



# State of Utah

DEPARTMENT OF BUSINESS REGULATION  
Division of Public Utilities

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SEARCHED INDEXED

To: Public Service Commission

From: Division of Public Utilities  
Frank Johnson, Director *F.J.*  
Kenneth B. Powell, Manager *KBP*  
Ronald L. Burrup, Auditor *RLB*

March 23, 1989

RE: UP&L 2% Rate Reduction Docket 87-035-27

### ISSUE

On March 7, 1989, the Division advised the Commission that the 2% rate reduction by UP&L appeared to be in accordance with the UP&L/PacifiCorp Merger order.

However, after reviewing the new tariff, we noted when Mr Steve Walton computed the 2% rate reduction, he neglected to include Steam Heating customers.

The Commission's order states at page 110,

7. The Merged Company shall file revised tariff's within 60 days of the merger reducing Utah firm retail rates of the Utah Power Division by two percent (as adjusted for EBA).

These steam heating customers receive firm retail service. They are affected by the merger just as electric customers. In 1987 UP&L collected more than \$1 million in revenue from these customers. Their rates are shown on UP&L Tariff Schedule No. 2-D (attached). The merger approval order does not exclude steam heating customers from the rate reduction.

### RECOMMENDATION

The Division recommends that the Commission require UP&L to apply the 2% rate reduction, retroactively to steam heating customers.

cc:  
UP&L Division, Attn Tom Forsgren  
CCS  
Mr David Buhler, Exec Director  
Michael Ginsberg  
Barbara Williams

## SCHEDULE NO. 2-D

## STATE OF UTAH

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 Steam Heating Service  
 South Temple System
 

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**AVAILABILITY:** In Salt Lake City from Company's South Temple Steam Heating System only.

**APPLICATION:** This Schedule is for general steam heating service from Company's South Temple Steam Heating System where the Customer uses the Company's service exclusively for all his steam heating requirements.

**MONTHLY BILL:****Fixed Rate:**

\$3.75	per 1000 lbs. First	10,000 lbs.
\$3.25	per 1000 lbs. Next	90,000 lbs.
\$3.00	per 1000 lbs. Next	900,000 lbs.
\$2.79	per 1000 lbs. All	Additional lbs.

**Fuel Rate:**

\$4.65 per 1000 lbs. plus fuel adjustment clause.

**Fuel Adjustment Clause:**

The fuel rate is based on natural gas at \$3.00/MMBTU and shall be increased or decreased 1.0¢/K lbs. of steam for each full 0.645¢ increase or decrease above the base cost of \$3.00/MMBTU in the cost per million BTU of fuel per Mountain Fuel Supply Company's Schedule I-2 in the preceding month.

**Minimum Annual Bill:**

- (a) For heating buildings \$1.00 per 1,000 cubic feet of space.
- (b) For other purposes, an additional minimum dependent on nature and capacity of the apparatus.

**CONTRACT PERIOD:** One year or longer.

**STEAM HEATING SERVICE REGULATIONS:** Service under this Schedule will be in accordance with the terms of the Service Agreement between the Customer and the Company. The Steam Heating Service Regulations covering steam heating service now on file with and approved by the Public Service Commission of the State of Utah, including future applicable amendments, will be considered as forming a part of and incorporated in said agreement.