

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations	)	<u>DOCKET NO. 08-035-38</u>
In the Matter of Advice No. 09-07, Compliance Filing to Implement the Requested Commission Order on the Stipulation in Cost of Service and Rate Spread - Phase II	)	<u>DOCKET NO. 09-035-T07</u>
	)	<u>REPORT AND ORDER ON COST OF SERVICE AND REVENUE SPREAD</u>

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ISSUED: May 7, 2009

SHORT TITLE

**Rocky Mountain Power 2009 General Rate Case  
Phase II Order on Cost of Service and Revenue Spread**

SYNOPSIS

The Commission approves the Stipulation in Cost of Service and Rate Spread - Phase II. This stipulation allocates the \$45 million increase in Rocky Mountain Power's annual revenue requirement, which was approved in Phase I of this proceeding, to the various rate schedules in accordance with Exhibits A and B of the stipulation. The revenue increase is effective May 8, 2009, and will be implemented through a tariff rider on customer bills until a final order is issued on rate design in this case.

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## **I. BACKGROUND AND PROCEDURAL HISTORY**

On August 1, 2008, October 14, 2008, and January 27, 2009, the Commission issued scheduling orders which bifurcated this proceeding into Phase I - Revenue Requirement and Phase II - Cost of Service/Rate Design and set the procedural schedule for Phase II. Phase I of this proceeding was completed with the issuance of the Commission's April 21, 2009, Report and Order on Revenue Requirement. The first part of Phase II of this proceeding, as represented by the following procedural history, decides the allocation or spread of the overall revenue increase to rate schedules. A final order in Phase II will be issued at the conclusion of the Phase II schedule and will set rates based on an analysis of rate design proposals.

On July 17, 2008, September 10, 2008, and December 8, 2008, PacifiCorp, doing business in Utah as Rocky Mountain Power ("Company"), filed Direct, Supplemental and Second Supplemental Testimony and Exhibits, respectively, including direct testimony on cost of service, revenue spread and rate design.

On April 28, 2009, the Company filed a letter notifying the Commission that several parties had reached a tentative agreement on cost of service and rate spread which the parties intended to file with the Commission on April 30, 2009. As a result of the tentative agreement, the Company also requested approval to change the scheduled date from April 30, 2009, to May 5, 2009, that the Company would file its updated cost of service study based upon the stipulated revenue requirement and its updated rate design proposal based upon the newly stipulated rate spread.

On April 30, 2009, the Company filed part of a stipulation on cost of service and revenue spread issues on behalf of itself and the following parties: the Utah Division of Public

Utilities (“Division”); the Utah Committee of Consumer Services (“Committee”); the Utah Association of Energy Users Intervention Group (“UAE”); Wal-Mart Stores, Inc. (“Wal-Mart”); and the Kroger Company (“Kroger”). Concurrently, the Company filed a motion for approval of the stipulation and requested, in the stipulation, a hearing to consider approval of the stipulation be held May 7, 2009. Also on April 30, 2009, the Commission issued a procedural order approving the Company’s request to file its updated cost of service study and rate design proposals on May 5, 2009, and notice of hearing, including public witness opportunity, to be held on May 7, 2009, to consider approval of the stipulation. On May 4, 2009, the Company filed Exhibits A and B to the stipulation and filed Advice No. 09-07 in Docket No. 09-035-T07 requesting approval of revisions to Schedule No. 98, Tariff Rider Rate, to comply with the terms of the proposed stipulation on cost of service and rate spread. On May 5 and 6, 2009, the Company filed its updated cost-of-service study and third supplemental direct testimony and exhibits on cost of service, revenue spread and rate design. On May 6, 2009, the Division filed its review and recommendations regarding Advice No. 09-07 in Docket No. 09-035-T07, recommending approval of the proposed changes to Schedule No. 98. On May 7, 2009, a hearing was held on the stipulation.

## **II. STIPULATION IN COST OF SERVICE AND RATE SPREAD - PHASE II**

### **A. Overview**

The Company filed testimony and exhibits on cost of service, revenue spread and rate design. In its second supplemental filing, the Company’s cost of service results provided an analysis of rate of return by rate schedule. This analysis showed some rate schedules provide a rate of return more than 10 percent greater than or less than the average rate of return for the

Utah jurisdiction. Based on these results, the Company generally proposed to allocate: 1) a greater than average percent increase to large commercial, industrial, irrigation and traffic signal rate schedules; 2) an average percent increase to the small commercial rate schedule; 3) a less than average percent increase to residential rate schedules; and, 4) no increase to lighting rate schedules. No other party filed written testimony on cost of service or revenue spread issues in this proceeding prior to the hearing on the stipulation.

Without modifying its terms in any way, the following is a brief summary of the Stipulation in Cost of Service and Rate Spread - Phase II ("Stipulation"). The Stipulation and its attached Exhibits A and B are included as an Appendix to this order.

The parties to the Stipulation are the Company, the Division, the Committee, UAE, Kroger and Wal-Mart ("Stipulation Parties"). The Stipulation represents that on April 24, 2009, a notice of settlement conference was provided to intervenors and a settlement conference on the cost of service and rate spread phase of the case was held on April 25, 2009. On April 29, 2009, a copy of the draft stipulation was circulated to intervenors. As a result of the settlement negotiations, the Stipulation Parties came to agreement on cost of service and rate spread and certain other issues, but did not agree on rate design issues.

The Stipulation Parties agree to allocate the \$45 million rate increase approved by the Commission on April 21, 2009, to the various rate schedules in accordance with Exhibit A to the Stipulation. Generally, Exhibit A, provides for an average jurisdictional percent increase, 3.34 percent, to Schedule No. 8 - General Service over 1,000 kilowatts, Schedule Nos. 10 and 10 Time-of-Day - Irrigation Service, Schedule No. 23- Small General Service, and Schedule Nos. 7, 11, 12, and 15 - Lighting and Traffic Signal Services. Exhibit A provides for a greater than

average percent increase, 4.34 percent, for Schedule Nos. 6, 6A and 6B - General Service, Schedule Nos. 9, 9A and 9B - General Service - High Voltage, Schedule No. 21- Electric Furnace, and Schedule No. 31 - Back-up, Maintenance, and Supplementary. Exhibit A provides for a less than average percent increase of 2.32 percent for Residential Service under Schedule Nos. 1, 2, 3 and 25.

The Stipulation Parties agree the increases should be implemented through Schedule No. 98 - Tariff Rider Rate, in accordance with Exhibit B to the Stipulation. Exhibit B is a revised Schedule No. 98 which shows the combined effect of the existing Schedule No. 98 charges and the charges agreed to in Exhibit A of the Stipulation. Additionally, the Company agrees to form a workgroup within 14 days from the date of the approval of the Stipulation, to discuss the Company's cost-of-service model. The Company agrees to schedule the first work group meeting promptly and to hold at least three substantive work group meetings within 90 days of the date of approval of this Stipulation. The Stipulation Parties also agree the Company's filing of its revised cost-of-service study and rate design proposals be extended to May 5, 2009, that rate design is not part of this Stipulation, and to follow the schedule currently in place for Phase II unless the Stipulation Parties mutually agree to change it as needed, and that further filings will only address rate design.

#### **B. Discussion, Findings and Conclusions**

The Company, the Division, the Committee, UAE, Kroger and Wal-Mart represent that the Stipulation is in the public interest. The Company, the Division and the Committee all provide testimony recommending the Commission approve this stipulation. No other party provides testimony on cost of service and revenue spread issues. At the hearing held

on May 7, 2009, on the Company's motion to approve the stipulation, no party appeared in opposition. Given the Utah statutory provisions in Utah Code §54-7-1, which encourage informal resolution of matters brought before the Commission, at the conclusion of the cost of service hearing the Commission approved the stipulation as proposed, without modification. After examining the stipulation and the evidence contained in the record, the Commission concludes that its terms are just and reasonable and it is just and reasonable in result and is in the public interest. The Commission's approval of the Stipulation in Cost of Service and Rate Spread - Phase II, as in similar cases, is not intended to alter any existing Commission policy nor to establish any precedent by the Commission.

### **III. ORDER**

Wherefore, pursuant to our discussion, findings and conclusions made herein, we order:

1. The Stipulation in Cost of Service and Rate Spread - Phase II is approved except that any scheduling changes pursuant to Section 16 shall be subject to Commission approval.
2. The tariff revisions to Schedule No. 98 filed in Docket No. 09-035-T07 are approved and effective May 8, 2009.
3. The Company shall form a work group on its cost-of-service model in accordance with the terms and conditions of the Stipulation.
4. The terms and conditions of the Stipulation do not alter previous Commission requirements for filing Semi-Annual Results of Operations.



DOCKET NOS. 08-035-38 AND 09-035-T07

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This Report and Order on Cost of Service and Revenue Spread constitutes final agency action on the Cost of Service and Revenue Spread portion of Phase II of Rocky Mountain Power's July 17, 2008, Application and its December 8, 2008, Amended Application. Pursuant to Utah Code 63G-4-301 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code 63G-4-401 through -403 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 7<sup>th</sup> day of May, 2009.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary

G#61897 Docket No. 08-035-38  
G#61924 Docket No. 09-035-T07

**APPENDIX: Stipulation in Cost of Service and Rate Spread - Phase II**

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations	DOCKET NO. 08-035-38  <b>STIPULATION IN COST OF SERVICE AND RATE SPREAD - PHASE II</b>
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1. This Stipulation in the Cost of Service and Rate Spread Phase of Docket 08-035-38 (“Stipulation”) is entered into by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the “Parties”).

**I. INTRODUCTION**

2. The terms and conditions of this Stipulation are set forth herein. The Parties represent that this Stipulation is in the public interest and recommend that the Public Service Commission of Utah (the “Commission”) approve the Stipulation and all of its terms and conditions.

**II. BACKGROUND**

3. On July 17, 2008, Rocky Mountain Power (“Rocky Mountain Power” or “Company”) filed an application, together with revenue requirement, cost of service, rate spread and rate design testimony, requesting approval of an increase in its retail electric utility service rates in Utah in the amount of \$160.6 million above the then-currently effective rates (without reference to revenue increases requested in the Company’s 2007 rate case (Docket No. 07-035-93)) for a total revenue requirement in the approximate amount of \$1.592 billion. On September 10, 2008, Rocky Mountain

Power filed supplemental testimony to reflect the Commission's revenue requirement order in Docket No. 07-035-93, adjust net power costs, introduce an amended cost of service study, and update the proposed rate spread.

4. On August 1, 2008, the Commission issued an order establishing the procedural schedule for this case. On August 26, 2008, September 29, 2008, and September 30, 2008, the Commission issued orders amending the schedule. On October 14, 2008, the Commission issued an additional scheduling order for the Revenue Requirement and Cost of Service/Rate Design portion of this case. On October 30, 2008 and November 6, 2008, the Commission issued orders modifying the Revenue Requirement and Cost of Service/Rate Design procedural schedule. On January 27, 2009, the Commission issued a scheduling order amending the schedule for the Rate Design/Cost of Service phase of this case.

5. On October 28, 2008, the Commission held a hearing on Rocky Mountain Power's Motion to Determine Test Year wherein Rocky Mountain Power sought approval to use a test period ending June 2009. On October 30, 2009, the Commission issued an order approving a test period ending December 2009, using average rate base. Rocky Mountain Power subsequently filed supplemental direct testimony and exhibits with the Commission on December 8, 2008, which included a revised revenue increase request of \$116.1 million, a cost of capital request of 8.69% and return on equity of 11.0% with a 51.5% common equity component.

6. On February 4 and 9, 2009, certain Parties held settlement conferences to discuss cost of capital issues in the 2008 General Rate Case.

7. As a result of the settlement negotiations, certain Parties reached a compromise on cost of capital at issue in this case. The settlement resulted in a return on equity of 10.61 percent and a capital structure with a 51.0 percent common equity component. The Commission held hearings on March 12, 2009 and approved the cost of capital stipulation from the bench.

8. On March 17 and 18, 2009, the Parties held settlement conferences to discuss revenue requirement issues in the 2008 General Rate Case. On March 18, 2009, notice was provided to all intervenors advising all parties who filed revenue requirement testimony and others that the parties had reached an agreement in principle, and that a draft stipulation would be circulated. On March 19, 2009 a copy of the draft stipulation was circulated to all intervenors.

9. As a result of the settlement negotiations, the Parties agreed to the revenue requirement in this case. The settlement resulted in an increase in revenue requirement in the amount of \$45 million, or 3.34 percent, based on an allowed rate of return on equity of 10.61 percent and a capital structure with a 51.0 percent common equity component. The Commission held hearings on March 31, 2009 and issued an order (“Order”) approving the revenue requirement stipulation on April 21, 2009.

10. On April 24, 2009, a notice of a settlement conference was provided to intervenors.

11. The Parties held a settlement conference on the cost of service and rate spread phase of the case on April 28, 2009. On April 29, 2009 a copy of the draft stipulation was circulated to intervenors.

12. As a result of the settlement negotiations, the Parties to this Stipulation have agreed to the cost of service and rate spread and other matters specified herein. The Parties have not, however, agreed on rate design issues in the 2008 General Rate Case.

**III. TERMS OF STIPULATION.**

Subject to Commission approval and for purposes of this Stipulation only, unless otherwise noted, the Parties agree as follows:

13. Cost of Service and Rate Spread.

a. Implementation of Rate Increase. The \$45.0 million increase granted to the Company in the Order, shall be allocated across rate schedules as set forth and attached hereto as Exhibit A. The Parties agree that the increase shall be implemented through Schedule 98, Tariff Rider Rate approved in the Order as modified herein. In the Order, Schedule 98 was to equal 6.40 percent and to be applied to all tariff customers' bills. In this Stipulation the Parties agree that Schedule 98 shall be applied to all tariff customers' bills as modified and set forth in Exhibit A (Column 11). The proposed tariff Schedule 98 is attached hereto as Exhibit B. The Parties agree that proposed Schedule 98 will replace the compliance tariff sheet Schedule 98 filed by the Company April 24, 2009 and shall become effective with service on and after May 8, 2009. It is the Parties' intent that Schedule 98 remain in effect until it is superseded by revised rate schedules following the Commission's final order in the Phase II portion of this proceeding. The Parties agree that the other tariff revisions filed by the Company in its compliance filing on April 24, 2009 shall be approved. In the event the Commission does not approve this Stipulation by end of day on May 7, 2009, the Company will proceed to implement the original rates approved in the Order effective with service

on and after May 8, 2009, and submitted in the Company's original April 24, 2009, compliance filing.

b. Work Group on Cost of Service Model. Rocky Mountain Power agrees, within 14 days of the date of approval of this Stipulation, to invite parties, including all Parties, to participate in work group meetings to discuss the Company's cost of service model ("COS Model"). The work group meetings will address the mechanics of the COS Model as opposed to the assumptions utilized. The Company agrees to schedule the first work group meeting promptly, giving due consideration to the availability of interested parties, and to hold at least three substantive work group meetings within 90 days of the date of approval of this Stipulation. Interested parties should be prepared to share and identify specific issues and concerns relating to the COS Model at the first work group meeting. Rocky Mountain Power will discuss and respond to such concerns in that and subsequent meetings. Rocky Mountain Power also agrees to develop instruction manuals for operating specific sections of the COS Model, subject to the discussion and negotiation described herein. Rocky Mountain Power will provide training on the COS Model to all interested parties requesting such training and will provide additional documentation and other reasonable means of facilitating easier use of the COS Model. The Parties agree to discuss and negotiate in good faith at least the following issues, without limitation: the scope of any necessary instruction manuals; the relationship between Rocky Mountain Power's Jurisdictional Allocation Model (JAM) and the COS Model and consistency between the two models; potential alternative COS Models; and potential changes and improvements to the current COS Model. Participation in the workgroup will not

preclude or prevent participating parties from filing testimony regarding the COS model or recommending the use of alternative models in any future rate case.

14. Revised cost of service and rate design update filing date. The Parties agree that the filing date for the revised cost of service study and rate design originally agreed to be filed within 30 days of the hearing date of the Revenue Requirement Stipulation shall, upon Commission approval, be extended until May 5, 2009.

15. Rate Design Not Part of Stipulation. The Parties agree that this Stipulation does not address any issues related to rate design in this proceeding.

16. Schedule in Phase II to Continue. The Parties agree to follow the schedule currently in place in Phase II of this docket (unless they mutually agree to change it as needed), but agree that any filings made pursuant to the schedule will address only rate design issues. The Parties further agree to request that a hearing for approval of this Stipulation be held May 7, 2009. Finally, the Parties agree that, pending Commission approval of the Stipulation, cost of service and rate spread elements of this case shall be deemed concluded.

#### **IV. GENERAL TERMS AND CONDITIONS**

17. All negotiations related to this Stipulation are privileged and confidential and no Party shall be bound by any position asserted in negotiations. Neither the execution of this Stipulation nor the order adopting this Stipulation shall be deemed to constitute an admission or acknowledgment by any Party of any liability, the validity or invalidity of any claim or defense, the validity or invalidity of any principle or practice, or the basis of an estoppel or waiver by any Party other than with respect to issues resolved by this Stipulation; nor shall they be introduced or used

as evidence for any other purpose in a future proceeding by any Party except a proceeding to enforce the approval or terms of this Stipulation.

18. The Parties respectfully request of the Commission that all of the prefiled testimony in this Docket be admitted into the record without witnesses being called or sworn at the proceeding. The Company, the Division and the Committee each agree to make one or more witnesses available to explain and support this Stipulation to the Commission. Such witnesses will be available for examination. So that the record in this Docket is complete, the Parties may move for admission of evidence, comments, position statements or exhibits that have been filed on the issues resolved by this Stipulation; however, notwithstanding the admission of such documents, the Parties shall support the Commission's approval of the Stipulation and the Commission order approving the Stipulation. As applied to the Division and the Committee, the explanation and support shall be consistent with their statutory authority and responsibility.

19. The Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Stipulation, each Party will use its best efforts to support the terms and conditions of the Stipulation. As applied to the Division and Committee, the phrase "use its best efforts" means that they shall do so in a manner consistent with their statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Stipulation, no Party shall take a position in that judicial review opposed to the Stipulation.

20. Except with regard to the obligations of the Parties under the two immediately preceding paragraphs of this Stipulation, this Stipulation shall not be final and binding on the Parties



until it has been approved without material change or condition by the Commission. This Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Stipulation or imposes any material change or condition on approval of this Stipulation or if the Commission's approval of this Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Party withdraws from the Stipulation, any Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues addressed by the Stipulation and no Party shall be bound or prejudiced by the terms and conditions of the Stipulation.

21. The Parties may execute this Stipulation in counterparts each of which is deemed an original and all of which only constitute one original.

BASED ON THE FOREGOING, the Parties request that the Commission issue an order approving this Stipulation and adopting the terms and conditions of this Stipulation.

Respectfully submitted this 30<sup>th</sup> day of April, 2009.

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ROCKY MOUNTAIN POWER

/s/ Mark C. Moench

Mark C. Moench

Senior Vice President & General Counsel

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WAL-MART STORES, INC.

/s/ Holly Smith

Holly Rachel Smith

Russell W. Ray, PLCC

**Stipulation in Cost of Service and Rate Spread - Phase II  
Exhibit A**

**Table A. Rate Spread Stipulation**

**Rocky Mountain Power  
Estimated Effect of Proposed Changes  
on Revenues from Electric Sales to Ultimate Consumers in Utah  
Historical Test Period 12 Months Ending June, 2008  
Forecast Test Period 12 Months Ending December 2009**

Line No.	Description	Pre. Sch	Pro. Sch	No. of Customer	MWh	Present Revenues	Proposed Revenues	Change	Avg	Sch 98	
		No.	No.	Forecast	Forecast	(\$000)	(\$000)	(\$000)	(%)		¢/kWh
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
							(7)-(6)	(8)/(6)	(7)/(5)		
<b>Residential</b>											
1	Residential	1,3	1,3	718,101	6,393,570	\$541,785	\$554,355	\$12,569	2.32%	8.67	5.35%
2	Residential-Optional TOD	2	2	292	2,459	\$206	\$211	\$5	2.32%	8.57	5.35%
3	Residential-Mobile Homes	25	25	11	10,877	\$755	\$772	\$18	2.32%	7.10	5.35%
4	AGA/Revenue Credit	--	--			\$305	\$305	\$0	0.00%		
5	<b>Total Residential</b>			718,404	6,406,906	\$543,051	\$555,643	\$12,592	2.32%	8.67	
<b>Commercial &amp; Industrial &amp; OSPA</b>											
6	General Service-Distribution	6	6	13,718	5,861,164	\$384,799	\$401,499	\$16,700	4.34%	6.85	7.43%
7	General Service-Distribution-Energy TOD	6A	6A	2,117	271,891	\$23,657	\$24,683	\$1,027	4.34%	9.08	7.43%
8	General Service-Distribution-Demand TOD	6B	6B	16	5,727	\$412	\$430	\$18	4.34%	7.51	7.43%
9	<i>Subtotal Schedule 6</i>			15,851	6,138,782	\$408,868	\$426,612	\$17,745	4.34%	6.95	
10	General Service-Distribution > 1,000 kW	8	8	271	2,011,886	\$116,067	\$119,944	\$3,877	3.34%	5.96	6.40%
11	General Service-High Voltage	9	9	145	3,517,406	\$143,277	\$149,496	\$6,218	4.34%	4.25	7.43%
12	General Service-High Voltage-Energy TOD	9A	9A	9	44,938	\$2,404	\$2,508	\$104	4.34%	5.58	7.43%
13	<i>Subtotal Schedule 9</i>			154	3,562,344	\$145,681	\$152,004	\$6,323	4.34%	4.27	
14	Irrigation	10	10	2,489	170,376	\$9,625	\$9,946	\$321	3.34%	5.84	6.40%
15	Irrigation-Time of Day	10TOD	10TOD	249	15,254	\$877	\$906	\$29	3.34%	5.94	6.40%
16	<i>Subtotal Irrigation</i>			2,738	185,630	\$10,502	\$10,853	\$351	3.34%	5.85	
17	Electric Furnace	21	21	5	3,026	\$257	\$268	\$11	4.34%	8.87	7.43%
18	General Service-Distribution-Small	23	23	74,165	1,332,123	\$104,338	\$107,823	\$3,485	3.34%	8.09	6.40%
19	Back-up, Maintenance, & Supplementary	31	31	4	16,035	\$1,556	\$1,623	\$68	4.34%	10.12	7.43%
20	Special Contracts	--	--	4	2,353,103	\$80,433	\$80,433	\$0	0.00%	3.42	
21	AGA/Revenue Credit	--	--			\$3,810	\$3,810	\$0	0.00%		
22	<b>Total Commercial &amp; Industrial &amp; OSPA</b>			93,190	15,602,930	\$871,512	\$903,370	\$31,858	3.66%	5.79	
23	<b>Total Commercial &amp; Industrial (excluding special contracts, AGA)</b>			93,186	13,249,826	\$787,269	\$819,128	\$31,858	4.05%	6.18	
<b>Public Street Lighting</b>											
24	Security Area Lighting	7	7	8,379	12,815	\$2,947	\$3,046	\$98	3.34%	23.77	6.40%
25	Street Lighting - Company Owned	11	11	1,361	58,920	\$7,745	\$8,004	\$259	3.34%	13.58	6.40%
26	Street Lighting - Customer Owned	12	12	611	23,587	\$4,180	\$4,320	\$140	3.34%	18.32	6.40%
27	Traffic/Metered Outdoor Lighting	15	15	2,428	17,653	\$1,336	\$1,381	\$45	3.34%	7.82	6.40%
28	<i>Subtotal Public Street Lighting</i>			12,779	112,975	\$16,209	\$16,751	\$541	3.34%	14.83	
29	Security Area Lighting-Contracts (PTL)	--	--	73	262	\$20	\$20	\$0	0.00%	7.51	
30	Street Lighting-Contracts (66, 77)	--	--	2	168	\$17	\$17	\$0	0.00%	10.33	
31	AGA/Revenue Credit	--	--			\$5	\$5	\$0	0.00%		
32	<b>Total Public Street Lighting</b>			12,854	113,404	\$16,251	\$16,793	\$541	3.33%	14.81	
33	<b>Total Sales to Ultimate Customers</b>			824,448	22,123,240	\$1,430,814	\$1,475,806	\$44,992	3.14%	6.67	
34	<b>Total Sales to Ultimate Customers (excluding special contracts, AGA)</b>			824,369	19,769,707	\$1,346,225	\$1,391,216	\$44,992	3.34%	7.04	

**Stipulation in Cost of Service and Rate Spread - Phase II  
Exhibit B**



P.S.C.U. No. 47

Original Sheet No. 98

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**ROCKY MOUNTAIN POWER**

**ELECTRIC SERVICE SCHEDULE NO. 98**

**STATE OF UTAH**

-----  
**Tariff Rider Rate**  
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**AVAILABILITY:** At any point on the Company's interconnected system.

**APPLICATION:** This Schedule shall be applicable to all retail tariff Customers taking service under the terms contained in this Tariff.

**MONTHLY BILL:** In addition to the Monthly Charges contained in the Customer's applicable schedule, all monthly bills shall have the following percentage increases applied to the Monthly Charges of the Customer's applicable schedule.

Schedule 1	5.35%
Schedule 2	5.35%
Schedule 3	5.35%
Schedule 6	7.43%
Schedule 6A	7.43%
Schedule 6B	7.43%
Schedule 7	6.40%
Schedule 8	6.40%
Schedule 9	7.43%
Schedule 9A	7.43%
Schedule 10	6.40%
Schedule 11	6.40%
Schedule 12	6.40%
Schedule 15	6.40%
Schedule 21	7.43%
Schedule 23	6.40%
Schedule 23B	6.40%
Schedule 25	5.35%
Schedule 31	7.43%

(N)

(N)