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Idaho Public
UTILITIES COMMISSION



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September 10, 2003

Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

Attention: Randy Lobb

**Re: Docket No. PAC -E-02-05
Order No. 29265**

Dear Randy:

PacifiCorp (d.b.a. Utah Power & Light Company) hereby submits for filing an original and five copies of PacifiCorp's revised accounting process reconciling its property records and present a plan for implementation of same for Staff review.

SPARE EQUIPMENT

1. Needed Improvements

- Identification and development of improved internal processes to provide timely notification to Corporate Business Services (CBS) Asset Accounting of all transactions related to spare equipment necessary for inclusion in company Continuing Property Records ledger (CPR). Identified processes should include timely notification to CBS Asset Accounting of all spare equipment additions, replacements, retirements and transfers. Method of notification to CBS Asset Accounting of all transactions related to spare equipment shall be further identified and developed.
- Process improvements need to be communicated and enforced by responsible areas.
- Power Delivery shall perform annual physical inventory reviews at Idaho spare equipment yards and update SAP Work Management (Work Management).
- CBS Asset Accounting shall reconcile from Work Management to the Company's CPR ledger and process required adjusting entries to the CPR ledger.



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- Semi-annual meetings shall be scheduled on an ongoing basis by CBS Asset Accounting and Power Delivery to discuss current processes, process improvements and the reconciliation process.

2. Status of Needed Improvements

- Key people in CBS Asset Accounting and Power Delivery have been identified and formal meetings have taken place to discuss the coordination of a physical inventory review. No formal meetings to discuss on-going process improvements between CBS Asset Accounting and Power Delivery have taken place but will be scheduled by October 31, 2003.
- Power Delivery performed a review in July 2003 of the capital spare inventory at the Company's Rigby and Preston spare equipment yards located in Idaho.
- CBS Asset Accounting reconciled the results of the physical inventory review to the Company's CPR ledger and is in the process of recording necessary adjusting entries to the CPR ledger.

3. What Next?

- Schedule meeting with responsible people in Power Delivery and CBS Asset Accounting to discuss process improvements and determine methods for communication of those process improvements – To be completed by October 31, 2003.
- Power Delivery will continue to perform annual physical inventory reviews of the Idaho spare equipment yards and update Work Management to reflect the results of the physical inventory reviews. CBS Asset Accounting intends to reconcile the CPR ledger to Work Management.
- CBS Asset Accounting will report to the Idaho PUC staff every 60 days on the status of the spare parts reconciliation and any process improvements.

VEHICLES

1. Needed Improvements

- Identification and development of improved internal processes to provide timely notification to CBS Asset Accounting of all transactions related to vehicles/mobile equipment. Improved processes should include timely notification to CBS Asset Accounting of all vehicle/mobile equipment additions, replacements, retirements and

transfers. Method of notification should include signed and approved Expenditure Requisitions (ER's), Email notifications to a designated mailbox and appropriate SAP Work Management (Work Management) reports. ER's and Emails shall be routed to CBS Asset Accounting as soon as possible for timely recording of transactions to the Company's Continuing Property Records ledger (CPR).

- Process improvements need to be communicated and enforced by responsible areas.
- Transport (Power Delivery) shall perform periodic physical inventory reviews and reconcile those results with Work Management. Transport shall ensure that Work Management is current and updated with all vehicle/mobile equipment transactions.
- CBS Asset Accounting will monthly reconcile the Company's CPR ledger to Work Management vehicle/mobile equipment reports and record necessary adjustments to the CPR ledger.
- Semi-annual meetings shall be scheduled on an ongoing basis by CBS Asset Accounting and Transport to discuss current processes, process improvements and the reconciliation process.

2. Status of Needed Improvements

- Key people in CBS Asset Accounting and Transport have been identified and formal meetings have taken place to discuss needed process improvements concerning the coordination of a physical inventory review and reconciliation to the CPR ledger. Frequent on-going discussions have also occurred regarding processes needed to keep vehicles/mobile equipment in balance with the CPR ledger.
- Transport performed a review in July 2003 of all vehicle/mobile equipment inventory.
- Significant efforts by CBS Asset Accounting and Transport have included; identifying unmatched vehicles, creation of new asset numbers in CPR ledger for vehicles transferred, cross-referencing CPR asset numbers to vehicle numbers in Work Management and retirement of vehicles sold.

3. What Next?

- Continue to monitor and evaluate process improvements implemented by CBS Asset Accounting and Transport in efforts to keep vehicles/mobile equipment reconciled monthly.
- Transport (Power Delivery) will continue to perform periodic physical inventory reviews of the vehicle/mobile equipment and update Work Management to reflect the results of the physical inventory reviews. CBS Asset Accounting intends to reconcile the CPR ledger to Work Management.

- CBS Asset Accounting will report to the Idaho PUC staff every 60 days on the status of the vehicles/mobile equipment reconciliation and any process improvements.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Douglas Larson". The signature is fluid and cursive, with a large initial "D" and "L".

D. Douglas Larson
Vice President, Regulation

cc: Terri Carlock
Alden Holm
Jean Jewell
Joe Leckie