

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Investigation Into the)
Reasonableness of Rates and Charges of)
PacifiCorp, dba Utah Power & Light Company)

DOCKET NO. 99-035-10

ERRATUM ORDER

ISSUED: June 1, 2000

By The Commission:

In our Report and Order issued May 24, test year revenues were increased uniformly by 4.24 percent for the security area and street lighting schedules. This resulted in test year revenues increasing by \$102,750 for Schedule 7: Security Area Lighting, by \$156,050 for Schedule 11: Company-Owned Street Lighting, and by \$76,203 for Schedule 12: Customer-Owned Street Lighting. By this Erratum Order, test year revenues are to be increased by \$64,452, or 2.67 percent, for Schedule 7: Security Area Lighting, by \$222,551, or 6.04 percent, for Schedule 11: Company-Owned Street Lighting, and by \$48,910, or 2.72 percent, for Schedule 12: Customer-Owned Street Lighting. This revised revenue spread is to be accomplished by authorizing one-half the increase in rates proposed by the Company for the individual lamp sizes and types contained in these schedules.

In past cost-of-service studies, the security area and street lighting schedules have been treated as a single group. Cost-of-service studies for individual lamp sizes and types may not have been used in our pricing decisions since at least the mid-1980's. In Docket No. 89-035-10, these schedules received no change. In Docket No. 90-035-06, they were increased by 3 percent, although pricing was not addressed in the Report and Order issued April 10, 1992. Finally, in Docket No. 97-035-01, they received no change.

In Docket No. 97-035-01, the Division recommended that the Company "complete a new street light cost-of-service study for individual lamp sizes and types for the next rate case. Because of differing installation, maintenance and demand related costs, the only accurate way to change individual lamp prices is through the use of such a cost study. The Company used such a cost model in previous rate cases to set lamp prices, but the model has been lost." In the Report and Order issued March 4, 1999 in Docket No. 97-035-01, the Commission did not address the Division's recommendation.

In the recent Allocations Task Force Report dated December 16, 1999, the Division reiterated its recommendation. That report stated "PacifiCorp agreed to re-create a street light cost of service model. The model was re-created and output submitted to the task force. Since street light customers were not task force participants, the Division was the primary interested party on this issue. The Division's comments were included in a final version. The Division believes the new model is an improvement over the old one and will result in more accurate street light pricing in the future. The Company recently used the model to help price a new tariff offering for optional decorative street lights."

In the current Docket, the Company presented the cost-of-service study results for the individual lamp sizes and types contained in the security area and street lighting schedules. These results showed that the individual services in Schedule 11: Company-Owned Street Lighting warrant significantly larger increases than do the services in Schedule 7: Security Area Lighting and Schedule 12: Customer-Owned Street Lighting. Based on these studies, the Company proposes price changes which result in an increase in revenues of 5.3 percent to Schedule 7, 12.1 percent to Schedule 11, and 5.3 percent to Schedule 12. The Division basically supports the Company's pricing recommendations for these schedules. It is our intent to reflect, in part, the results of these recent cost-of-service studies for individual lamp sizes and types in our revenue spread and pricing decisions. Because our revenue requirement increases to Schedules 7, 11, and 12, collectively, is roughly half that which the Company and Division propose, our objectives are achieved by allowing one half the rate increases the Company proposes for the individual services within Schedules 7, 11, 12.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. PacifiCorp is to file appropriate tariff revisions reflecting the decisions made above.
2. The Division of Public Utilities shall review the tariff revisions for compliance with this Erratum Order.
3. Pursuant to U.C.A. §63-46b-13, an aggrieved party may file, within 20 days after the date of this Erratum Order, a written request for rehearing/reconsideration by the Commission limited to the issues decided herein. Pursuant to U.C.A. §54-7-15, failure to file such a request precludes judicial review of the Erratum Report. If the Commission fails to issue an order within 20 days after the filing of such request, the request shall be considered denied. Judicial review of this Erratum Order may be sought pursuant to the Utah Administrative Procedures Act (U.C.A. §§63-46b-1 et seq.).

DATED at Salt Lake City, Utah, this Thursday, June 1, 2000.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary