- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of PacifiCorp for an Increase in its Rates and Charges	)))))	DOCKET NO. 01-035-01 ORDER APPROVING STIPULATION ON RATE DESIGN ISSUES AND ORDER ON REFUND

ISSUED: November 2, 2001

SYNOPSIS

By this Order the Commission adopts and approves the September 21, 2001 Rate Design Stipulation of PacifiCorp, the Division of Public Utilities, and the Committee of Consumer Services. Pacificorp shall refund the interim award overcollection pursuant to future order of the Commission.

By The Commission:

Following our order on PacifiCorp's revenue requirement, PacifiCorp (or Company), the Division of Public Utilities (DPU), and the Committee of Consumer Services (CCS) filed a Stipulation September 21, 2001 concerning a rate design (Rate Design Stipulation) that would modify the Company's tariffs to reflect our revenue requirement decision. Pursuant to notice, the Commission held a hearing on the Rate Design Stipulation October 3, 2001. Appearing at the hearing were: John Eriksson for PacifiCorp; Michael Ginsberg for DPU; Reed Warnick for CCS; Stephen Randle for the Utah Farm Bureau; Eric C. Guidry for Law Fund; Captain Robert C. Cottrell for the United States Executive Agencies; William J. Evans for UIEC; Peter J. Mattheis for Nucor Steel; Gary A. Dodge for UAE Intervention Group; Tony J. Rudman for Magcorp; Jeff Burks for the Utah Energy Office; and Bruce Plenk (Telephonically) for Salt Lake Community Action Program, Crossroads Urban Center, and Utah Legislative Watch.

At the October 3, 2001 hearing, the stipulating parties presented William Griffith, and D. Douglas Larson, on behalf of PacifiCorp, Rebecca Wilson, on behalf of the DPU, and Daniel E. Gimble, on behalf of the CCS, as witnesses who testified in support of the Rate Design Stipulation. No other party opposed the Rate Design Stipulation. Upon consideration of the evidence presented at the October 3, 2001 hearing, the Commission now issues this Order approving the Rate Design Stipulation. A copy of the Rate Design Stipulation is attached to this Order. We conclude that the terms of the stipulation represent a reasonable rate design which appropriately designs rates for the Company's various electric service schedules and provides the Company an opportunity to earn the revenue requirement previously set by the Commission.

Generally, rates for electric service are uniformly increased for each schedule's energy and, if applicable, demand charge components. Schedule 19 is eliminated and customers will be moved to remaining, appropriate schedules. Residential schedules 1 and 3 will incorporate an inverted block rate design for the May through September time period. There are other, detailed, changes to various schedules and regulations which are also approved by this Order. The Rate Design Stipulation also contains agreements for Commission-directed investigations and reviews of various electric services and studies associated with service in the State of Utah; e.g., high voltage service, interruptible service, load studies and research. These agreements are also approved by this Order.

As this Order constitutes our final order of this general rate case, resolving the remaining issues requiring Commission resolution, we also address the refund matter. Our final revenue requirement determination requires rates to be set less than those established in our previous Interim Rate Relief Order, issued in this docket. During the pendency of these proceedings, PacifiCorp has over-collected revenues, revenues which are subject to refund to customers pursuant to U.C.A. §54-7-12(3)(b). Ordering PacifiCorp to make an immediate refund of this excess, however, runs counter to the findings and reasons for which the Commission awarded interim relief to PacifiCorp in Docket No. 01-035-23, by order issued this same date. Pursuant to our order issued in Docket No. 01-035-23, the refund will be held by PacifiCorp until the Commission determines that conditions permit payment of the refund under terms which the Commission concludes are

consistent with the public interest and regulatory policy. We conclude that customers will not be harmed by the delay in the payment of the refund due to the interest that will be earned on the refund amounts.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The terms of the September 21st Stipulation are approved and adopted by the Commission. PacifiCorp shall file tariff revisions which will incorporate the terms and agreements of the Rate Design Stipulation. The Division of Public Utilities shall review the proposed tariff revisions to ensure that the proposed revisions are consistent with the terms of the stipulation.

2. Docket No. 01-999-05 be opened to review high voltage electrical service, interruptible service and other aspects of large (50MW or greater/high voltage) customer service which interested participants in the Docket establish warranting review in that Docket. The Commission intends to proceed informally in that Docket and will provide notice of a scheduling/planning meeting for the Docket in the near future.

3. Service issues for customers who have self generation capability be reviewed by the Energy Efficiency Advisory Group. The Commission will entertain suggestions, if any, that this review be conducted in Docket No. 01-999-05.

4. A Utah Load Research Working Group to review current and planned PacifiCorp load research and studies be created. The Working Group will be chaired by an individual assigned by the Committee of Consumer Services. The Working Group shall submit their report of findings and recommendations to the Commission by July 1, 2002. Pacificorp and the Division will participate and other interested parties should contact the Committee of Consumer Services to join the Utah Load Research Working Group.

5. PacifiCorp refund the overcollection created by the September 10, 2001 order in this Docket when conditions found in Docket No. 01-035-23 warranting interim relief improve. The Commission will establish the details for the disposition of the refund at that time. PacifiCorp will accrue interest, at the Company's weighted average cost of capital used in this case, on the refund amounts.

Dated at Salt Lake City, Utah, this 2nd day of November, 2001.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary