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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Constance White, Director
Energy Section
Artie Powell, Manager
Abdinasir Abdulle, Technical Consultant

Date: January 13, 2005

Ref: Docket No. 04-035-42. Service Quality Task Force

The Service Quality Task Force was created In Docket No. 04-035-45, Stipulation regarding Revenue Requirement, Rate Spread, and Rate Design which the Commission adopted. The tasks that this stipulation charged the task force with were later augmented by the Commission Report and Order in Docket No. 04-035-01. The Division gleaned from these two Documents that the Task Force was charged with

1. Reviewing PacifiCorp's Utah system performance and support;
2. Reviewing the appropriateness of the Service Quality Standards;
3. Reviewing ongoing investment and maintenance plans;
4. Identifying possible improvements that could be made in Utah distribution system to provide appropriate service quality while incurring reasonable costs;
5. Conducting cost-benefit analysis of increasing the design and operational limits in Utah Power's distribution network, particularly those areas that experience more frequent outages;
6. Considering the major event definition used in network performance reporting and the network's reliability statistics to determine whether the application and information

provided is most useful in assessing the provision of electric service consistent with regulatory policy and public intent goals.

It was expected that the Service Quality Task Force would submit a report to the Commission explaining information obtained and analyzed, consensus positions, and any issues still in dispute no later than January 15, 2006.

The group had five meetings in which the tasks that the group was charged with were discussed and analyzed. Thus far, the group made considerable progress. However, there are areas where the group needs to do further analysis. The items that were not sufficiently analyzed include:

1. The adequacy of the level of maintenance spending;
2. Cost-Benefit analysis of improving the performance standards;
3. Cost-Benefit analysis of reducing the tree trimming cycle; and
4. Penalties/rewards associated with the performance standards.

To investigate certain issues, the Division sent data request to the Company and is waiting for Company response to these issues. In order for the Task Force to thoroughly analyze the issues identified by the Commission, the Division is respectfully requesting the Commission to postpone the reporting date of the Task Force from January 15 to March 3, 2005.

CC: Rea Petersen, DPU