovery of costs incurred in implementing DSM should not be decided by the Commission in this case, but should be addressed in another case. The parties also agree that neither the tariff rider issues raised in this case, nor this Stipulation, should delay or otherwise affect the issuance of an order in Docket No. 01-035-21. The parties further agree that the Commission's decision on deferred accounting in

that Docket will not be claimed by the parties as a basis for precluding the approval of a tariff rider for the collection of amounts proposed to be deferred pursuant to any docket involving the accounting of DSM expenditures or for the collection of any other demand side management expenditures.

8. HELP Program. The surcharge for the HELP program (Electric Service Schedule No. 3) should be designed to collect \$1.85 million on a test year basis, and the Company should not spend more under that program than has been collected. Any change to the level of the surcharge will be made on a billing month basis. The program will be revised to provide additional credit for “life support” customers in accordance with the prefiled direct testimony of Mr. Jeffrey Fox on behalf of Utah Ratepayers Alliance, modified so that the Company will administer the program and would enroll those customers who qualify for both “life support” treatment and HELP. The Company also will remove customers from the Life Support Assistance Program when the Company is advised that the household is no longer eligible for “life support” account treatment under Commission Rule R746-200-6(D).

9. Load study. PacifiCorp shall provide to the Committee, the Division, the Utah Farm Bureau Federation, and other interested parties, its recently completed load study for the Idaho irrigation class. The Company will also explain the appropriateness of using that study for ratemaking purposes in Utah. The parties also agree that the Commission should establish a working group to examine PacifiCorp’s current and planned load research programs for Utah. Participation in the working group should include, but not be limited to, representatives from PacifiCorp, the Division and the Committee. A staff member from the Committee will chair the group. The working group shall issue a report by July 1, 2002 detailing its findings, conclusions and recommendations.

10. The changes to PacifiCorp's Electric Service Schedule 300 and Electric Service Regulations 1, 7 and 10, as proposed by PacifiCorp witness Robert Stewart and reflected in Exhibit B hereto shall be adopted.

11. PacifiCorp, the Division and the Committee agree to present the testimony of one or more witnesses to explain and support this Stipulation.

12. The Parties have negotiated this Stipulation as an integrated whole, based on the revenue requirement increase approved in the Order. Accordingly, and without affecting any party's right to petition for reconsideration or rehearing, or appeal of the Order, in the event the Commission grants a petition for reconsideration or rehearing and revises the revenue requirement increase set forth in the Order, or in the event this Stipulation is not approved in its entirety, then no Party shall be bound, or prejudiced, by the terms of this Stipulation and the Stipulation shall be null and void and each Party shall be entitled to file testimony and in general to put on such case as it deems appropriate.

13. In light of this Stipulation, the parties deem it unnecessary to resolve in this case disputed cost of service issues. None of the prefiled testimony submitted in this case shall be considered to be withdrawn. The execution of this Stipulation shall not be deemed to constitute an acknowledgment, or acceptance, by any Party hereto of the validity, or invalidity, of any particular methods, theories, or principles of ratemaking and shall not be construed to constitute the basis of estoppel, collateral estoppel, or waiver of any Party hereto in any other proceeding. No Party hereto shall be deemed to have agreed that the principles, methods, or theories of ratemaking employed in arriving at this Stipulation are appropriate for resolving issues in any other proceeding. Any party, including PacifiCorp, the Division and the Committee, may request in future cases that the Commission adopt ratemaking treatment different than that

described in this Stipulation. The Commission's acceptance of this Stipulation will not represent a determination by the Commission on any matters of policy.

14. This Stipulation may be executed in one or more identical counterparts and, upon execution by the Parties, each executed counterpart shall have the same force and effect as an original document and as if all the Parties had signed the same document.

IN WITNESS WHEREOF, the Parties hereto have executed this Stipulation as of this _____ day of September, 2001.

PACIFICORP

DIVISION OF PUBLIC UTILITIES

BY: _____

BY: _____

COMMITTEE OF CONSUMER SERVICES

NUCOR

BY: _____

BY: _____

UAE INTERVENTION GROUP

BY: _____

UTAH RATEPAYERS ALLIANCE

BY: _____

UTAH INDUSTRIAL ENERGY CONSUMERS

BY: _____

UNITED STATES EXECUTIVE AGENCIES

BY: _____

UTAH ENERGY OFFICE

BY: _____

LAND AND WATER FUND OF THE ROCKIES

BY: _____

EXHIBIT B