

UTAH MERGER COMMITMENTS - Category 3 (Ongoing)

Stipulation Reference	Testimony Reference	Co. No.	Commitment Description	Comments	End Date	Statutory Reference
1 - I.A.1-7	D42 (Pp 3, 7-9)	11.1 11.43	Network Performance Standards.	Many of the requirements within the scope of this commitment have been accomplished, and ongoing performance reporting is provided in quarterly and annual reports to the Commission. Some targets define required status 5 years from the merger. Baselines for SAIDI and SAIFI measurements were agreed to with the DPU 4/03.	3/31/05	-
1 - I.B.2.a-c	D42 (Pp 3-4,10-11)	11.8	Customer Service Performance Standards - PS7 (Commission Complaint Response and Resolution commitments)	As reported in PacifiCorp's annual performance reports, the 3 aspects of Performance Std. #7 were all met or exceeded in FYs 2001 and 2002.	3/31/05	-
1 - I.C.10.a-b	D42 (P 20)	11.42	SP will provide yearly reports to both Customers and the Commission detailing its performance against the targets set in the Performance Standards and Customer Guarantees.	All required reports for both FY 2001 and FY 2002 have been filed.	3/31/05	-
1 - IV.C.1 a-c	NA	12.6	Current yearly funding level for energy assistance to be increased. SP will commit \$1.5 M per year in addition to PPW's current \$1.5 M contribution to include programs that: (a) Double the number of Cust. Assisted - with Co. matching. (b) Establish a debt counseling service. (c) Expand customer education regarding energy efficiency and safety. (UT share is \$300 K per year - see #12.7)	The Company has budgeted funds to meet this commitment each year through new programs and through the reintroduction of the matching concept for donations to heat assistance programs. Various partners are used to implement programs within each state. Actual outlays depend on agency funding requests and customer contributions that generate matching Company funds. In Utah these include the Lend-A-Hand program administered through the Red Cross and low-income conservation programs and debt counseling provided by the Utah Division of Community Development. PacifiCorp has also implemented a retiree safety presenters program. Utah's program funding ends 9/03 by which time all state commitments will be complete except for Wyoming which ends 9/04.	Not specified	-
1 - V.C.1	D40 (P 6)	15.6	Occupational Health: SP to examine appropriateness of introducing its UK programs to encourage healthy lifestyles for employees.	Existing programs including Company health-related benefits have been compared between PacifiCorp and ScottishPower. There has also been outside benchmarking to determine best practices. Some new initiatives include a Company-sponsored health fair, providing exercising equipment on-site, contributing toward health club memberships, and expanding wellness information for employees in the internal safety magazine.	Not specified	-

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7	NA	3.5	Prior notification to Commission of new affiliates, new affiliate transactions, or dissolution of affiliates.	Information is provided when these situations occur. Examples of recent transactions reported include the agreement to lease West Valley generating units and a limited property insurance transaction with a ScottishPower affiliate.	Not specified	-
12	NA	10.3	PPW shall fully detail merger savings in its year end semi-annual report for a period of 5 years.	This information is now routinely provided as part of the year-end semi-annual report.	7/31/05 for period ending 3/31/05	-
16	NA	11.1	Penalty of \$1 per customer for failure to meet each network performance standard shall be paid to an organization agreed by the relevant parties and as directed by the Commission.	Quarterly progress is tracked in the Customer Guarantee and Performance Standards report package. This commitment is not required to be met until 2005. Baselines and targets for SAIDI and SAIFI were agreed to with the DPU 4/03 and are awaiting PSC approval.	After metrics reviewed for the FY ending 3/31/05	-
17g	NA	13.21g	Monthly Energy Information Admin. Form EIA 826	Monthly reports have been provided to the DPU. (Mark Flandro through June 2002 and Tom Peel through January 2003 and Ron Burrup beginning February 2003)	Not specified	-
20*	NA	5.1b	SP shall file a detailed report showing PPW's proportionate share of the new Group's total assets, revenues, O&M expenses and employees as part of the semi-annual filing with the Commission.	This report has been filed with the year-end Semi, but not with the mid-year Semi. The Company proposes to continue filing only at year-end so this requirement is consistent with the other merger commitments related to filings with the Semis.	Not specified	-
23	D39 (P 15)	2.5	PPW and SP shall not assert in any future Utah proceeding that PUHCA (or any modification/replacement) or the related Ohio Power v FERC case pre-empts State jurisdiction regarding affiliate interest transactions. The Company explicitly waives any such defense.	PPW has made no such claim in the past and has no plan to do so in the future.	Not specified	-
24	NA	13.1	Provide the DPU and CCS a copy of any SEC filed lobbying reports.	Reports are filed every 3 years. Copy of report @ 12/31/01 was provided to the DPU with the merger commitment data response 9/5/02.	Not specified	-
27a	NA	11.43a	PPW will comply with service standards and service guarantees and will not allow underlying outages to increase above current levels for a 5 year period.	Outages are tracked through quarterly reports to the Commission on network performance standards. Baselines for future comparison of SAIDI and SAIFI performance were agreed to with the DPU 4/03.	3/31/05	-

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27c	NA	11.15	PPW to review and revise, if necessary, its performance standards and customer guarantee package and will submit proposals to the Commission for their continuance. (During 2004.)	Nothing is due until 2004.	During 2004	-
28	D42 (P 15)	11.3 11.3a	PPW will fund expenditures required to implement the service standard commitments from efficiency savings and redirected internal funding. SP/PPW will spend approximately \$55m during the 5-year implementation period to implement the proposed service standard. PPW to report expenditures and sources in year-end Semi.	Expenditures in support of the Customer Guarantee and Performance Standards are ongoing. The referenced report has been provided each year with the annual Customer Guarantee and Performance Standards report set. A copy of this report is included in the year-end Semi beginning July 2002.	7/31/05 for period ending 3/31/05	-
30a-b	NA	11.17	PPW will perform 6-month audits 3 times re reported faults vs. system-recorded faults. The DPU shall use this information to recommend baselines to the Commission 18 mos. after the merger. PPW will audit future outage reporting if requested by DPU.	Prosper/CADOPS was implemented and the required audits were completed. Baselines and targets for SAIDI and SAIFI have been determined by agreement with the DPU 4/03, and are awaiting PSC approval. Baseline recommendations did not occur until after the planned due date so that the more reliable CADOPS data could be used.	5/31/01 for end of initial audit series. End date not specified for future audits.	-
31	NA	11.18	In the event that PPW claims an 'extreme event' as a reason for non-performance, the basis for doing so will be filed and subject to a decision of the Commission.	The process is working. Claims were made for 3 extreme events in 2001 which were later approved.	Not specified	-
33	NA	11.19	PPW will provide quarterly reports of outages on a district basis containing specified information.	This is being done on schedule. These reports are included with the Customer Guarantee and Performance Standard report package.	Not specified	-
34	D48 (P 2)	11.20a 11.20b	Continue internal meter set and meter test field response standards in Northern UT & report quarterly. Establish them in Southern Utah and report quarterly. Note: Agreed w/M. Falandro that meter test will be covered under Customer Service Guarantee reporting and will not be reported separately.	This is being done on schedule. These reports are included with the Customer Guarantee and Performance Standard report package.	3/31/05	-

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35	NA	11.21	PPW shall report call handling results during wide-scale outages against average response.	The definition of a "wide-scale" outage was subsequently agreed upon jointly with the DPU. Reports have been submitted when this condition has occurred.	3/31/05	-
36	NA	11.22	PPW shall report quarterly on a district basis the credits to customers for failure to meet the customer service guarantees.	This is being done on schedule. These reports are included with the Customer Guarantee and Performance Standard report package.	3/31/2005	-
38	NA	11.24	Following the introduction of Prosper, PPW will report transmission outages quarterly where customers report loss of supply.	This is being done on schedule. These reports are included with the Customer Guarantee and Performance Standard report package.	3/31/2005	-
48	NA	6.11	PPW shall not, without Commission approval, guarantee the obligations of SP companies and SP shall not pledge the assets of the regulated business of PPW as security.	PacifiCorp is in compliance with this commitment. The Company remains committed to compliance with this condition going forward.	Not specified	-
50	D39 (P 14)	14.1a	PSC affirms right to make ratemaking adjustments for instances of non-compliance with other merger conditions including for misallocations of costs from non-regulated business.	The Company is focused in fulfilling all merger conditions. There has been no allocation of non-regulated costs to the utility.	Not specified	Title 54-3-1(1) Title 54-4-(1-2)
52	NA	6.16	Parties maintain the right to raise the issue of treatment of upstream tax savings and costs in future rate cases. SP to maintain records relating to the merger transaction and make available to DPU, CCS, etc.	ScottishPower and its affiliates maintain necessary tax records, and PacifiCorp is prepared to provide tax-related information, if requested in future rate cases, subject to appropriate confidentiality protection.	Not specified	-
(54)*	D91 (Pt 5)	12.7	Additional \$300k per annum of shareholder funds to be made available for low-income programs. (3 years min.)	PPW has contracted with the Utah State Division of Community Development for a \$300K annual fee for 3 years to implement a low-income energy conservation program. Final payment is anticipated August 2003.	8/30/03	-
(55)	D88 (Pt 1)	11.26	SP/PPW agree that the issues re: reliability raised by DG&T will be addressed in the current reliability docket.	These discussions were held per the commitment. Not all issues have been resolved.	Not specified	-

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(55)	D88 (Pt 2)	11.27	PPW will meet with DG&T to discuss reliability problems and Middleton line issues and try to resolve those problems without undue delay, as well as evaluate in good faith all other reasonable proposals that may benefit the companies and their customers.	Meetings with DG&T have been ongoing into 2002. At the Executive level, Bob Moir and Bill Landels met with DG&T officials 4/17/02. The Area Planner has met with DG&T counterparts on numerous occasions to address Middleton reliability issues. Several projects have resulted. Many issues have been resolved.	Not specified	-
NA	D42 (P 15)	(11.7b) (11.14a) 11.45	Customer Services - internally track changes in customer service quarterly, so that improvements or problems can be identified quickly. (Later expanded to reporting on performance standards and guarantees.)	Compliance is ongoing as part of the quarterly reporting to the Commission regarding Customer Guarantees and Performance Standards. After post-merger discussions on reporting with all states, it was determined to provide quarterly reporting on performance standards and customer guarantees.	3/31/05	-
NA	D46 (P 16)	11.46	Establish reliability indices for measuring Performance Standards on a State-by-State basis.	Baselines for SAIDI and SAIFI measurements were agreed to with the DPU 4/03. The Company is awaiting Commission approval.	3/31/05	-

NOTES: "*" in the Stipulation field indicates a related commitment included in the merger condition has a different status.
 Numbering in Stipulation Reference field "1 - Roman numeral.Letter.Number" relates to Stipulation 1 referring to Alan Richardson's Supplemental Testimony.

TESTIMONY REFERENCES:

D39 Robert D. Green (Direct)
 D40 Jack Kelly (Direct)
 D42 Bob Moir (Direct)
 D46 Robin MacLaren (Rebuttal)
 D48 Bob Moir (Rebuttal)
 D88 DG&T Stipulation
 D91 Low Income Customer Stipulation