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Department of Commerce  
Division of Public Utilities

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**MEMORANDUM**

To: Public Service Commission of Utah

From: Division of Public Utilities  
Irene Rees, Director  
Energy Section  
Ron Burrup, Acting Manager  
Abdinasir Abdulle, Utility Analyst

Date: August 3, 2004

Ref: Docket No. 02-2035-02, and Docket No. 04-035-01 - PacifiCorp's Claims to Exclude the Outages of August 14 through 15, 2003, October 30 through November 4, 2003, and December 4, 2003, and December 30, 2003 through January 3, 2004 from Network Performance Reporting

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The Division of Public Utilities is currently working on the PacifiCorp's major event for the outages that took place on August 14 through 15, 2003, October 30 through November 4, 2003, and December 4, 2003. There are certain issues that faced the Division while working on these events. These issues include the definition of major event and the determination of what constitutes operational limits.

There are two definitions for major event that are currently in the books. The first definition is on the Tariff, Electric Service Regulation No. 25 and states that

*Major Events for purposes of this rule are defined as:*

*A catastrophic event which can:*

- *Exceed the design limits of the electric power system, or*
- *Cause extensive damage to the electric power system, or*
- *Result in more than 10% of customers in an operating area losing supply.*

The second definition is the one on the "Agreement Between PacifiCorp and Utah Division of Public Utilities on Establishing Baselines for PacifiCorp's Performance Standards 1 and 2" entered on April 9, 2003. This definition states that a major event is defined as:

*An event which exceeds reasonable design or operational limits of the electric power system, and during which at least 10% of the customers within an operating area experience a sustained interruption during a 24-hour period.*

The Commission issued an order approving this agreement on July 6, 2004. PacifiCorp has agreed to change the Tariff accordingly, but they did not. The Division is trying to work with PacifiCorp to change the tariff language to reflect the aforementioned agreement.

Regarding the determination of what constitutes an operational limit, there is no definition agreed upon by the Division and PacifiCorp. Hence, it is difficult to determine whether the operational limits have been exceeded or not. The Division is working with PacifiCorp to determine what constitutes operational limits.

These issues need to be ironed out before the Division can submit its recommendation regarding the Pending major event claims including the events that took place on August 14 through 15, 2003, October 30 through November 4, 2003, December 4, 2003, and December 30 through January 3. The outcome of these issues will have an impact on how the Division analyzes the major event claims.

On August 18, 2004, PacifiCorp will hold a meeting in which they will discuss the status of the Holiday Storm Report (Docket No. 04-035-01) and address the above mentioned issues. After that meeting, the Division will let the Commission know the Division's time line in submitting recommendations for the pending major event claims.