

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
PACIFICORP dba UTAH POWER & LIGHT)
COMPANY for an Accounting Order)
Regarding Enhanced Early Retirement)
Program)

DOCKET NO. 00-2035-01
REPORT AND ORDER

ISSUED: July 12, 2000

By The Commission:

On June 12, 2000, PacifiCorp dba Utah Power & Light Company ("PacifiCorp" or the "Company") filed an application for an accounting order authorizing it to capitalize and amortize over a five-year period the costs of a voluntary enhanced early retirement program and an employee severance program.

In its application, PacifiCorp stated that it expects to reduce its workforce by approximately 1600 employees through early retirement and severance programs. In order to match the benefits and costs of these retirement and severance programs, PacifiCorp wishes to capitalize the costs of the retirement and severance programs in accordance with paragraph 9 of SFAS No. 71. The costs of those programs would then be amortized on a straight-line basis over a five-year period, commencing from the date of the order approving its application.

PacifiCorp proposes to account for its retirement program and severance program costs by charging them to Account 182.3 Other Regulatory Assets and amortizing these amounts to Account 930.2 Miscellaneous General Expenses over the five-year period. PacifiCorp proposes to include the unamortized amounts in its rate base, where they would earn a return at PacifiCorp's authorized rate of return.

PacifiCorp does not request a determination of the rate making treatment for the retirement program or severance program at this time.

On June 29, 2000, the Division of Public Utilities ("Division") filed a memorandum recommending approval of PacifiCorp's application. The Division stated that approval of the requested accounting treatment would be consistent with prior Commission orders and would not impact current rates, nor determine the future rate making treatment of the retirement and severance programs.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

- PacifiCorp is an electrical corporation and public utility in the state of Utah and is subject to the jurisdiction of the Commission with regard to its rates, service and accounting practices.
- 2. The Commission has authority, pursuant to §54-4-23 U.C.A., to prescribe the regulatory accounting treatment to be used by PacifiCorp for its early retirement and severance program costs.
- 3. PacifiCorp's application is hereby approved and PacifiCorp is authorized to accumulate and capitalize the costs of the retirement program and severance program in Account 182.3 Other Regulatory Assets and amortize these costs to Account 930.2 Miscellaneous General Expenses over the five-year period commencing from the date of this Order.
 - The approval of PacifiCorp's application does not determine the rate making treatment for the retirement program or severance program. Any determination of that rate making treatment will be made in PacifiCorp's next general

rate case.

- Approval of this application does not constitute approval of the ScottishPower transition plan.

DATED at Salt Lake City, Utah, this 12th day of July, 2000.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary