

Rule 700. Test period information to be included with a general rate case application.

A. Cases where the test period is first identified in the general rate case application.

1. The applicant will provide information which will demonstrate what adjustments are required to be made to the 12 months of actual, unadjusted results of operations data, including all regulated costs and revenues, contained in the most recent periodic reported results of operations submitted to the Commission, to arrive at the test period used by the applicant in its general rate case application, on both a Utah jurisdiction and total company basis. If the Company does not submit periodic reported results of operations to the Commission, the applicant will identify the 12 month period used in lieu thereof as the base period upon which the test year used in the application is developed.

a. Adjustments to be demonstrated include, but are not limited to: normalization adjustments, annualization adjustments, accounting adjustments, adjustments to reflect prior Utah regulatory decisions and policies made by the Commission with respect to any item or matter (including those which are not supported or advocated by the applicant for use in the general rate case) contained in the application, and all further adjustments to arrive at the test period used by the applicant in the general rate case filing.

b. The applicant will provide information explaining why the test period used is the most appropriate for the general rate case.

c. In addition to any information relating to an adjustment contained in any supporting testimony and exhibits or other documentation provided with the general rate case application, the applicant will also provide a summary index which identifies each adjustment or portion of an adjustment made in the filing material which can be used to locate where each adjustment or portion thereof is addressed, treated, applied, etc. in the application, testimony, exhibits and other documentation submitted.

2. If the test period used in the general rate case application is a future test period, in addition to the demonstration of adjustments to be made for the test period used by the applicant in the general rate case application, the applicant will make the same demonstration for the following alternative future test periods if these alternative periods do not have an end date beyond the test period used in the general rate case application:

a. a 12 month period ending the month of June which follows the filing date of the general rate case application, if the time period between the general rate case application and the following June is at least six months.

b. a 12 month period ending the month of December which follows the filing date of the general rate case application, if the time period between the general rate case application and the following December is at least six months.

c. a 12 month period ending six months beyond the period indicated in A.2.a above.

d. a 12 month period ending six months beyond the period indicated in A.2.b above.

B. Cases where the test period is identified and approved prior to the filing of a general rate case application.

1. An applicant planning to file a general rate case application may first request Commission approval of a test period to be used prior to filing a general rate case application. The proposed test period application will be accompanied by testimony and exhibits providing information supporting the proposed test period.

2. Subsequent to the Commission's approval of a test period, the applicant may then submit a general rate case application, using as the test period for the general rate case the test period previously approved by the Commission and need only submit information relating to the approved test period.

Comment – Add Rule 700 C. For gas and electric utilities filing rate cases before the commission, the utility shall file a notice of intent to file a rate case at least 60 days in advance of the anticipated filing date. At a minimum, the notice shall specify the anticipated filing date, the anticipated test year to be used, and the preferred procedure, either 700A or B, for determining the test year. Additionally, as part of the notice of filing, the Company shall file a request to open a docket and put in place a protective order.

Comment – Rule 700 B. If a utility requests that the test year be decided in advance of the actual filing as contemplated under 700B, the Division believes that some guidelines or procedural parameters are needed including, a timely decision from the Commission to allow the Company to complete its filing. The Division suggests adopting something similar to the procedures used in the current Rocky Mountain Power rate case; Docket No. 09-035-23.

Rule 710. Information to be provided with a general rate case application for an electrical corporation or a gas corporation.

An applicant submitting a general rate case application shall provide the following information with the application, on a total company and Utah jurisdictional basis using Commission approved allocation methods:

A. Historical results of operations information:

1. actual, unadjusted results of operations, including all regulated costs and revenues, for an historical 12-month period as contained in its last periodic reported results of operations filing submitted to the Commission.

2. adjusted results of operations for the same period

3. a description of any significant changes in accounting policies for the 24-month period prior to the historical period and any subsequent accounting changes through the date of the general rate case application and, if a future test period is used, any future changes included in a future test period, along with their impact on the filing. Significant changes for this purpose are anything referenced or that would be referenced in footnotes of financial statements or auditor=s reports.

B. If a non-forecasted test period is used in the application, the applicant shall provide information identifying and supporting each and every modification to the historical results of operation to arrive at the non-forecasted test year used in the general rate case application.

C. If a full or partially forecasted test period is used in the application, which forecasted test period was not previously approved by the Commission for the general rate case application, the following forecasted test period information shall be provided **for all periods required under Rule 700 A. 2., if applicable** (the format of the forecasted test period data shall be comparable to the historical results of operation information):

Comment – 710 C change. If the test period is first identified in the general rate case filing and alternative test year information is supplied under Rule 700, the amount of information under that rule appears to the Division to be sufficient to determined the proper test period but insufficient to do a complete review and analysis of the revenue requirement for alternative test periods.

The proposed rule would enable parties to put forth their best efforts under the 240 day filing timeline to determine a proper revenue requirement for the best rate effective period. Not providing this information up front compresses timelines for review and analysis by the parties because they would have to wait for data responses they would put forth requesting the information put forth in draft Rule 710 C for possible alternative test periods other than the one identified at time of filing.

1 Revenues, with details supporting the test period revenues including (as applicable):

- a. Usage, per customer **by customer class.**

Comment - 710 C 1a change. – Makes this rule consistent with 1d. below.

- b. Demand and energy usage
- c. Assumptions used in the development of the revenue forecasts
- d. Billing determinants, by customer class, used to calculate the forecast test year revenues.
- e. Pricing rates used in the forecast development
- f. Contract changes or other specific changes anticipated in the forecast.

2. Operating Costs, **using the same cost categories as filed in Results of Operations reports,** with details supporting the test period operating cost information, including:

Comment - 710 C 2. change. This change keeps the format for rate case filing information consistent with that provided in required results of operation reports. Where applicable in the filing requirement rules this requirement should be adopted or the rules should be modified to include this requirement.

- a. Forecasted costs relying on escalators or drivers will include the details of the base costs and the key drivers that impact the forecasted amount. If forecasted costs are not based on historical levels that have been inflated or escalated, the applicant shall provide supporting documents in the most detailed level available.

- b. The information will identify the index or rate of inflation applied to accounts, budget items or specific cost components that result in adjusted costs in the forecasted test period. Source documents supporting the index or rate of inflation applied will be identified and will be provided or made available.

3. Labor Costs shall be identified separately. The applicant will provide:

- a. The actual most recent number of full-time equivalent employees and, separately, the forecasted number of full-time equivalent employees at the end of the historical starting period. The most recent number of actual contract labor employees and the forecasted number of contract labor employees for the test period will also be provided as available and separately identified. The most recent number of actual union labor employees and the forecasted number of union labor employees for the test period will also be provided as available and separately identified.

- b. The associated costs related to the full time equivalent labor and contract labor levels. Direct employees, contract employees, union and nonunion employees will each be provided separately.

- c. Overtime costs, premiums, incentives, or other labor costs included in the forecast, with each provided separately. Union and nonunion costs shall be provided separately.

- d. Any assumed salary and wage increases included in the projected labor costs will be identified. Any of the increases supported by a union contract will be so identified.

e. Pensions and benefits, overheads or other employee benefit costs that are included in the forecast period. Each of the separate employee benefit components will be separately identified (i.e., medical, dental, pensions, etc.) Any assumptions regarding projected increases in such costs caused by factors other than changes in full time employee levels will be identified and described, with supporting assumptions identified.

f. If projected increases in pension expense cause a material cost impact, at a minimum, the following information should be provided for one year prior to the historical period through the test period: service cost, interest cost, expected return on assets, net amortization and deferral, amortization of prior service cost, and total net periodic pension cost. The information shall also include for each of the 12-month periods the expected long-term rate of return on assets, discount rate, salary increase rate, amortization of transition asset or obligation, percent of pension cost capitalized, minimum required contribution per IRS, maximum allowable contribution per IRS, and actual (or projected) contribution made to the trust fund. Also included shall be the projected year-end balance at the end of each of the 12-month periods for accumulated benefit obligation, projected benefit obligation, fair value of plan assets, and market related value of assets.

4. Capital Expenditures. The applicant will provide capital expenditures detail, **except that gas utility filings are to use Company approved capital budget categories and for electric utility filings the applicant will provide capital expenditures detail using production (steam, hydro, wind and other), distribution, transmission, intangible, general and mining categories.** and changes affecting rate base, including:

Comment - Rule 710 C 4. change – The above clarifies the detail that should be provided to enable the Division to complete a proper review and analysis of capital expenditures for gas and electric companies.

a. The detail for the changes, beginning with the start of the historic period results of operation through the test year. The detail will include dollar amounts and in-service dates.

b. The detailed calculation of depreciation expense and accumulated depreciation impacts as a result of the capital expenditures affecting rate base. For depreciation expense, the information will include the balances by plant account or function, depending on how the projection is done, to which the depreciation rates are being applied and the respective depreciation rates being used, by account or function, depending on how the projection is done.

c. Interdependencies of capital expenditures to operation and maintenance items will be identified.

d. An itemization with project description will be provided for all major capital additions to rate base exceeding ~~0.2%~~ **0.05%** of total plant in service, **except for electric and gas utility filings, the major capital additions to rate base will be amounts exceeding \$1,000,000** for each year, beginning with the year prior to the historic periodic reported year through the test year respectively. **Projects for electric and gas utilities under \$1,000,000 should be grouped in aggregate by using the categories outlined in Rule 710 C 4.**

Comment - Rule 710 C 4 d. change. As of December 31, 2008, PacifiCorp's total electric plant in service balance was approximately \$17.25 billion. Under this draft rule as originally proposed, only plant additions greater than \$34.5 million would be included in the itemization with project descriptions. In the recently concluded Rocky Mountain Power general rate case for Utah, only about 10 of the plant addition projects exceeded \$34.5 million. For Questar Gas Company, the originally proposed threshold would amount to about \$3.2 million. Instead of the percentage threshold the Division recommends that the Commission adopt a \$1,000,000 threshold for both gas and electric utilities. This threshold has been used by Rocky Mountain Power in at least the last two rate cases. In addition, the itemization should include a dollar amount that represents the sum of all capital additions under \$1,000,000. The Division also recommends this itemization be presented electronically in spreadsheet format. For utilities other than gas and electric the Division would propose a 0.05% threshold.

e. Detailed calculation of plant retirements.

5. Regulatory Adjustments. Applicant will provide details of all the regulatory adjustments required in the filing:

a. Information for recurring regulatory adjustments, such as amortizations, indicating compliance with past Commission orders for any item included in the filing.

b. Separately, a reversing adjustment and the reasons for non-inclusion or departure from a Commission ordered practice or adjustments if the applicant does not wish to have them apply to the application.

c. Regulatory adjustment information will include disallowances from prior orders, implementation of accounting orders approved by the Commission, or other adjustments necessary to make the forecasted test period data acceptable for ratemaking in Utah. Each of the regulatory adjustments will be supported by prefiled testimony or a detailed description contained within the schedules.

6. Other Rate Base. Details of other rate base accounts shall be provided by the applicant. For other items of rate base, such as deferred debits, accumulated deferred income taxes, materials and supplies, miscellaneous rate base, customer advances, deferred credits, etc., the applicant shall provide information showing the 12-month period of the historical results of operations, and any changes, both debits and credits, to those amounts through the test period resulting in the projected amount included in the filing. The information shall provide descriptions of any adjustments and modifications made to the historical period amounts and assumptions included in the projections. For any accounts in which no change from the historical level is proposed, a description of why the amount is not forecasted to change should be included.

7. Taxes. Forecasting methods, calculations and key assumptions used to adjust historical tax information to projected costs and results will be provided on a tax item basis (i.e.,

income, FICA, property taxes, etc).

Rule 711. Cost of Service and Rate Design information to be filed with a general rate case application for an electrical corporation or a gas corporation.

An applicant shall file the following Cost of Service and Rate Design information with any general rate case application.

- A. A Utah Class Cost of Service Study based on the test year with supporting documentation including the development of allocation factors.
- B. Its proposal for spreading any Utah revenue requirement change among the rate schedules. This will include the dollar and percentage revenue requirement change for each rate schedule.
- C. Its proposed rates for each rate component of each rate schedule and the billing determinants for the test year for all rate components used to calculate revenues necessary to recover the proposed revenue requirement. An exhibit will be provided showing the test period blocking based on adjusted actual and forecasted billing units in the development of the revenues for each rate schedule.
- D. Its proposed tariff sheets for all terms, rates, charges, fees, etc. for which it proposes changes.

Rule 712. Information or documents which are to be available at the same time a general rate case application, using a forecasted test period, is filed for an electrical corporation or a gas corporation. **Forecasted test period information to be made available shall be for all forecasted test periods under Rule 700 A 2., if applicable.**

Comment – 712 change. See the Division’s comments to change in Rule 710 C.

An applicant need not file the following information or documents with a general rate case application, which uses a forecasted test period, but shall have such information and documents available **in original electronic format with cells intact, if applicable,** for **requested** delivery **within 3 days** to any interested persons at the same time it files a general rate case application. The applicant shall include a certification with its application that this information and these documents have been prepared and are available at the time it files its general rate case application.

Comment – 712 change. The rule states that the information will be available at time of filing. This change puts forth rules in the event parties to the filing would like to have that available information. This will assist in making the ratemaking process more efficient and more effective.

A.. DEFINITIONS. As used herein, the following terms shall have the indicated meanings:

1. Time Periods. Definitions of time periods for which information is to be provided in compliance with this rule are as follows:

a. Year: A 12-month period designated as A12 months ending Month Date, Year@.

b. Base Year (BY): The 12-month historical period ending on the ending date for the most recent periodic reported results of operations filing submitted for the company, or if it does not file periodic results of operations, the base period upon which the test year used in the application is developed.

c. Test Year (TY): The 12-month period used as the test period for the general rate case application.

d. Historical Year(s) (HY): Year(s) immediately preceding the Base Year.

e. To Date: Up to the date of the filing of the general rate case application.

2. Provide, Describe, etc. The terms Aprovide@ or Adescribe,@ or terms with similar meaning, shall mean to deliver available electronic copies and/or hard copies of designated data and documents to interested persons; provided that, when necessary and appropriate, prompt arrangements may be made for review of designated data and documents at a company location in Utah or at another mutually agreeable place. Spreadsheets and workpapers are to be provided in Alive@ electronic format (not PDF), i.e. models and spreadsheets are to be provided with

formulae intact and input data available.

3. Materiality. Materiality is defined as a change in requested Utah jurisdictional revenue requirement equal to or greater than 0.02% of total state revenue requirement or \$250,000, whichever is greater.

4. Model(s). The term Model(s) shall mean the major analytical software tools and spreadsheets used by the utility to develop its general rate case filing. Smaller analytical tools, such as special purpose electronic spreadsheets, are not included in the definition of the term Model(s) for purposes of this rule.

B. Revenue Requirement Information.

1. Forecasted test period data. A comparison of the Test Year data Results of Operations (RO) to the Base Year actual, unadjusted RO and adjusted RO on both a jurisdictional and total Company basis. This is to be made available in a side-by-side comparison on a consistent basis by FERC Account.

2. Operating and Capital Budgets. A comparison of the utility=s operating budget and capital budget to the actual results for the Base Year and the two prior Historical Years, **as well as the latest furnished forecasts**, on a total Company basis. This comparison is to be at the most detailed level available. Provide available explanation for material variances.

Comment - Rule 712 B 2. change - Having this information would allow parities to assess current forecasts in light of performance of other recent forecasts.

3. Labor Costs. A comparison of budgeted labor costs and number of full-time equivalents to the actual labor costs and full-time equivalents by year for the Base Year and the two prior Historical Years on a total Company basis. These shall show separately, to the degree available, the direct labor costs, premiums, incentives, benefits and overhead costs. These shall show contract labor costs separately from direct labor costs, and union labor costs separate from nonunion costs. The information shall provide available explanations for material variances.

4. Workpapers. The information shall provide the forecast workpapers (including assumptions, spreadsheets and tests).

5. Forecasted Data B Revenue Requirement.

a. Support and explanations for forecasted values, including Base Year starting values, adjustments made to the Base Year values and key drivers that impact the forecasts, together with supporting documents.

b. Indices, inflation rates and escalation factors used in preparing forecasts, including supporting source documents.

c. A revenue requirement workbook that tracks all input data beginning with the Base

Year through the Test Year. This will provide summarized revenue requirement sections of the jurisdictional allocation model for the Base Year, the Test Year and any intervening year. The workbook and summaries are to include, inter alia, billing determinants, rate base and capital structure, including dollar capitalization, for the specified Years.

d. Complete net power cost calculations for any intervening year between the Base Year and Test Year.

6. Models. Workable versions of Models utilized in determining or projecting rate case values, with formulae intact and source **documentation for data inputs** included, along with available instructions and write-ups regarding use of the Model and written descriptions of the Model and its inputs.

Comments - Rule 712 B 6. change - This comment is for clarification purposes only.

C. Cost of Service Information

1. Forecasted Data B Class Cost of Service. Class cost of service data on a Utah allocated basis under all approved jurisdictional allocation methods for the Base Year and Test Year.

2. Forecasted Data B Rate Design. Test Year rate design data on a Utah allocated basis under all approved jurisdictional allocation methods used for reporting purposes.

D. Miscellaneous Information

1. Accounting B Changes. To the extent not already included and fully discussed in the information submitted with the application, a detailed description of Material changes in accounting policies or procedures adopted by the Company since the prior general rate case or as anticipated through the end of the Test Year. This will include a detailed description of the impact of change in accounting policy or procedure on the Test Year and identify the basis of the change.

2. Accounting - Write-offs. A detailed description of Material write-offs of assets and/or liabilities from the start of the Base Year - To Date that affect Utah revenue requirement. For each material write-off, the following will be provided:

- a. Copy of journal entry recording the write-off;
- b. Detailed description of the purpose of the write-off;
- c. Copies of studies, report or analysis done in determining whether or not to write off the asset;
- d. Amount of the write-off and identification of the accounts charged on a total Company and a Utah jurisdictional basis; and
- e. Amount included in the projected Test Year for write-offs, if any, on a total Company and a Utah jurisdictional basis, by account.

3. Affiliates - Organizational Charts. For the Base Year and Test Year and continuing To Date, the affiliates organization chart for the Company including a clear indication of affiliates, parent companies, divisions and subsidiaries indicating their regulatory status.

4. Affiliates. A detailed description of corporate restructurings and changes in affiliate relationships since the filing of the prior general rate case and also describe changes in the corporate and affiliate relationships between the Base Year and the end of the Test Year reflected in the filing.

5. Affiliates. A copy of Material new or Materially modified contracts or agreements entered into since the filing of the prior general rate case, including attachments thereto, if relevant to the costs the utility seeks to recover from Utah ratepayers through Utah regulatory operations or costs allocated or directly charged to Utah regulated operations included in general rate case filings, between the utility and/or its parent company and affiliated companies for services and/or goods rendered between or among them. This is to include a list of active contracts unless already provided in the most recent Affiliate Interest Report.

6. Affiliates. A copy of cost allocation manuals and/or policies and procedures that set forth the detailed cost allocation methodology and/or pricing methodology used to charge costs between affiliates that have changed since the filing of the prior general rate case.

7. Audit - Financial. A copy of each adjusting journal entry made in response to the Company=s independent auditors= final recommendations in their most recent audit of the Company. Supporting documentation will be included. The information will also identify and provide adjusting journal entries included in the independent auditors= final recommendations that were not accepted by or made by the Company, along with a description of why the adjustment was not accepted or made.

8. Audit - Financial. A copy of management letters received from the Company=s outside auditors or responses to those management letters for the Base Year, the prior Historical Year and the period To Date.

9. Audit - Financial Audit Workpapers. The Company will coordinate review of the financial audit workpapers for the most recent completed financial audit conducted by the Company=s independent auditors at auditor=s Salt Lake City, Utah, or other mutually agreed upon location. The Company will provide a copy of the company=s letter authorizing the external audit firm to meet with requesting parties, discuss workpapers with them and allow parties to make copies of selected workpapers.

10. Audits - Internal. A listing of internal audits conducted by or for the Company or its parent Company for the Base Year, the two prior Historical Years and To Date if relevant to the costs the utility seeks to recover from Utah ratepayers through Utah regulatory operations or the costs allocated or directly charged to Utah regulated operations included in general rate case filings. Notice of Internal Audit reports completed during the pendency of the case will be

provided upon completion to all parties participating in the case.

11. Board of Directors - Meeting Minutes. The Board of Directors= meeting minutes for the Base Year, the prior Historical Year and To Date for the Company and the parent company if relevant to the costs the utility seeks to recover from Utah ratepayers through Utah regulatory operations or the costs allocated or directly charged to Utah regulated operations included in general rate case filings for the same period.

12. Budget. Complete copies of detailed annual operating and capital budgets for the Base Year through the end of the Test Year.

13. Budget. Copies of operating and capital budget instructions and directives provided to employees, including assumptions, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures for the budget or forecast for the Test Year and the period To Date.

14. Budgets - Operating Plans. If available, copies of written operating plans that describe the Company=s goals and objectives for the Base Year through the end of the Test Year.

15. Budget - Variance. A complete copy of quantitative and narrative monthly, quarterly and annual comparisons of operating and capital budgets to actual expenditures for the Base Year, the prior three Historical Years, and for the period from the Base Year To Date.

16. Cost of Capital B Debt Expense. The currently forecasted financings for the next three years.

17. Cost of Capital B Debt Expense. The monthly balance of short-term debt and monthly short-term debt cost rates, for the Base Year, the prior two Historical Years and To Date.

18. Cost of Capital. Copies of the most recent bond rating agencies reports on the Company.

19. Employee Costs. A breakdown of the total amount of gross payroll and employee benefit costs (by benefit type) for the Base Year, the prior two Historical Years and through the end of the Test Year between amounts expensed and amounts capitalized and provide the percentage of payroll and employee benefits (by benefit type) charged to expense for each Year.

20. For the Base Year, the prior two Historical Years, To Date and for the Test Year, the amount of overtime, the amount of premium pay, the amount of other salary/labor costs and the amount of incentive compensation in total and expensed for each.

21. Employee Costs. A list of compensation and benefit studies the Company has for the Base Year, the prior Historical Year and To Date and indicate which of the studies were used

(if any) in projecting the compensation and employee benefit costs for the Test Year.

22. Employee Costs B Employee Levels. Please describe, in detail, Material employee reductions, employee severance plans, or early retirement programs conducted by the Company during the Base Year, the prior two Historical Years, To Date and included in the Test Year that are and are not reflected in the filing. This should provide information on major plans or programs beyond cost management efforts undertaken in the normal course of business. This should include, but not be limited to, a detailed description of the plan, number of employees offered or projected to be offered early retirement or severance, number of employees accepting or projected to accept early retirement or severance, projected cost savings and costs associated with the program. For costs incurred, identify the amounts, by FERC account, and the dates the entries were booked.

23. Employee Costs B Employee Level. Separate lists of the budgeted and the actual number of employees (where available), by month, for the Base Year, the prior two Historical Years, the Test Year and To Date. If the labor force levels are other than full-time equivalent positions, provide a separate listing stated in terms of full-time equivalent positions.

24. Employee Costs B Wages & Salaries Levels. The actual percentage of increases in salaries and wages for exempt, non-exempt and union employees for the Base Year, the prior two Historical Years, the Test Year and To Date for a future Test Year filing.

25. Employee Costs - Incentive Plans. Complete copies of bonus programs or incentive award programs in effect for the Company for the Base Year, the prior two Historical Years, the Test Year and To Date. Identify incentive and bonus program expenses incurred in the Base Year, the prior two Historical Years, the Test Year and To Date and identify the amounts included in the Test Year. Identify the accounts charged. Identify incentive and bonus program expenses charged or allocated to the Company from affiliates or the parent company in the Base Year, the prior two Historical Years, the Test Year and To Date for a future Test Year filing.

26. Employee Costs - Benefits. A listing of health and other benefits received by employees during the Base Year. Provide a detailed description of changes to employee benefits occurring subsequent to the Base Year To Date and anticipated future changes through the end of the Test Year that are reflected in the filing.

27. Employee Costs - Pensions. The two most recent pension actuarial reports prepared for the Company.

28. Employee Costs B Post Retirement Benefits Other Than Pensions (PBOP). The two most recent PBOP actuarial reports prepared for the Company.

29. Employee Costs - Pensions and Post Retirement Benefits Other Than Pensions (PBOP). The list of assumptions used by the Company and its actuaries regarding the pension

and PBOP costs for the Test Year that are included in the filing.

30. Operation, Maintenance, Administrative and General (OMAG) Expenses B Other - Contributions. For the Base Year and the Test Year, a list of contributions for charitable and political purposes, if any, included in accounts other than below the line. Indicate the amount of the expenditure, the recipient of the contribution, and the specific account in which the expense is included in the filing. Also identify for the Base Year and the Test Year the amounts of contributions for charitable and political purposes charged to the Company from affiliates in accounts other than below the line accounts.

31. OMAG Expenses B Advertising. For the Base Year, the prior Historical Year and the Test Year the amount of advertising expense, by account, by type of advertising (i.e., informational, instructional, promotional).

32. OMAG Expenses - Dues, Industry Associations. The Material amounts included in the Base Year, the prior Historical Year and the Test Year for above-the-line payments to industry associations. Identify the organization/association name and amounts, along with the account in which the costs are included in the filing. If any of the dues or other amounts paid to the organizations/associations go toward lobbying and public relations efforts and are recorded in above the line accounts, provide the associated amounts included in the above the line accounts whether Material in magnitude or not.

33. OMAG Expenses - Outside Services Expense. An itemization of Material outside services expenses included in FERC account 923 basis for the Base Year, the prior Historical Year and the Test Year.

34. OMAG Expense - Injuries and Damages. The amount of injuries and damages expense for the Base Year, the prior two Historical Years, the Test Year and To Date. Also identify the amount of injuries and damages expense included in the projected Test Year in the filing.

35. OMAG Expense - Insurance. The amount of insurance expense, by insurance type (i.e., property insurance, liability insurance, workers compensation, directors & officers liability insurance, etc.) for the Base Year, the prior two Historical Years and the Test Year and identify the accounts the associated costs are included in.

36. OMAG Expense - Insurance. For insurance coverage for which the Company is self-insured, a description of that self insurance, a description of how it is accounted for in the utility=s books and records and a description of activity for the Base Year, the prior two Historical Years and the Test Year.

37. OMAG Expense - Legal Settlements. A list of Material amounts included in the Base Year and the Test Year (on a direct charge basis, affiliate billing, or allocation) that are the

result of the settlement of lawsuits or other legal action.

38. OMAG - Uncollectibles B Bad Debt Reserve. For the Base Year, the prior two Historical Years and the Test Year the beginning bad debt reserve balance, the amount written off, the recoveries, the reserve adjustment, other charges or credits, and the ending reserve balance. For the same periods, provide the total amount of retail revenue from retail sales and total retail bad debt expense.

39. OMAG B Uncollectibles. A detailed description of changes in the Company=s collection policies or write-off policies since the filing of the prior general rate case.

40. OMAG - Cost-saving Programs. A list and detailed description of cost-saving or cost increasing programs and initiatives implemented during the Base Year, To Date, and included in the Test Year. This should provide information on major plans or programs beyond efforts undertaken in the normal course of business and having an impact of \$100,000 or greater.

41. Financial B Strategic Plans. Copies of completed strategic plans and the most recent plan approved by the Board of Directors for the Company and the plan that was utilized at the time of and in the preparation of its filing.

42. Penalties and Fines. A list of penalties and fines in the Base Year and the Test Year and indicate in which accounts the associated amounts are included.

43. Rate Base - Working Capital. A complete copy of the lead/lag study, with supporting workpapers, used to compute cash working capital for the Company=s filing.

44. Reserve Accounts. Information on whether or not the Company maintains reserve accounts (e.g., an injuries and damages reserve account). If so, provide the monthly balances in reserve accounts for the Base Year, the prior two Historical Years, the Test Year and To Date. This listing should include the monthly debits and credits to the reserve accounts. Also, provide the amount included in the Base Year and the projected Test Year expenses, by account, for building-up the reserve balances.

45. Revenues: Regulated Retail Sales. Provide by customer class, by month, the number of customers, actual usage, and normalized usage for the Base Year, the prior two Historical Years, To Date and for the Test Year.

46. Revenues B Other. Provide on a total Company and a Utah jurisdictional basis, for the Base Year, the prior two Historical Years, the Test Year and To Date the amount of Other Revenues by revenue type.

47. Sales of Property. For the Base Year, the prior two Historical Years, the Test Year and To Date, information showing whether the Company sold property, in which the proceeds exceeded \$50,000, that had formerly been included in Plant in Service If so, for each such sales

describe the property sold; whether, when, and in what manner it was included in rate base; show details of how the gain or loss was calculated; indicate when the sale occurred; and explain how and whether the Company is treating such gain or loss in its filing. Provide a list of any properties currently offered for sale and those projected to be offered for sale through the end of the Test Year. The property sales information may be limited to sales of property that had been or are included in Utah rates while in service.

48. Taxes: Income. A list of and provide copies or make available for review, subject to an appropriate protective order, confidentiality agreement, or other confidentiality protective arrangement, depending on specific content, revenue ruling requests, IRS responses, and correspondence between the Company and the IRS since the filing of the prior rate case.

49. Taxes: Income. Provide copies or make available for review, subject to an appropriate protective order, confidentiality agreement, or other confidentiality protective arrangement, copies of the most recent State and Federal income tax returns in which the Company participated.

50. Taxes: Income. Provide a copy of the current tax sharing agreement in which the Company participates.

Rule 713. Additional information needing to be filed or made available for an electrical corporation that has included power costs in a forecasted test year. **Forecasted test period information to be made available shall be for all forecasted test periods under Rule 700 A 2., if applicable.**

Comment – 713 change. See the Division’s comments to change in Rule 710 C.

A. An electrical corporation that has included power costs in a forecasted test year need not file the following information or documents relating to its power cost projections with a general rate case application, but shall have such information or documents available for interested persons, at the same time it files an application. **If such information is requested by parties to the rate case filing, such information in original electronic format with cells intact, if applicable, will be delivered to the requesting party 3 days after such request is made.** The applicant will include a certification that this information and documents are available at the time it files its application.

Comment – Rule 713 change. See the Division’s comment to Rule 712 about this matter.

B. All information should be provided or available electronically and, in the case of Excel spreadsheets, with all formulas intact including all hierarchy of linked spreadsheets. The term APCM@ herein refers to any power cost model used by the Company, or any subsequent enhancements to or replacements of the power cost model used in the prior filed general rate case application. The term Aworkpapers@ means the documents used to develop the inputs to PCM. This may include such items such as contracts, emails, white papers, studies, Company computer programs, Excel spreadsheets, word process documents, pdf and text files, computer programs, or any other data or documents relied upon to support the cost details in the filing. If the inputs used in PCM were developed from a document, such as a contract, provide the contract with the PCM inputs highlighted. The type, nature, level of detail and format of the information, workpaper, compilation, schedule, document, etc. shall be comparable to that provided to parties in the Company=s prior general rate cases.

Comment - Rule 713 B last sentence in the rule. This sentence seems vague and it assumes a known history. What if there is a new electric utility? The Division would suggest specificity with flexibility. Perhaps a list of “including, but not limited to” should be used.

C. Power Cost Modeling Data:

1. Workpapers that show the source, calculations and details supporting the testimony, other exhibits and all PCM input data. The workpapers will include, at a minimum, copies of the net power cost report in Excel and the net power cost model database.

2. Identification of the Four Year Period (or any other period) used to determine outage

rates and other input items in the net power cost model.

3. Compilations of actual net power costs produced by the Company that were referenced in the testimony or exhibits, to the extent that actual power cost results are discussed or cited in the Company's direct testimony or exhibits.

4. A list and explanation of all modeling or logic changes or enhancements to the net power cost model that have been implemented since the most recent general rate case. This will include a statement of the direction and amount of change in net power costs resulting from each such change and documentation describing each change as well as net power cost model runs and workpapers quantifying the impacts of these changes.

5. Access to or a copy of the PCM model used by the Company to compute power costs in the Test Year.

6. The latest documentation for the PCM model.

7. All documents, workpapers or other information relied upon by the Company in determining any market caps used in PCM for the Pro-Forma Period.

8. The current topology maps in PCM along with an explanation for all the differences that have been made to the topology since the prior general rate case and an explanation of why the changes were made. Include supporting documentation, such as contracts resulting in changes to the transfer capabilities used in PCM.

9. Workpapers showing the computation of the outage rates (planned and unplanned) used in the power cost model. Include all backup data showing each outage (planned or unplanned, etc.) and duration (planned or unplanned) considered in the four-year period, including NERC cause code, type of event, duration, energy lost, etc

10. The date and a copy of the forward price curve, showing monthly heavy load hour and light load hour, used in creating the Test Year power cost model

11. Documents showing all pertinent data for short-term firm transactions (including short-term firm indexed transactions and swaps) modeled in the test year power cost study. In addition, each contract will have a designation as to its purpose (i.e., trading, arbitrage or balancing.)

12. For all contracts modeled in PCM that were not included in the most recent general rate case:

- a. A copy of the contract (in pdf or electronic format, if available).
- b. Any workpapers used to develop the power cost model input assumptions related to the contract.

13. Regulatory Fuel Budget filing used for the Test Year and any other workpapers used in developing the PCM fuel cost inputs.

14. The heat rate curves for each resource, supporting data and spreadsheets showing the derivation of the heat rate curves.

15. Workpapers and documentation supporting the AOther Cost@ file used in the power cost model, including all electronic spreadsheets used to compute any of the line items in the file. This includes test year wheeling expenses modeled in PCM.

16. Workpapers and documentation supporting the AEnergy Cost,@ ADemand Cost,@ and ADemand@ files used in the power cost model, including all electronic spreadsheets used to compute any of the line items in the file.

17. Identification of each instance in which the Company changed any maximum capacities, minimum up or down times or unit minimum capacities for thermal or hydro generators modeled in the power cost model since the last GRC, if applicable.

18. Workpapers explaining the development of each line of load adjustments presented on the Company=s power cost model output reports.

19. Workpapers used to develop inputs for QF contracts modeled in PCM.

20. Workpapers for any screens applied to restrict uneconomic dispatch of resources in the PCM model.

21. Workpapers showing the derivation of start up fuel costs, start up O&M costs and any other form of start up costs modeled in PCM.

22. Provide the loss factor data showing losses for the system and for each state for the most recent five calendar years and for the most recent five fiscal years. Compare those loss factors to those that were used in developing loads for the PCM for the test period used in this case.

23. Provide the system level loss factors assumed in PCM in the most recent (or current) rate cases for any jurisdiction in which the Company operates.

24. Provide a table showing the actual generation of each Company coal, gas, hydro and wind generating unit modeled in PCM for each month for the four year period.

25. Provide hourly generator logs for each wind, coal, gas and hydro unit modeled in PCM for the four year period.

26. Provide the actual most current schedule for thermal and hydro generator planned outages for the test year, the most recent calendar year and the next four calendar years.

27. Provide hourly logs for all contracts modeled in PCM, showing actual data (hourly sales or purchases) for the four year period.

28. Provide workpapers showing the details of Short Term Firm and Non-Firm transmission used by the Company during the four year period.

29. For each of the transmission contracts whose costs are included in PCM, identify the purpose of the transaction, why it is used and useful in the Test Year, the amount of capacity or type of transmission service it provides, and where the capacity or service provided by this contract is modeled in PCM.

30. Provide data for the four year period or for the most recent four years available for all third party transmission imbalance transactions that have been included in Short Term Firm or secondary transactions in the Actual Power Cost reports during that period.

31. Provide the workpapers used by the Company to compute the links and other inputs for Short Term Firm (including any related to SP 15) and Non-Firm transmission modeling used in PCM.

32. Provide all documents related to preparation the hydro planned and unplanned outage rates.

33. To the extent that the Company is using any ramping adjustment in its case, provide information describing and detailing all ramping adjustments made.

34. Provide all documents and workpapers utilized in the development of the costs of wind integration as modeling in the power cost study. To the extent that the figures used were developed as part of an Integrated Resource Plan or similar report, provide the underlying data, spreadsheets, model runs and all other workpapers used.

35. Provide summary information on hedging contracts already in place and/or those assumed for forecasting purposes for both electricity and fuel costs. Have available for review by parties' detailed information, including a complete listing of and terms for all such contracts.

36. Provide detailed coal price information that shows monthly operating cost information for the Company's coal mining operations. Also provide detailed unit coal price comparisons (from the previous case to the current case) for each of the Company's coal-fired plants, including quantities, unit costs (in tons and MMBtus) and heat rates for each supplied coal source for each plant.

37. A schedule of all the Utility's planned outages for each generation unit during the test period. Show the length of each planned outage and the corresponding outage dates. Also distinguish whether these units will experience actual outages during the period and also identify the Utility's preferred planned outage period for each unit.

38. Provide monthly compilations of actual net power costs for the past five years and to date.

39. A schedule comparing the projected Utah jurisdictional allocation percentage utilized for the Test Year in the five prior Utah general rate case filings as compared to the actual Utah jurisdictional allocation percentage experience for the same twelve month period for each of the following factors: SE, SG, SO, and CN.

Comment – Additions 35 to 39. The Division requests that these be added to the filing requirements for this section of the rules.

Rule 720. Information to be included with an alternative cost recovery for a major plant addition application filed by an electrical corporation or a gas corporation.

An applicant submitting an alternative cost recovery for a major plant addition application shall provide the following information with the application, on a total company and Utah jurisdictional basis using Commission approved allocation methods where applicable.

A. General Information.

1. All documents and presentations that were provided to management, senior management and the Board of Directors of the Company and its affiliates related to the plant addition.
2. Copies of all Board of Directors= minutes of the Company and its affiliates where the plant was discussed, approved, reviewed, evaluated, or presented.
3. Details of the plant being acquired including its location, capacity, technologies used, project milestones or progress dates and projected in-service date.
4. Description of any changes, modifications, etc. to the existing utility plant/system that may be necessary to integrate the plan addition with the Company=s system.
5. Information establishing the prudence of the plant addition, information addressing the provisions of Utah Code ' 54-17-13.4, and the provisions of Utah Code ' ' 54-17-302 and 54-17-303
6. Information establishing the consistency of the plant addition to projected plant acquisitions in the Company=s latest Integrated Resource Plan and its Action Plan. Show that the plant addition resource equals or exceeds the compared Integrated Resource Plan resource items in terms of least cost and least risk or explain why it need not.
7. Provide any and all documents and analyses that address the plant additions projected costs, savings and benefits and demonstrate how and when the Company=s ratepayers will see a net benefit from the plant addition and quantify the net benefit.
8. Information on whether and how the plant has been or will be inspected as part of due diligence. Identify who conducted or will conduct the inspection. Provide copies of all reports or other documents prepared by the inspectors.
9. Provide a list of all outside consultants or advisors used, or expected to be used by the Company in connection with the plant addition. Provide all reports, including interim reports, prepared by outside consultants or advisors.
10. Provide all reports that were prepared when analyzing the purchase or construction of the plant addition.

11. Where applicable, provide copies of contracts that are expected to be assumed following close of acquisition.

12. Where applicable, provide copies of all contracts between the Company and the seller or operator of the property to be acquired.

13. Where applicable, provide a history of the property to be acquired including financial and performance characteristics for the past five years, or from the start of commercial operation, whichever is less.

14. Where applicable, information on the Company=s understanding of the reasons why the seller is selling the facility?

15. Where applicable, information on the seller=s book value of the plant. Indicate whether the seller will allow interested persons who have signed a confidential agreement with the Company access to its books and record for audit, and what restrictions may apply to such access?

B. Financial and Revenue information.

1. Provide information of the revenues, costs and benefits arising from the plant addition. Identify any limits and conditions on forecast information/calculations.

2. Provide information on the net revenue impact of bringing the plant online and operating the plant within the Company=s system compared to operations without the plant.

3. Provide justification for any acquisition premium the Company plans to include and recovery from ratepayers..

C. Capital cost, rate base and jurisdictional allocation information.

1. Information on how the Company plans to finance the construction or acquisition of the plant addition. This is to include the timing and amount of any equity, debt, or other security issuances. Provide any documents to, or received from, any investment bankers or other entities regarding the issuance of any securities connected with the plant addition.

2. Indicate whether the company has discussed the plant addition with any rating agencies. If not, indicated when it plans to discuss the plant addition with any rating agency. Provide any reports rating agencies provide with respect to the plant addition.

3. Information on how much of the purchase price or construction costs the Company intends to place into rate base.

4. Information showing the amount and relating to any analysis of AFUDC associated

with the plant.

5. Information on the Company=s anticipated jurisdictional allocation for the plant addition and any change in allocation factors and other plant, revenue and expense/cost allocations arising from the plant addition.

D. Cost and Operating Expenses Information.

1. Provide a complete analysis of all costs associated with constructing, acquiring and operating the plant

2.. Provide information on all clearances, permits or other government regulatory authorizations necessary, to be modified and completed for the plant and their associated costs.

3. Provide information on any liquidated damages clause and early termination fees, penalties, or other expenses which may be incurred if the plant is not completed or acquired.

4. Provide information on whether that are any integration costs or fees (transmission, pipeline, etc.).

5. Provide information on any costs analysis analyzing bringing the plant online.

6. Provide information on how the plant addition will change and the amount of change on the Company=s Operation and Maintenance costs.

7. Provide all operating costs analyses that have been completed related to the plant addition.

8. Identify the planned accounting treatment for the plant. Provide the proposed journal entries or other accounting entries for such planned accounting treatment.

9. Describe and provide the amounts for overhead, closing, contingent or any other costs for which the Company expects it will ask recovery as a result of this acquisition.

E. For an electrical corporation, Net Power Costs information

1. The impacts of the plant addition on any Company power cost and production cost dispatch models. If any models are revised to accommodate the plant addition, the revised models will be available to the parties participating in application proceeding.

2. For each new plant addition, provide a net power cost study (NPC) in the Company=s production cost dispatch model that documents changes from previous net power cost estimates. Include all relevant workpapers and documentation to allow any other person to perform an independent analysis and verification of the NPC.

3. Show how the plant addition impacts planned outages, unplanned outages, and maintenance at the Company=s generation resources.

Comment – General. The DPU generally agrees with and supports the Commission proposed Rule 730 and 731 concerning Telecommunications Corporations filings for a general rate case. The DPU suggests the following changes to the proposed rule as shown below:

Rule 730. Information to be provided with a general rate case application for a telecommunications corporation

An applicant submitting a general rate case application shall provide the following information with the application, on a total company and Utah jurisdictional basis using Commission approved allocation methods:

A. General Information

1. Historical results of operations information consisting of actual, unadjusted results of operations, including all regulated costs and revenues, for an historical 12-month period used as a basis for the test year.

2. Adjusted results of operations for the same period. These adjustments shall include but are not limited to .normalization adjustments, annualization adjustments, accounting adjustments, adjustments to reflect prior Utah regulatory decisions and policies made by the Commission with respect to any item or matter (including those which are not supported or advocated by the applicant for use in the general rate case) contained in the application.

3. Description and details for all additional adjustments necessary to arrive at the test year used in the general rate case application.

4. A description of any significant changes in accounting policies or procedures for the 12-month period prior to the historical period and any subsequent accounting changes through the date of the general rate case application and, if a future test period is used, any future changes included in a future test period, along with their impact on the filing. Significant changes for this purpose are anything referenced or that would be referenced in footnotes of financial statements or auditor=s reports.

5. Information giving a fully referenced Part 64 and Part 36 allocation. Fully referenced means that sources of all total amounts are indicated and that source documents are included in the filed information. The names and sources of allocators to determine jurisdictional or non regulated portions shall be included in lines with the allocated amounts. **The part 64 allocation shall provide full allocation of all joint costs incurred by the company for both non-regulated and regulated business activities and affiliated companies.**

Comment - Rule 730 5. Change. The DPU notes one instance where companies would need an exemption from the proposed rule. R730 A. (5) requires a part 36 cost allocation. This would not be available from companies that are average schedule companies for NECA filing purposes. Part 36 is the document that

would be needed for cost of service and rate design purposes. If this cost allocation is not available, the company filing the application should be required to develop some alternative methodology to identify cost of service allocations.

Comment – general. While adopting the proposed rule places a greater burden on a telephone corporation than exists in current rule R746-344, the DPU believes the changes are warranted. The last ten years have seen significant changes in the telecommunications industry. Many of the small telephone companies have branched out into unregulated competitive areas by providing video, internet and cellular. Many telephone companies have created affiliate companies to manage these operations. These non-regulated companies often share management and facilities with their regulated counterparts. UC 54-8b-1.1 (7) declares it is the policy of the state to “seek to prevent prices for tariffed public telecommunications services or price regulated services from subsidizing the competitive activities of regulated telecommunications corporations.” Many of the filing requirements in the proposed rule would allow DPU staff to begin a thorough review of the affiliated non-regulated companies, and help detect and prevent these subsidies.

6. A copy of each adjusting journal entry made with supporting documentation in response to the Company=s independent auditors= final recommendations in their most recent audit of the utility. The Company will identify and provide adjusting journal entries included in the independent auditors= final recommendations that were not accepted by or made by the Company, along with a description of why the adjustment was not accepted or made.

7. A copy of management letters received from the Company=s outside auditors or responses to those management letters for the time period of the beginning of the historical period to the date of filing of the application.

8. A listing of internal audits, and copies thereof, conducted by or for the Company or its parent for the time period beginning with the historical period to the date of the application, if relevant to the costs the Company seeks to recover from Utah ratepayers through Utah regulatory operations or the costs are allocated or directly charged to Utah regulated operations included in the general rate case filings.

9. Copies of the Board of Directors= meeting minutes for the period starting with the historical period through the date of the application for the Company and its parent if relevant to the costs the utility seeks to recover from Utah ratepayers through Utah regulatory operations or the costs allocated or directly charged to Utah regulated operations included in general rate case filings for the same period.

10. Beginning with the start of the historical period, provide the affiliates organization

chart for the Company including a clear indication of affiliates, parent companies, divisions and subsidiaries indicating their regulatory status. **The Company shall provide a personnel organization chart with names that provides line of authority and reporting for board members, management and mid-management including any joint responsibilities for non-regulated affiliate responsibility.**

Comment – Rule 730 10. change – The Division suggests that a Company personnel organization chart with names of board members, management and mid-management be part of this rule.

11. A detailed description of corporate restructurings and changes in affiliate relationships since the prior general rate case and also describe changes in the corporate and affiliate relationships between the historical period and the end of the test year used in the application.

12. Beginning with the two years prior to the historical period through the date of the application, provide the beginning bad debt reserve balance, the amount written off, the recoveries, the reserve adjustment, other charges or credits, and the ending reserve balance. For the same period, provide the total amount of retail revenue from retail sales and total retail bad debt expense.

13. A detailed description of any changes in the Company's collection policies or write-off policies since the last general rate case.

14. A list of penalties and fines in the historical period and the test year and indicate in which accounts the associated amounts are included.

15. Description of all calculations and all supporting spreadsheets and explicit data source information for all numbers in the narrative portion of the application or any testimony and exhibits included with the application .

B. Tax adjustments

1. An exhibit explaining procedures used to calculate test year tax adjustments.
- 2.. An adjustment summary for tax expenses for normalized results of operations.
3. Information explaining every adjustment that is done to test period tax expense and that is shown in the adjustment summary. Adjustments will be in "top sheet" form.
4. A list of, revenue ruling requests, IRS responses, and correspondence between the Company and the IRS since the last general rate case.
5. A copy of the current tax sharing agreement in which the company participates.

6. List all property held for future use included in rate base. Listed property shall not include any item included in plant in service in rate base and the pro forma balance.

7. Information provided on property held for future use shall include:

- a. Description and location of property;
- b. Date of acquisition;
- c. Original cost;
- d. Accumulated depreciation;
- e. net original cost;
- f. revenue included in test year:
 - i. Amount,
 - ii. Account number, and
 - iii. Description;
- g. Expenses included in test year:
 - i. Amount,
 - ii. Account number, and
 - iii. Description;
- h. Planned or expected in-service date;
- i. Planned or expected use of property.

8. An analysis of activity in the account Property Held for Future Use, for each of the consecutive years immediately preceding the test year and the test year.

9. Information provided on the account Property Held for Future Use shall include:

- a. Year;
- b. Beginning balance;
- c. Additions;
- d. Transfers;
- e. Ending balance;
- f. Revenue realized from property; and
- g. Expenses incurred on property.

10. Copies of supporting work papers on the account Property Held for Future Use which shall include an explanation of all additions and transfers, including

- a. Description of property;
- b. Description of transaction; and
- c. Amount.

C. An applicant need not file the following information or documents with a general rate case application, but shall have such information and documents available for delivery to any interested persons at the same time it files a general rate case application. The applicant shall include a certification with its application that this information and these documents have been prepared and are available at the time it files its general rate case application.

1. The financial audit work papers for the most recent completed financial audit conducted by the Company=s independent auditors. The utility will provide a letter authorizing

the external audit firm to meet with requesting parties to discuss work papers with them and allow parties to make copies of selected work papers.

2. Any revenue ruling requests, IRS responses, and correspondence between the Company and the IRS since the last general rate case.

3. Copies of the most recent State and Federal income tax returns in which the utility participated.

Rule 731. Cost of Service and Rate Design information to be filed with a general rate case application for telecommunications corporation.

An applicant shall file the following Cost of Service and Rate Design information with any general rate case application.

A. A Utah Class Cost of Service Study based on the test year with supporting documentation including the development of allocation factors.

B. Its proposal for spreading any Utah revenue requirement change among the rate schedules. This will include the dollar and percentage revenue requirement change for each rate schedule.

C. Its proposed rates for each rate component of each rate schedule and the billing determinants for the test year for all rate components used to calculate revenues necessary to recover the proposed revenue requirement.

D. Its proposed tariff sheets for all terms, rates, charges fees, etc. for which it proposes changes

Comment – General. The DPU generally agrees with and supports the Commission proposed rule 740 and 741 concerning water corporations filings for a general rate case. The Division feels the following addition to the proposed rule is needed as shown below:

Rule 740. Information to be provided with a general rate case application for a water corporation.

An applicant submitting a general rate case application shall provide the following information with the application:

A. General Information:

1. Most recent Division of Drinking Water certification/report
2. Certificate of Public Convenience and Need Number granted by the Commission and its date.
3. Date the Company started operation.
4. The number of connections approved and current area served, which may be shown by service area map.
5. Ownership and officers.
6. Associated companies (if any).
7. A copy of its current tariff.

B. Engineering Information.

1. Source of water supply
2. Information for all Wells.
3. Mains and meters information
4. Reservoirs information
5. Storage capacity
6. Service deficiencies and remedies
7. Service quality
8. Additions or improvements in the last 5 years

9. Any anticipated additions or improvements

10. Efforts to encourage conservation

C. Customer Connection Information

1. Each connection identified by unique lot number or address.

2. The date first put into service.

3. Whether Metered or unmetered.

4. Whether classified as residential or commercial.

5. The water usage per month or billing cycle, showing minimum and overage gallons used.

6. The amount billed per month or billing cycle

7. The anticipated growth, showing minimum and overage gallons used

8. Water usage and billings projected for the next three (3) years

9. Information on any secondary/irrigation water system (same information as C. 1, 2, 5, 6, 7 and 8).

10. Identification whether secondary water is distributed through the culinary system.

D. Accounting and Financial Data, which shall include the prior two (2) complete years and current up to the date of general rate case request, unless otherwise specified:

1. Identification (contact information) for any accountant used by the Company.

2. Copies of the General Ledger.

3. Copies of the Balance Sheet

4. Copies of the Income Statement

5. A Proforma Income Statements, categorized by the NARUC System of Accounts, to include:

a. the prior two (2) years of revenues and expenses, and

b. the projected revenues and expenses for the next three years, to include the

Company=s anticipated growth rate and requested rate increase.

6. A copy of or the Company=s check register
 7. Billing documentation/reports, tied back to the tariff rates
 8. Information on the utility plant, including, but not limited to:
 - a. Acquisition date,
 - b. Acquisition price or cost,
 - c. Salvage value,
 - d. Expected useful life,
 - e. Annual depreciation amount per asset,
 - f. Accumulated depreciation per asset and reconciled to the total accumulated depreciation amount to the most recent Annual Report. (If these amounts do not match the most recent Annual Report provide detailed explanations for any needed adjustments),
 - g. If an asset was donated, the amount applied to Contribution in Aid of Construction per asset,
 - h. If donated, the accumulated amortization of the Contribution in Aid of Construction per asset and reconciled to the total accumulated amortization amount to the most recent Annual Report. (If these amounts do not match the most recent Annual Report provide detailed explanations for any needed adjustments),
 - i. Projected future asset purchases for the next three (3) years, providing the estimated acquisition date and price,
 9. Copies of tax returns for the prior two (2) complete years,
 10. Information on all Notes Payable, Loans, and other Obligations. This will include all outstanding and those retired within the past two (2) years. Including,
 - a. Interest rate,
 - b. Beginning date,
 - c. Date of last scheduled payment (the Loan pay-off date)
 - d. Amount of payment
- E. Customer Notice Information
1. A copy of any notice sent to customers notifying them that the Company is seeking a rate increase.

F. Eligibility – To be eligible to file a rate case, a water corporation must be current on all Commission ordered reporting requirements outlined in R746-400.

Comment – Rule 740 F. change. Water corporations often have a small number of employees, with no professional staff to assist in complying with regulatory requirements. Many water companies are run by people who have volunteered their time as part of a homeowners’ association, and who normally have other full time occupations. This creates challenges for the DPU associated with the reports required in R746-400. The DPU spends substantial time and effort to ensure water

corporations' compliance with these requirements. Even so, there are a few water companies who are delinquent on these reports every year, and some who have not filed annual reports for several years. The DPU believes these reports are necessary as the basis for any investigation into the need for a rate increase. If a water company is not current on reporting, the DPU must reconstruct this information. This affects and limits the DPU's ability to conduct a thorough investigation within the 240 day time limit pertaining to rate cases.

Rule 741. Cost of Service and Rate Design information to be filed with a general rate case application for water corporation.

An applicant shall file the following Cost of Service and Rate Design information with any general rate case application.

- A. A Class Cost of Service Study, if one has been prepared, based on the test year with supporting documentation including the development of allocation factors.
- B. Its proposal for spreading any revenue requirement change among the rate schedules. This will include the dollar and percentage revenue requirement change for each rate schedule.
- C. Its proposed rates for each rate component of each rate schedule and the billing determinants for the test year for all rate components used to calculate revenues necessary to recover the proposed revenue requirement.
- D. Its proposed tariff sheets for all terms, rates, charges fees, etc. for which it proposes changes.

Comment – General. The items required in R740 and R741 are all items a water company should have filed in its annual report to the Commission, or are items a company would need to have in order to generate the information on the annual report. While this list of information is extensive, the DPU believes it would be better to receive the information at the time of filing. While the information should be available through data requests, most water companies are not staffed to handle data requests promptly, often resulting in long delays in obtaining information through the normal discovery process. Adopting the requirements in the proposed rule would allow the DPU to expedite its investigation.

Rule 760. Use of information claimed to be confidential in Commission proceedings, information exchange, filings and other documents filed with or issued by the Commission.

A. This rule addresses how information and material which is claimed to be confidential will be treated in Commission proceedings.

1. (A) Confidential Information. All documents, data, information, studies and other materials filed in conjunction with a Commission proceeding, made available to proceeding participants, furnished, or made available pursuant to any interrogatories, or requests for information, subpoenas, depositions, or other modes of discovery that are claimed to be of a trade secret or confidential nature shall be furnished pursuant to the terms of this rule or any superceding Protective Order, and shall be treated by all persons accorded access thereto pursuant to this rule as constituting trade secret, confidential commercial, financial, competitive or otherwise protected information (hereinafter referred to as "Confidential Information"), and shall neither be used nor disclosed except for the purpose of the proceeding in which it was obtained and solely in accordance with this rule or superceding Protective Order. All material claimed to be Confidential Information shall be so marked by the person producing it by stamping the same with the designation **ACONFIDENTIAL - - SUBJECT TO UTAH PUBLIC SERVICE COMMISSION RULE 760@**, or **ACONFIDENTIAL B SUBJECT TO PROTECTIVE ORDER@** or **ACONFIDENTIAL - - SUBJECT TO PROTECTIVE ORDER IN DOCKET NO. XX-XXX-XX@** as the case may be. All copies of documents so marked will be made on yellow paper. Individuals providing electronic documents to the Commission should file both a confidential and non-confidential version clearly marked as such. For purposes hereof, notes made pertaining to or as the result of a review of Confidential Information shall be considered Confidential Information and subject to the terms of this rule.

(B) Use of Confidential Information and Persons Entitled to Review. All Confidential Information made available pursuant to this rule shall be given solely to counsel for the participants (which may include counsels= paralegals, administrative assistants and clerical staff to the extent necessary for performance of work on the matter), and shall not be used nor disclosed except for the purpose of the proceeding in which they are provided; provided, however, that access to any specific Confidential Information may be authorized by counsel, solely for the purpose of the proceeding, to those persons indicated by the participants as being their experts in the matter (including such experts= administrative assistants and clerical staff, and persons employed by the participants, to the extent necessary for performance of work on the matter). Persons designated as experts shall not include persons employed by the participants who could use the information in their normal job functions to the competitive disadvantage of the person providing the Confidential Information. The Commission, the Division of Public Utilities, and the Office of Consumer Services, and their respective counsel and staff, under and pursuant to the applicable provisions of Title 54, Utah Code Ann., the Rules of Civil Procedure and the Rules of the Commission, may have access to any Confidential Information made available pursuant to this rule or Protective Order and shall be bound by the terms of this rule, except for the requirement of signing a nondisclosure agreement. Further, nothing herein shall prevent disclosure as required by law pursuant to interrogatories, administrative requests for information or documents, subpoena, civil investigative demand or similar process, provided,

however, that the person being required to disclose Confidential Information shall promptly give prior notice by telephone and written notice of such requirement of disclosure by facsimile and overnight mail to the person that provided such Confidential Information, addressed to the providing person and attorneys of record for such person, so that the person that provided the Confidential Information may seek an appropriate protective order. The disclosing person will not oppose action by, and will cooperate with the person that provided the Confidential Information to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

(C) Nondisclosure Agreement. Prior to giving access to Confidential Information, as contemplated in 1(B) above to counsel or any expert designated in the proceedings, counsel for the person seeking review of the Confidential Information shall deliver a copy of this rule or Protective Order to such person and, prior to disclosure such person shall agree in writing to comply with and be bound by this rule or Protective Order. Confidential Information shall not be disclosed to any person who has not signed a Nondisclosure Agreement in the form which is provided below or referenced in the Protective Order. The Nondisclosure Agreement shall require the person to whom disclosure is to be made to read a copy of this rule or the Protective Order and to certify in writing that he or she has reviewed the same and has consented to be bound by the terms. The agreement shall contain the signatory's full name, permanent address and employer, and the name of the person with whom the signatory is associated. Such agreement shall be delivered to the providing person and counsel for the providing person prior to the expert gaining access to the Confidential Information.

The Nondisclosure Agreement may follow the following form:

A Nondisclosure Agreement. I have reviewed Public Service Commission of Utah Rule 760 and/or the Protective Order entered by the Public Service Commission of Utah in Docket No. XX-XXX-XX with respect to the review and use of confidential information and agree to comply with the terms and conditions of the rule and/or Protective Order.

Signature

Name (Type or Print)

Employer or Firm

Business Address

Person Represented

Date Signed@

(D) Additional protective measures. A provider of documents and information may claim that additional protective measures, beyond those required under this rule, are warranted for certain confidential material, referred to as highly sensitive documents and information. In such case, the provider shall identify such documents and information and shall inform the requester of such documents and information of their claimed highly sensitive nature as soon as possible. The provider of the requested information shall also petition the Commission for an order granting additional protective measures which the petitioner believes are warranted for the claimed highly sensitive documents and information that is to be produced. The provider shall set forth the particular basis for: the claim, the need for the specific, additional protective measures, and the reasonableness of the requested, additional protection. A person who would otherwise receive the documents and information under the terms of this rule, may respond to the petition and oppose or propose alternative protective measures to those requested by the provider of the claimed highly sensitive documents and information. Disputes between the parties shall be resolved pursuant to Commission order pursuant to A.2 below or by the terms of an additional Protective Order issued by the Commission.

2. (A) Challenge to Confidentiality or Proposed Additional Protective Measures. This

rule establishes a procedure for the expeditious handling of Confidential Information; it shall not be construed as an agreement, or ruling on the confidentiality of any document.

(B) In the event that persons are unable to agree that certain documents, data, information, studies, or other matters constitute Confidential Information, are highly sensitive documents and information referred to in A.1(D) above, or agree on the appropriate treatment of highly sensitive documents and information, the person objecting to the classification as Confidential Information or the person claiming highly sensitive documents and information and the need for additional protective measures shall forthwith submit the said matters to the Commission for its review. When the Commission rules on the question of whether any documents, data, information, studies, or other matters submitted for review and determination are Confidential Information, are highly sensitive documents and information, or the appropriate additional protection to be afforded for specific highly sensitive documents and information, the Commission will enter an order resolving the issue.

(C) Any person at any time upon at least ten (10) days prior notice may seek by appropriate pleading, to have documents that have been designated as Confidential Information, or which were accepted into the sealed record in accordance with this rule or a Protective Order, removed from the protective requirements of this rule or the Protective Order, or from the sealed record and placed in the public record. If the confidential, or proprietary nature of this information is challenged, resolution of the issue shall be made by the Commission after proceedings *in camera* which shall be conducted under circumstances such that only those persons duly authorized to have access to such confidential matter shall be present. The record of such *in camera* hearings shall be marked "CONFIDENTIAL--SUBJECT TO PROTECTIVE ORDER IN CASE NO. XX-XXX-XX (reflecting the appropriate docket number)." unless the Commission determines, and so provides by order, that such marking need not occur. It shall be transcribed only upon agreement by the parties, or order of the Commission, and in that event shall be separately bound, segregated, sealed, and withheld from inspection by any person not bound by the terms of this rule or Protective Order, unless and until released from the restrictions of this rule or Protective Order, either through agreement of the parties, or after notice to the parties and hearing, pursuant to an order of the Commission. In the event the Commission should rule in response to such a pleading that any information should be removed from the protective requirements of this rule or Protective Order, or from the protection of the sealed record, such order of the Commission shall not be effective for a period of ten (10) days after entry of the order.

3. (A) Receipt into Evidence. At least ten (10) days prior to the use of or substantive reference to any Confidential Information as evidence, the person intending to use such Confidential Information shall make that intention known to the providing person. The requesting person and the providing person shall make a good faith effort to reach an agreement so that the Confidential Information can be used in a manner which will not reveal its trade secret, confidential or proprietary nature. If such efforts fail, the providing person shall separately identify, within five (5) business days, which portions, if any, of the documents to be offered or referenced on the record containing Confidential Information shall be placed in the sealed record. Only one (1) copy of documents designated by the providing person to be placed in a sealed record shall be made and only for that purpose. Otherwise, persons shall make only

general references to Confidential Information in any proceedings.

(B) Seal. While in the custody of the Commission, these materials shall be marked "CONFIDENTIAL--SUBJECT TO PUBLIC SERVICE COMMISSION OF UTAH RULE 760" or ACONFIDENTIAL B SUBJECT TO PROTECTIVE ORDER IN CASE NO. XX-XXX-XX (reflecting the appropriate docket)".

(C) In Camera Hearing. Any Confidential Information that must be orally disclosed to be placed in a sealed record of a proceeding shall be offered in an *in camera* hearing, attended only by persons authorized to have access to the Confidential Information under this rule or Protective Order. Similarly, cross-examination on or substantive reference to Confidential Information, as well as that portion of the record containing references thereto, shall be similarly marked and treated.

(D) Appeal. Sealed portions of the record in any proceeding may be forwarded to any court of competent jurisdiction on appeal in accordance with applicable rules and regulations, but under seal as designated herein, for the information and use of the court.

(E) Return. Unless otherwise ordered, Confidential Information, including transcripts of any depositions to which a claim of confidentiality is made, shall remain under seal, shall continue to be subject to the protective requirements of this rule or Protective Order, and shall be returned to the providing person or counsel for the providing person within 30 days after final settlement, or conclusion of the matters in which they were used, including administrative or judicial review thereof. Alternatively, a person receiving Confidential Information pursuant to the terms of this rule or Protective Order may certify, within 30 days after final settlement, or conclusions of the matters including administrative or judicial review thereof, that the Confidential Information has been destroyed. Counsel who are provided access to Confidential Information pursuant to the terms of this rule or Protective Order may retain their notes, work papers or other documents which would be considered the attorneys' work product created with respect to their use and access to Confidential Information in the matters. An expert witness, accorded access to Confidential Information pursuant to this rule or Protective Order, shall provide to counsel for the person on whose behalf the expert was retained or employed, the expert's notes, work papers or other documents pertaining or relating to any Confidential Information. Counsel shall retain these experts' documents with counsel's documents. In order to facilitate their ongoing regulatory responsibility, this provision shall not apply to the Commission, the Division of Public Utilities or the Office of Consumer Services, which may retain Confidential Information obtained under this rule or Protective Order subject to the other terms of this rule or Protective Order. The Division of Public Utilities may release or disclose Confidential Information obtained pursuant to this rule or a Protective Order to other parties in subsequent Commission dockets or proceedings, pursuant to the terms of any applicable protective orders issued in such other subsequent Commission dockets or proceedings. The providing person shall be notified in advance by any state regulatory agency which intends to use, release or disclose any of the retained Confidential Information in any subsequent proceeding.

4. Use in Pleadings. Where reference to Confidential Information in the sealed record is required in pleadings, cross-examinations, briefs, arguments, or motions, it shall be by citation of title, or exhibit number, or by some other nonconfidential description. Any further use of, or

substantive references to Confidential Information shall be placed in a separate section of the pleading, or brief and submitted to the Commission under seal. This sealed section shall be served only on counsel of record (one copy each), who have signed a Nondisclosure Agreement. All the protections afforded in this rule apply to materials prepared and distributed under this paragraph.

5. (A) Use in Decisions and Orders. The Commission will attempt to refer to Confidential Information in only a general, or conclusionary form and will avoid reproduction in any decision of Confidential Information to the greatest possible extent. If it is necessary for a determination in a proceeding to discuss Confidential Information other than in a general, or conclusionary form, it shall be placed in a separate section of an Order, or Decision, under seal. This sealed section shall be served only on counsel of record (one copy each) who have signed a Nondisclosure Agreement. Counsel for other parties shall receive the cover sheet to the sealed portion and may review the sealed portion on file with the Commission once they have signed a Nondisclosure Agreement.

6. Segregation of Files. Those parts of any writing, depositions reduced to writing, written examination, interrogatories and answers thereto, or other written references to Confidential Information in the course of discovery, if filed with the Commission, will be sealed by the Commission, segregated in the files of the Commission, and withheld from inspection by any person not bound by the terms of this rule or Protective Order, unless such Confidential Information is released from the restrictions of this rule or Protective Order, either through agreement of the parties, or after notice to the parties and hearing, pursuant to an order of the Commission and/or final order of a court having jurisdiction.

7. Preservation of Confidentiality. All persons who may be entitled to receive, or who are afforded access to any Confidential Information by reason of this rule or Protective Order shall neither use, nor disclose the Confidential Information for purposes of business or competition, or any other purpose other than the purposes of preparation for and conduct of Commission proceedings, and then solely as contemplated herein, and shall take reasonable precautions to keep the Confidential Information secure in accordance with the purposes and intent of this rule or a Protective Order.

8. Reservation of Rights. Persons affected by the terms of this rule or a Protective Order retain the right to question, challenge, and object to the admissibility of any and all data, information, studies and other matters furnished under the terms of this rule or a Protective Order in response to interrogatories, requests for information, other modes of discovery, or cross-examination on the grounds of relevancy or materiality. This rule or a Protective Order shall in no way constitute any waiver of the rights of any person to contest any assertion by another person or finding by the Commission that any information is a trade secret, confidential, or privileged, and to appeal any assertion or finding.

Comments – Rule 760. The Division supports proposed Rule 760, and believes that it will permit and encourage distribution of confidential information contemporaneously with filings. The Division suggests, however, that the following language be added to subsection 4: Redacted and unredacted testimony shall be conformed such that line numbers are identical in each copy.

Because of the general applicability of this proposed rule, and its procedural nature, perhaps it should be included in the 100 – series of rules, which address practice and procedures governing formal hearings or referenced therein.