

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
MidAmerican Energy Holdings Company and) DOCKET NO. 05-035-54
PacifiCorp for an Order Authorizing)
MidAmerican Energy Holdings Company to) ORDER ON SERVICE QUALITY
Exercise Substantial Influence Over the) REPORTING
Policies and Actions of PacifiCorp)

ISSUED: February 27, 2014

On December 6, 2013, PacifiCorp (d/b/a/ Rocky Mountain Power) (“PacifiCorp” or “Company”) filed a letter (“Application”) with the Public Service Commission of Utah (“Commission”) requesting, among other things, that going forward all information contained in its reports to the Commission under Merger Commitments U1 and U9 (U1, U9) in Docket No. 05-035-54 would be reported in its semi-annual Service Quality Review Report. Specifically, the Company requested approval to: 1) include the information provided in the U1 filing in the Service Quality Review Report and eliminate the U1 standalone filing; 2) continue to provide the information in the U9 report in the Service Quality Review Report and eliminate the separate U9 report; and 3) replace Performance Standard 4 (“PS 4”) with the Customer Average Interruption Duration Index (“CAIDI”) measurement.¹ The U1 and U9 filings and PS 4 are described below.

On June 5, 2006, in this docket, the Commission issued an order (“June 5th Order”) approving the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (“MEHC”). The appendix to the June 5th Order contains a compilation of MEHC’s and PacifiCorp’s commitments pertaining to the merger of the two companies. U1 requires

¹ The IEEE Standard 1366-2012, “IEEE Guide for Electric Power Distribution Reliability Indices,” defines CAIDI as the average time required to restore service as the result of a service interruption. CAIDI is calculated by dividing the total number of customer minutes of interruption during an event by the total number of customers interrupted.

PacifiCorp to report call-handling results during wide-scale outages against average answer speeds, hold times and busy indications. U9 specifies that PacifiCorp will provide semi-annual reports to the Commission and members of the Service Quality Review Group describing PacifiCorp's performance in meeting service standard commitments, including both performance standards and customer guarantees.

Additionally, Merger Commitment 45, pertaining to Customer Service Standards, specifies that MEHC and PacifiCorp commit to continue customer service guarantees and performance standards as established in each jurisdiction, provided that MEHC and PacifiCorp reserve the right to request modifications of the guarantees and standards after March 31, 2008, and the right to request termination (as well as modification) of one or more guarantees or standards after 2011. The guarantees and standards will not be eliminated or modified without Commission approval. PacifiCorp's current Performance Standard 4 ("PS 4") states PacifiCorp will restore power outages due to loss of supply or damage to the Company's distribution system to 80 percent of customers within three hours on an average basis.

On December 13, 2013, the Commission issued a notice of filing and comment period pertaining to PacifiCorp's Application. On January 6, 2014, the Utah Division of Public Utilities ("Division") filed comments on PacifiCorp's Application. No other party filed comments and no party filed reply comments.

In the Application PacifiCorp states U1 requires PacifiCorp to report call-handling results during wide-scale outages against average answer speeds, hold times and busy indications. PacifiCorp maintains this information is also reviewed with the Service Quality Review Group. Therefore, for efficiency, PacifiCorp proposes to incorporate the information

provided in the U1 filing as part of Section 2 of its Service Quality Review Report and eliminate the U1 stand alone filing. Similarly, the Company states that with the exception of PS 4, the U9 information is duplicated in the Service Quality Review Report making a separate report for U9 redundant as well.

PacifiCorp believes PS 4, currently only reported in the U9 filing, has been superseded by the CAIDI measurement and CAIDI data is included in the Service Quality Review Report. PacifiCorp contends PS 4 is a legacy measurement commonly used within the United Kingdom and the CAIDI measurement is the U.S. electric power industry standard measurement for customer outage minutes. Therefore, PS 4 should be discontinued and the requirement should be satisfied by the CAIDI information currently being provided in the Service Quality Review Report.

DIVISION COMMENTS

The Division of Public Utilities (Division) recommends the Commission approve PacifiCorp's request to discontinuing separate reports under U1 and U9. The Division fully supports the elimination of duplicative reporting wherever possible as such reporting is a burden to both the Company and the regulatory community.

The Division does not recommend that the Commission allow the Company to discontinue PS 4 reporting. The Division believes PS 4 is measurable and has a clear meaning as a standard. On the other hand, the Division maintains there is no standard in place for CAIDI and the Company does not suggest how CAIDI measurements correlate with reliability. Therefore the Division is uncertain how CAIDI can be substituted for PS 4.

The Division explains that CAIDI is derived by dividing the System Average Interruption Duration Index (SAIDI) by the System Average Interruption Frequency Index (SAIFI). Thus a given level of CAIDI or a change in the CAIDI value cannot be interpreted without understanding the relationships between both SAIDI and SAIFI. The Division points out it is possible that CAIDI could remain at a constant value, increase, or decrease and have reliability in the system independently improving, deteriorating, or staying the same depending on how the SAIDI and SAIFI values are changing relative to one another.² The Division does not believe CAIDI adds reliability insight that is not implicit in the SAIDI and SAIFI measurements.

Until the Company can recommend a standard for CAIDI and demonstrate how this standard can be used as a substitute for PS 4, the Division does not recommend that the Commission allow the Company to cease reporting PS 4.

DISCUSSION

We support elimination of duplicative reporting requirements and therefore approve PacifiCorp's request to eliminate reports under U1 and U9 and instead provide the information in the Service Quality Review Report.

We do not approve PacifiCorp's request to substitute CAIDI for PS 4 for the reasons given by the Division. As pointed out by the Division, CAIDI cannot be interpreted without understanding the relationships between both SAIDI and SAIFI. We agree with the Division that, absent a recommendation from PacifiCorp for a CAIDI standard and how it can be

² For example, CAIDI can be seen to be increasing when overall reliability is improving if the rate of improvement in SAIFI is higher than the rate of improvement in SAIDI. Similarly, CAIDI can be seen to be increasing when overall reliability is deteriorating if the rate of deterioration (increase) in SAIDI is higher than the rate of increase in SAIFI. For declining or constant CAIDI, the situations are similar.

used to replace PS 4, the Company should continue to report PS 4 results and include them in the Service Quality Review Report. We encourage the Service Quality Review group to discuss this issue during its next meeting and invite PacifiCorp to request consideration of this issue again if consensus can be reached within the Service Quality Review Group.

ORDER

1. PacifiCorp's request to include the information provided in the U1 filing in the Service Quality Review Report and eliminate the U1 standalone filing is approved.
2. PacifiCorp's request to continue to include the information provided in the U 9 report in the Service Quality Review Report and eliminate the separate U 9 report filing is approved.
3. PacifiCorp's request to replace PS 4 reporting with CAIDI is not approved and PacifiCorp shall include both PS 4 and CAIDI data in the Service Quality Review Report.

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DATED at Salt Lake City, Utah, this 27th day of February, 2014.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#251142

CERTIFICATE OF SERVICE

I CERTIFY that on the 27th day of February, 2014, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic Mail:

Data Request Response Center (datarequest@pacificorp.com)
PacifiCorp

Dave Taylor (dave.taylor@pacificorp.com)
Jeffrey K. Larsen (jeff.larsen@pacificorp.com)
Doug Bennion (doug.bennion@pacificorp.com)
Heide Caswell (heide.caswell@pacificorp.com)
Barbara Coughlin (barb.coughlin@pacificorp.com)
Paul Clements (paul.clements@pacificorp.com)
PacifiCorp

Arthur Sandack (asandack@msn.com)

Vicki Baldwin (vbaldwin@parsonsbehle.com)

David Crabtree (crabtree@deseretgt.com)

Gary A. Dodge (gdodge@hjdllaw.com)

Scott Gutting (sgutting@energystrat.com)

Darrell G. Hafen (dghafen@yahoo.com)

Gerald Kinghorn (ghk@pkhlawyers.com)

Peter J. Mattheis (pjm@bbrlaw.com)

Matthew F. McNulty III (mmcnulty@vancott.com)

William J. Evans (bevans@parsonsbehle.com)

Sarah Wright (sarah@utahcleanenergy.org)

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Patricia Schmid (pschmid@utah.gov)
Justin Jetter (jjetter@utah.gov)
Brent Coleman (brentcoleman@utah.gov)
Utah Assistant Attorneys General

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant