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Memorandum

To: Dave Taylor
Rocky Mountain Power

From: Division of Public Utilities
Constance White, Director
Artie Power, Manager, Energy Section
Thomas Brill, Technical Consultant

Subject: Identification of Action Items from the 2006 Rate Case (Docket No. 06-035-21)

Date: January 5, 2006

This memo has two objectives. The first objective is to identify action items from the Utah Public Service Commission (PSC) Report and Order issued December 1, 2006, on the PacifiCorp Rate Case (Docket No. 06-035-21). The PSC Report and Order also presents the three Stipulations that led to the settlement of the PacifiCorp Rate Case. Action items from the three Stipulations are also identified. The second objective is to suggest that the Division and the Company meet to review these action items for completeness. At this meeting discussions should begin about how to proceed to complete or fulfill the PSC-ordered actions.

The PSC Report and Order identifies four action items. They are items 8, 9, 10, and 11 and are found on pages 39-40. With item 8, PacifiCorp is directed to work with the Division to provide greater clarity with respect to the terms and conditions for imposing service fees in both the language of its relevant electric service regulations and/or Schedule 300 (including any website information that may discuss these fees). Items 9 and 10 concern the appropriate tariff revisions PacifiCorp must file. The Division believes this was completed with the December 7, 2006, tariff filing. Item 11 concerns study groups to be established as specified in the Stipulations. These are discussed below under the appropriate Stipulation.

We have identified three action items from the Stipulation Regarding Revenue Requirement and Rate Spread of July 21, 2006. These action items are to be completed prior to filing its next general rate case. They are items 13, 15, and 16 and are found pages 44-46.

Item 13 states that the PacifiCorp and interested parties will discuss appropriate revenue requirement and cost of service information filing requirements and master data requests for PacifiCorp's next general rate case. If there is no agreement on new information filing requirements, PacifiCorp agrees that it will provide with its general rate case application the additional revenue requirement and additional cost of service filing information specified in Attachments A, B, C, D, and E to the Filing Requirements Stipulation. Item 15 concerns Utah system maintenance and capital expenses. PacifiCorp agrees that it will provide a report of the status of its compliance with this commitment to the DPU and CCS by November 15, 2007. Item 16 concerns an additional reporting requirement. PacifiCorp agrees to provide summary actual results of operations for the Rocky Mountain service territory states of Utah, Idaho, and Wyoming. This is to be included in PacifiCorp's semi-annual results of operations report.

We have identified three action items from the Stipulation Regarding Rate Design of August 25, 2006. These action items are to be completed prior to filing its next general rate case. They are items 9, 10, and 11 and are found on page 54.

Item 9 identifies the winter on-peak issue. PacifiCorp and interested parties will discuss, analyze, and make recommendations concerning alternatives to the current 16 hour on-peak time period during the winter months. Item 10 identifies the on-peak, off-peak price differential issue. PacifiCorp and interested parties will discuss, analyze, and make recommendations concerning the price differential between on-peak and off-peak energy charges for Electric Services Schedules 8 and 9. Item 11 identifies the classification and allocation of distribution costs issue. PacifiCorp and interested parties will discuss, analyze, and make recommendation concerning alternative classification and allocation methodologies for distribution costs.

We have identified no action items in the Stipulation Regarding Rate Design of August 31, 2006.

Cc: Committee of Consumer Services