

Utah Commission Adopts Stipulation for PacifiCorp Cases

The Utah Public Service Commission on May 1, 2002, adopted the stipulation supported by the Division of Public Utilities, Committee of Consumer Services and a number of industrial customers, that settles three cases and allows PacifiCorp to collect an additional \$140 million. The Committee supported the stipulation because it believed the stipulation was in the public interest for the residential and small business customers it represents. PacifiCorp had asked to recover \$205 million of power costs related to the high power prices paid in the summer of 2001 and for the Hunter Plant outage. Because the increase is already in rates, Utah customers will see only a one percent increase on their bills retroactive to April 1, 2002.

The 3.5% increase already in rates from the previous rate case will drop off bills in April 2004. The stipulation puts into place the following settlements:

1. A 1% increase in the energy part of customers' bills.
2. PacifiCorp will not be allowed to file a rate case to increase rates until January 1, 2004, except under unusual strict financial guidelines. The company, however, will still be allowed to be brought in for rate cases to reduce rates.
3. No interest charged to customers - a possible \$5-\$7 million savings for Utah ratepayers
4. Power Cost Adjustment filing cannot be formally introduced into 2004.

PacifiCorp will collect the \$140 million through retaining the \$35 million already collected in interim rates; the retirement of the merger credit, which at a net present value is worth about \$20 million; and PacifiCorp will retain the \$27 million credit owed back to Utah ratepayers from the Centralia Plant sale. These elements reduce the \$140 million to \$58 million to still be collected.