- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of PACIFICORP for an Order Approving a Change in Depreciation Rates))))	DOCKET NO. 98-2035-03 REPORT AND ORDER APPROVING STIPULATION

ISSUED: January 6, 2000

SUMMARY

By this Order, the Commission approves a Stipulation that provides new depreciation rates for PacifiCorp that will result in an increase in annual depreciation expense in Utah of approximately $3.1 million based upon 1997 depreciable plant balances. In addition, the Stipulation provides for an accounting adjustment that will result in a decrease in annual depreciation expense in Utah of approximately $3.5 million for a two-year period. The Stipulation also requires PacifiCorp to file a new depreciation study and accompanying application, testimony, and exhibits by October 1, 2002.

Appearances:

Gregory B. Monson, Stoel Rives LLP	for	PacifiCorp dba Utah Power & Light Company
Michael Ginsberg Assistant Attorney General	" "	Division of Public Utilities
Douglas C. Tingey Assistant Attorney General	"	Committee of Consumer Services
Gary A. Dodge Waddoups Brown Gee & Loveless	"	Alliant Techsystems, Inc., Hexcel Corporation, Parr Thiokol Corporation, Chevron, S F Phosphates, E. A. Miller, Inc., IHC Hospitals, Inc., Geneva Steel, Western Electrochemical Company, and Utah Electric Deregulation Group ("Large Customer Group")
Bill Thomas Peters David W. Scofield Parsons Davies Kinghorn & Peters	"	Emery County
Eric Blank	"	Land and Water Fund of the Rockies
Charles E. Johnson, Ph. D.	"	Salt Lake Community Action Program and Crossroads Urban Center By the Commission

PROCEDURAL HISTORY

On November 24, 1998, PacifiCorp dba Utah Power & Light Company ("PacifiCorp" or the "Company") commenced this Docket by filing its Application for an Order Approving a Change in Depreciation Rates ("Application"). In the Application, PacifiCorp sought approval from the Commission of changes in the depreciation rates of the Company. The changes in rates proposed by PacifiCorp would have resulted in an increase of approximately $23.6 million dollars in its annual depreciation expense over existing depreciation levels in the state of Utah based on 1997 depreciable plant balances. The testimony, and December 31, 1997 depreciation study of Deloitte & Touche by Donald S. Roff (the "Study"), was concurrently filed in support of the Application. Pursuant to various scheduling orders in this matter, PacifiCorp, the Division, the Committee, and the Large Customer Group filed testimony regarding the issues raised by the Application. In addition to the direct testimony of Mr. Roff, PacifiCorp filed rebuttal testimony of Mr. Roff and direct and rebuttal testimony of Robert R. Dalley, John A. Bohling, and Larry W. Loos. The Division of Public Utilities ("Division") filed direct and supplemental testimony of Charles W. King, direct testimony of Rebecca L. Wilson, direct testimony of Ronald L. Burrup, direct testimony of Mary H. Cleveland, and direct testimony of Kenneth B. Powell with revisions. The Committee of Consumer Services ("Committee") filed direct testimony of Michael L. Arndt and Jacob Pous. The Large Customer Group filed the direct testimony of James T. Selecky. PacifiCorp, the Division, and the Committee also exchanged hundreds of data requests and responses relating to the Application and testimony filed in this Docket.

Hearings were scheduled for November 1, 2, and 3, 1999. Prior to the commencement of hearings, PacifiCorp, the Division, the Committee, and the Large Customer Group advised the Commission that they were engaged in settlement discussions and requested that the hearings be continued.(1) On November 9, 1999, notice was given to all parties that a hearing would be held on November 18, 1999, to consider a stipulation. On November 18, 1999, the hearing was continued to November 23, 1999, and on November 23, 1999, it was continued to December 7, 1999. Notice of each continuance was provided to all parties.

On December 3, 1999, the Parties filed a Stipulation. The positions taken in this Docket by PacifiCorp, the Division, and the Committee,(2) along with the stipulation reached by the Parties, are summarized below.

EVIDENCE PRESENTED

A hearing was held on December 7, 1999. At the hearing, PacifiCorp, the Division, and the Committee presented the Stipulation to the Commission for approval. The Stipulation was marked and admitted as Joint Exhibit 1. The testimony of all witnesses that had previously been filed was marked and admitted into evidence. This testimony consisted of hundreds of pages data and a thorough analysis of the Parties' positions on each of the issues in the docket.

In addition, the Parties presented witnesses in support of approval of the Stipulation. PacifiCorp presented the testimony of Robert R. Dalley, Daniel Peterson, and Scott Jacobson. The Division presented the testimony of Kenneth B. Powell, including two exhibits, Joint Exhibit 2 and Joint Exhibit 3. The Committee presented the testimony of Dr. Laura Linebarger. Each of the witnesses that appeared at the hearing testified that the Stipulation was a fair and reasonable compromise of the positions of the parties and that approval of the Stipulation by the Commission was in the public interest. In addition, uncontested testimony was presented that the depreciation rates in Schedule I to the Stipulation were just and reasonable, that the depreciation rates in Schedule I to the Stipulation were within the range of reasonable rates and reflected trends in the lives and net salvage associated with PacifiCorp's depreciable property, and that the accounting adjustment in Schedule II of the Stipulation was just and reasonable. Finally, uncontested testimony was presented that the Stipulation was the result of difficult, contentious and arm's length negotiations.

No party appeared in opposition to approval of the Stipulation.

STIPULATION

Without modifying the terms of the Stipulation in any way, the following is a brief summary of the major terms of the Stipulation. The Parties agreed that the Commission should adopt depreciation rates set forth in Schedule I to the Stipulation and that PacifiCorp should make an accounting adjustment described more fully in Schedule II to the Stipulation. The Parties agreed that these changes should be made effective April 1, 2000. In addition, PacifiCorp agreed to file a depreciation study and an accompanying application for change in depreciation rates and all direct testimony in support of the application on or before October 1, 2002. The study is to be based on depreciable plant balances as of March 31, 2002.

A copy of the Stipulation is attached to this order and incorporated herein as Appendix I to this Order.

DISCUSSION

The law favoring settling disputes over litigating them is applicable to regulatory proceedings. *Utah Dept. of Admin. Services v. Public Service Comm'n*, 658 P.2d 601, 613 (Utah 1983). Statutorily, "[i]nformal resolution, by agreement of the parties, of matters before the [C]ommission is encouraged. The Commission may approve any agreement after considering the interests of the public and other affected persons." U.C.A. § 54-7-1. We believe this section of the Utah Code enables the Commission to approve the Stipulation without making a finding that each of the depreciation rates set forth in Schedule I to the Stipulation is the rate we would have determined to be the appropriate rate based on all of the evidence presented. As a result, we will address the Stipulation pursuant to U.C.A. § 54-7-1.

The testimony filed in this Docket demonstrates that this matter was highly contested and thoroughly reviewed and considered. The Parties engaged in extensive discovery and filed hundreds of pages of testimony addressing each aspect of the depreciation rates of PacifiCorp. In addition, testimony presented at the hearing demonstrated that the negotiation of the Stipulation was arm's length, contentious, and difficult. Each of the Parties was well represented in the negotiations and the parties appear to have had a thorough understanding of the issues. A review of the positions of the Parties on each of the principal issues indicates that stipulated results are within a reasonable range. In fact, on many of the principal issues, at least two of the Parties had positions that were reasonably close. In such instances, the stipulated depreciation rates are based on a result that reflects these positions, in some cases adjusted somewhat toward the position of the other Party.

In addition, we rely on the fact that the Division and the Committee, in their statutory roles, have found the Stipulation to be an acceptable compromise. The Division is charged with representing the public interest, balancing the interests of the Company and its customers. U.C.A. § 54-4a-6. The Committee is charged with representing the interests of residential and small commercial customers. U.C.A. § 54-10-4. We also rely on the fact that the Large Customer Group, representing significant industrial customers of the Company, joined in the Stipulation. Finally, parties representing a variety of interests intervened in the docket and had the opportunity to challenge any portion of the Stipulation, but did not do so.

Based upon the foregoing, we find and conclude that the depreciation rates and accounting adjustment provided in the Stipulation are just and reasonable and in the public interest. We also find and conclude that the other terms and conditions of the Stipulation are in the public interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that the Stipulation is approved in its entirety without modifying or limiting the foregoing:

- PacifiCorp shall implement the depreciation rates set forth in Schedule I to this Order effective April 1, 2000.
- PacifiCorp shall implement the accounting adjustment set forth in Schedule II to this Order effective April 1, 2000.
- PacifiCorp shall file a depreciation study and an accompanying application for change in depreciation rates and all direct testimony in support of the application on or before October 1, 2002. The study shall be based on depreciable plant balances as of March 31, 2002. PacifiCorp shall otherwise comply with its obligations under paragraphs 18 through 22 of the Stipulation.

Any party aggrieved by this Order may file a petition for review with the Commission within 20 days following the date the Order is issued. If the petition is denied or deemed denied by failure of the Commission to act on it within 20 days of the date of filing, the party may file a petition for review with the Utah Supreme Court within 30 days.

DATED at Salt Lake City, Utah, this 6th day of January, 2000.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

APPENDIX I

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of PACIFICORP for an Order Approving a Change in Depreciation Rates	: : :	DOCKET NO. 98-2035-03 **STIPULATION**

This Stipulation ("Stipulation") is entered into by and among PacifiCorp, doing business as Utah Power & Light Company ("PacifiCorp" or the "Company"), the Division of Public Utilities (the "Division"), the Committee of Consumer Services ("Committee") and Alliant Techsystems, Inc., Hexcel Corporation, Thiokol Corporation, Chevron, S F Phosphates, E. A. Miller, Inc., IHC Hospitals, Inc., Geneva Steel, Western Electrochemical Company and Utah Electric Deregulation Group (the "Large Customer Group") (collectively referred to herein as the "Parties").

I. Introduction

1. The terms and conditions of this Stipulation are set forth below. The Parties agree that the agreements in this Stipulation and the modifications to PacifiCorp's depreciation rates as set forth herein are a fair and reasonable compromise of the issues raised by the parties in this docket and are in the public interest. The Parties recommend that the Public Service Commission (the "Commission") approve changes in PacifiCorp's depreciation rates and also approve the accounting adjustment proposed in this Stipulation in accordance with the terms of this Stipulation. The Parties will support this Stipulation throughout the remaining proceedings relative to this Docket.

II. Background

2. On November 24, 1998, PacifiCorp commenced this Docket by filing its Application for an Order Approving a Change in Depreciation Rates (the "Application"). By filing the Application, PacifiCorp sought approval from the Commission to change the depreciation rates of the Company. The changes in rates proposed by PacifiCorp would have resulted in an increase of approximately $23.6 million dollars in its annual depreciation expense over existing depreciation levels in the state of Utah based on 1997 depreciable plant balances. The testimony and December 31, 1997 depreciation study of Deloitte & Touche by Donald S. Roff (the "Study") was concurrently filed in support of the Application.

3. Pursuant to various scheduling orders in this matter, PacifiCorp, the Division, the Committee and the Large Customer Group filed testimony regarding the issues raised by the Application. PacifiCorp, the Division and the Committee also exchanged hundreds of data requests and responses relating to the Application and testimony filed in this Docket.

4. Recently, PacifiCorp, the Division, the Committee and the Large Customer Group met to discuss the issues raised in (3)

this Docket. As a result of those discussions, the Parties reached a compromise of their dispute. The positions taken in this Docket by PacifiCorp, the Division, and the Committee,[(4)] along with the stipulation reached by the Parties are summarized below.

III. Terms of the Stipulation

5. In its Application, PacifiCorp requested changes in its depreciation rates that would result in an increase of approximately $23.6 million in its annual depreciation expense in Utah, based on 1997 depreciable plant balances. In response to that request, the Division filed testimony in support of its position that PacifiCorp's depreciation rates should be changed in a manner that would result in a decrease in annual depreciation expense of approximately $10.3 million; similarly, the Committee filed testimony in support of its position that PacifiCorp's depreciation rates should be changed in a manner that would result in a decrease in annual depreciation expense of approximately $26.8 million. As a compromise of their dispute, the Parties have agreed to depreciation rates that would result in an increase of approximately $3.1 million in PacifiCorp's annual depreciation expense in Utah based on 1997 depreciable plant balances. The detailed account by account depreciation rates that are agreed upon in this Stipulation are set forth in Schedule I, attached hereto and incorporated herein by reference. Below is a description of the principal aspects of the Parties' Stipulation.

6. Life Span of Steam Production Plants. For purposes of determining depreciation rates, the life span of Steam Production Plants ("Steam Plants") is currently set at 45 years, except for the Colstrip Plant which is set at 40 years. In its Application, PacifiCorp proposed that the life span of Steam Plants be reduced to 40 years for all steam plants except the Gadsby, Dave Johnston, Hayden, Carbon, Blundell and James River plants. Life spans of 50 years were proposed for Gadsby, Dave Johnston, Hayden and Carbon, and life spans of 37 years for Blundell and 20 years for James River were proposed consistent with associated contractual arrangements. In response, the Division proposed average service lives ("ASL") for Steam Plants that equate to life spans of approximately 60 years. The Committee proposed that the life span of most Steam Plants remain at 45 years, but recommended life spans of 50 years for Carbon, Dave Johnston and Hayden and 55 years for Gadsby. The Committee accepted the Company's proposed life for James River. The Large Customer Group did not make a specific recommendation by plant, but recommended that the life span for steam plants be at least 45 years. For purposes of this Stipulation, the Parties have agreed to base depreciation rates for the Gadsby, Dave Johnston, Hayden and Carbon Steam Plants on life spans of 54 years, Blundell of 37 years and James River of 20 years, and to base depreciation rates for all other PacifiCorp Steam Plants on life spans of 44 years.[(5)]

7. Net Salvage for Steam Plants. For purposes of determining depreciation rates, the net salvage for Steam Plants is currently set at negative 4%. In its Application, PacifiCorp proposed that the net salvage for Steam Plants be decreased to negative 7.6%. In response, the Division proposed that the net salvage for Steam Plants be decreased to negative 7.0%, and the Committee proposed that the net salvage for Steam Plants be increased to positive 13.7%. For purposes of this Stipulation, the Parties have agreed to decrease net salvage for Steam Plants to negative 6.5%.

8. Average Service Life for Hydraulic Production Plants. For purposes of determining depreciation rates, the ASL for Hydraulic Production Plants ("Hydro Plants") is currently set at 59 years. In its Application, PacifiCorp proposed that the ASL for Hydro Plants be increased to 60 years. In response, the Committee accepted PacifiCorp's proposal with the exception of three plants, Condit, Big Fork and Naches, while the Division proposed that the ASL for Hydro Plants be increased to 78 years. For purposes of this Stipulation, the Parties have agreed that the ASL for Hydro Plants be increased to 60.06 years.

9. Net Salvage for Hydro Plants. For purposes of determining depreciation rates, the net salvage for Hydro Plants is currently set at negative 2%. In its Application, PacifiCorp proposed that the net salvage for Hydro Plants be decreased to negative 7.1%. In response, the Division proposed that the net salvage for Hydro Plants be decreased to negative 3.4%, and the Committee proposed that it remain at negative 2%. For purposes of this Stipulation, the Parties have agreed to decrease net salvage for Hydro Plants to negative 7.1%.

10. Average Service Life for Transmission Plant. For purposes of determining depreciation rates, the ASL for Transmission Plant is currently set at 50 years. In its Application, PacifiCorp proposed that the ASL for Transmission Plant be increased to 56 years. The Division agreed with PacifiCorp's proposal, while the Committee proposed that the

ASL for Transmission Plant be increased to 58.21 years. For purposes of this Stipulation, the Parties have agreed to base depreciation rates on an ASL for Transmission Plant of 58.21years.

11. Net Salvage for Transmission Plant. For purposes of determining depreciation rates, the net salvage for Transmission Plant is currently set at negative 14%. In its Application, PacifiCorp proposed that the net salvage for Transmission Plant be decreased to negative 35%. In response, the Division proposed that the net salvage for Transmission Plant be decreased to negative 17.9%, and the Committee proposed that the net salvage for Transmission Plant be decreased to negative 21.8%. For purposes of this Stipulation, the Parties have agreed to decrease net salvage for Transmission Plant to negative 21.8%.

12. Average Service Life for Distribution Plant. For purposes of determining depreciation rates, the ASL for Distribution Plant is currently set at 36 years. In its Application, PacifiCorp proposed that the ASL for Distribution Plant be increased to 45 years. The Division agreed with PacifiCorp's proposal, while the Committee proposed that the ASL for Distribution Plant be increased to an estimated 49 years. For purposes of this Stipulation, the Parties have agreed to base depreciation rates on an ASL for Distribution Plant of 45 years.

13. Net Salvage for Distribution Plant. For purposes of determining depreciation rates, the net salvage for Distribution Plant is currently set at negative 20%. In its Application, PacifiCorp proposed that the net salvage for Distribution Plant be decreased to negative 64%. In response, the Division proposed that the net salvage for Distribution Plant be decreased to negative 41.6%, and the Committee proposed that the net salvage for Distribution Plant be increased to negative 15%. For purposes of this Stipulation, the Parties have agreed to decrease net salvage for Distribution Plant to negative 45.2%.

IV. Accounting Adjustment

14. On December 30, 1997, PacifiCorp filed an application for a change in its depreciation rates in Docket No. 97-035-12 based on a 1996 depreciation study. This application was later withdrawn. After filing the application, the Company began booking increased depreciation expense in Utah beginning in December of 1997 (effective January 1, 1997) and continuing through June of 1998 resulting in total additional depreciation expense of approximately $29 million company-wide of which approximately $7.1 million relates to Utah.(6)

15. In PacifiCorp's general rate case in 1998, Docket No. 97-035-01, the Commission approved a stipulation that removed the impact of the 1996 depreciation study from the 1997 test period used in the case. Accordingly, the additional $29 million ($7.1 million on a Utah basis) depreciation expense was never approved or included in rates.

16. Consistent with the foregoing, the Parties have agreed that PacifiCorp should reverse the booking of the change in depreciation rates proposed in the 1997 application. The manner of incorporating this accounting adjustment is set forth in Schedule II attached hereto and incorporated herein by reference.

V. Effective Date of the Stipulation

17. The Parties agree that upon approval by the Commission, the terms of the Stipulation will be applied effective April 1, 2000.

VI. Next PacifiCorp Depreciation Case

18. PacifiCorp shall file a depreciation study and an accompanying application for change in depreciation rates and all direct testimony in support of the application on or before October 1, 2002 ("2002 Depreciation Case"). The study shall be based on depreciable plant balances as of March 31, 2002. PacifiCorp shall use its best efforts to complete the study in advance of October 1, 2002, and to review the study with the Division and the Committee to attempt to resolve issues prior to filing it.

19. PacifiCorp shall propose an expedited schedule in the 2002 Depreciation Case to the extent an expedited schedule is acceptable to the Division and Committee. The proposed expedited schedule will include a 14-day discovery turnaround period and, if acceptable to the Division and Committee, hearings to commence within four months of the date of the

filing.

20. PacifiCorp shall propose to the Commission that any changes in depreciation rates resulting from the 2002 Depreciation Case shall be effective on April 1, 2002, unless some other date is agreed upon by the Division and Committee. PacifiCorp agrees that regardless of when the Commission's final order setting depreciation rates in the 2002 Depreciation Case is issued, it will not oppose in any way the use of the depreciation rates set in that case in any rate case proceeding using a Commission-ordered test year that includes any period after March 31, 2002 and prior to the effective date of the depreciation rates set by the Commission in the 2002 Depreciation Case. It is understood by the parties that the depreciation rates in Schedule I to this Stipulation will be used for any portion of a Commission-ordered test year that is prior to April 1, 2002.

21. PacifiCorp agrees that if (1) it does not file a depreciation study and accompanying application for change in depreciation rates and all direct testimony in support of the application on or before October 1, 2002, or later voluntarily withdraws the application, and (2) an order in the 2002 Depreciation Case is not issued in time for the new depreciation rates arising therefrom to be applied to the portion of a Commission-ordered rate case test year after March 31, 2002 and prior to the effective date of the depreciation rates set by the Commission in the 2002 Depreciation Case, then in any rate case using such a test year PacifiCorp will make an adjustment to depreciation expense and accumulated depreciation for rate making purposes in amounts such that the changes in depreciation rates arising from this Stipulation will be excluded for any portion of the Commission-ordered test year after March 31, 2002 and prior to the effective date of the depreciation rates set by the Commission in the 2002 Depreciation Case.

22. If PacifiCorp files a rate case prior to April 1, 2002 requesting a future test year and the Commission orders the use of a future test year in the rate case that includes any portion of the period after March 31, 2002 and prior to the effective date of the depreciation rates set by the Commission in the 2002 Depreciation Case, any party shall be free, notwithstanding paragraphs 20 or 21of this Stipulation, to request the Commission to modify paragraphs 20 or 21 of this Stipulation in a manner consistent with the intent of paragraphs 20 and 21 of this Stipulation. Notwithstanding the foregoing, it is understood by the Parties that the depreciation rates in Schedule I to this Stipulation will be used for any portion of a Commission-ordered test year that is after March 31, 2000 and prior to April 1, 2002.

VII. General Terms and Conditions

23. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. As such, evidence or conduct or statements made in the negotiation and discussion phases of this Stipulation shall not be admissible as evidence in any proceeding before the Commission or a court. All negotiations relating to this Stipulation are privileged and confidential.

24. The Parties have negotiated this Stipulation as an integrated document. Accordingly, the Parties recommend that the Commission adopt the Stipulation in its entirety.

25. The Parties shall cooperate in submitting this Stipulation to the Commission for acceptance, and shall support adoption of the Stipulation both before the Commission and in any appeal of an order of the Commission approving this Stipulation. Each Party shall make available a witness in support of the Stipulation. In the event other parties to this Docket introduce witnesses opposing approval of the Stipulation, the Parties shall cooperate in cross examining such witnesses and in providing rebuttal testimony as necessary to the testimony of the opposing witnesses.

26. In the event the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving the Stipulation, each Party reserves the right, upon written notice to the Commission and all parties to the proceeding, within 15 days of the date of the Commission's order, to withdraw from this Stipulation. In such case, no Party to the Stipulation shall be bound or prejudiced by the terms of this Stipulation and each Party shall be entitled to seek reconsideration of the Commission's order, file any testimony it chooses, to cross-examine witnesses and in general to put on such case as it deems appropriate.

27. The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

28. No Party shall be bound by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated in this Stipulation.

29. Execution of this Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory or principle of regulation or depreciation, and no party shall be deemed to have agreed that any method, theory or principle of regulation or depreciation employed in arriving at this Stipulation is appropriate for resolving any issues in any other pending or future proceeding. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

30. The obligations of the Parties under this Stipulation are subject to the Commission's approval of the Stipulation in accordance with its terms and conditions and such approval being upheld on appeal by any court of competent jurisdiction.

Respectfully submitted: December 3, 1999.

/s/ Gregory B. Monson
/s/ Jill M. Pohlman
Stoel Rives llp
Attorneys for PacifiCorp dba Utah Power & Light Company

/s/ Michael Ginsberg
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/s/ Douglas C. Tingey
Assistant Attorney General

Attorney for Committee of Consumer Services, Department of Commerce, State of Utah

/s/ Gary A. Dodge
Parr Waddoups Brown Gee & Loveless
Attorneys for Large Customer Group

1. In addition to these four parties, which will be referred to hereinafter as the "Parties," Emery County, the Land and Water Fund of the Rockies, the Salt Lake Community Action Program, and the Crossroads Urban Center petitioned for, and were granted, intervention in this Docket. However, none of these parties participated in discovery, filed testimony, or participated in settlement discussions.

2. The Large Customer Group did not make specific recommendations on depreciation rates.

3. In addition to these four parties, Emery County, Salt Lake Community Action Program, the Crossroads Urban Center and the Land and Water Fund of the Rockies petitioned for and were granted intervention in this Docket. However, none of these parties participated in discovery, filed testimony or participated in settlement discussions.

4. The Large Customer Group did not make specific recommendations on depreciation rates.

5. The Hermiston Plant, which is categorized as Other Production Plant in the Company's accounting records, retains its current 35-year life span in this stipulation.

6. The $7.1 million includes Utah's share of $1.5 million of depreciation expense recorded in 1996 for the Hermiston Plant based on a 20-year life span. In the same stipulation that resulted in withdrawal of the 1996 depreciation study, the Company agreed to use a 35-year life span for Hermiston..