



RECEIVED

201 South Main, Suite 2300
Salt Lake City, Utah 84111

May 11, 2012

2012 MAY 11 AM 10:14

IDAHO PUBLIC
UTILITIES COMMISSION

VIA OVERNIGHT DELIVERY

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

**Re: Case No. PAC-E-12-02
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN
POWER FOR MODIFICATIONS TO THE SERVICE AND
PERFORMANCE QUALITY REPORTING**

Dear Ms. Jewell:

Please find enclosed for filing an original and seven copies of Rocky Mountain Power's amended Application in the above-referenced matter.

All formal correspondence and regarding this Application should be addressed to:

Ted Weston
Rocky Mountain Power
201 South Main, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-2963
Fax: (801) 220-2798
Email: ted.weston@pacificorp.com

Daniel E. Solander
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-4014
Fax: (801) 220-3299
Email: daniel.solander@pacificorp.com

Communications regarding discovery matters, including data requests issued to Rocky Mountain Power, should be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com

By regular mail:
Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232

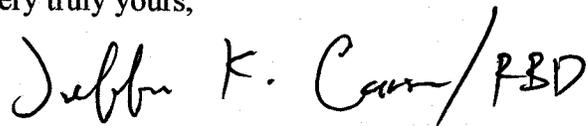
Idaho Public Utilities Commission

May 11, 2012

Page 2

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

A handwritten signature in black ink that reads "Jeffrey K. Larsen / RBD". The signature is written in a cursive style with a large, sweeping "J" and "L".

Jeffrey K. Larsen

Vice President, Regulation & Government Affairs

Enclosures

Mark C. Moench
Sr. VP and General Counsel
201 South Main, Suite 2400
Salt Lake City UT 84111
Telephone: (801) 220-4459
FAX: (801) 220-3299
Email: mark.moench@pacificorp.com

Daniel E. Solander
Senior Counsel
201 South Main, Suite 2300
Salt Lake City UT 84111
Telephone: (801) 220-4014
FAX: (801) 220-3299
Email: daniel.solander@pacificorp.com

Attorneys for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. PAC-E-12-02
OF ROCKY MOUNTAIN POWER FOR)	
MODIFICATIONS TO THE SERVICE AND)	AMENDED
PERFORMANCE QUALITY REPORTING)	APPLICATION

Comes now, PacifiCorp, d/b/a Rocky Mountain Power and hereby applies to the Idaho Public Utilities Commission requesting authorization to modify the Company's existing Performance Standards program. In support of this Application, Rocky Mountain Power represents as follows:

I. Background

As part of Order No. 28213 approving the ScottishPower / PacifiCorp merger the Company agreed to implement Network Performance Standards, Service Performance Standards and Customer Guarantees. The Company committed to a five-year term for the program and

began offering the Customer Guarantees on February 29, 2000. Improvements to Network and Service performance standards were initiated at approximately the same time. This program expired on March 31, 2005, but was extended voluntarily and later affirmed and further extended through December 31, 2011 in Order No. 29998 as part of the merger commitments of MidAmerican Energy Holding Company when acquiring PacifiCorp.

The purpose behind the Service Performance Standards is to improve customer service while emphasizing to employees that customer service and system reliability are a top priority. This focus on reliability and individual transactions with customers has improved the Company's operations and been effective in setting priorities for employees as they conduct their daily work. These programs have been very effective and the Company has successfully implemented them as demonstrated by its semi-annual Service Standard Program reports.

On June 4, 2008, PacifiCorp filed an application requesting authorization to modify the Network Performance Standards. The application proposed that the basis for developing targets be modified in order to continue cost-effective improvements in system wide reliability and to maintain responsiveness in the event of outages. The Company proposed that improvement targets should be developed around outage events that are of a controllable nature on the distribution system, and therefore developed the category of "Controllable Distribution" outages. Controllable outage events are attributed to causes against which the Company is able to implement system improvements that have a high probability of avoiding future recurrence at a local level. For example, outages that are related to equipment failure or animal interference are controllable distribution outages since the Company can take measures to avoid them in the

future and have some fairly high certainty these events will not recur. On the other hand, transmission outage events and car-hit-pole interference outage events do not conform to the definition of controllable distribution, and while important to avoid, are generally not avoidable via engineered programs.

In Order No. 32432, the Final Order from the 2011 general rate case, PAC-E-11-12, the Commission ordered the Company to continue its service performance and quality reporting requirements including those associated with momentary and longer-term service interruptions occurring in the Idaho service territory.

II. PROPOSED MODIFICATIONS

MEHC merger Commitment 45 states: "MEHC and PacifiCorp commit to continue customer service guarantees and performance standards as established in each jurisdiction, provided that MEHC and PacifiCorp reserve the right to request modifications of the guarantees and standards after March 31, 2008, and the right to request termination (as well as modification) of one or more guarantees or standards after 2011. The guarantees and standards will not be eliminated or modified without Commission approval."

Recognizing the value of the Customer Guarantee and Performance Standards programs and that the merger commitments would be completed by December 31, 2011, the Company initiated meetings on July 13 and December 14, 2011, with Commission staff to discuss the continuation of these two programs.

The Company recommended that the programs continue as part of its regular business with no changes to the Customer Guarantees and Customer Service Performance standards. The

Company is requesting Commission approval of the proposed modifications to Network Performance Standards one, two, and three.

Network Performance Standards 1, System Average Interruption Duration Index (“SAIDI”) and 2, System Average Interruption Frequency Index (“SAIFI”) performance targets are currently based on improving controllable distribution outage events. The modifications the Company proposes for Standards 1 and 2 are:

(1) Re-establish baseline performance targets from the current controllable distribution outage events to reporting reliability performance based on underlying distribution events. . Underlying distribution events include all outages excluding major events and prearranged (customer notice given and customer requested) outages. These events better represent the overall outages customers experience, moderately align to the normal day to day reliability performance of the distribution system, and provides a consistent view of the performance of the system to evaluate trends.

(2) The Company will also report total and controllable distribution reliability performance for the reporting period.

(3) Provide a rolling twelve-month performance for Controllable, Non-Controllable, and Underlying distribution events.

(4) For actual performance variations from underlying baseline performance, explanations of performance will be provided and the Company will determine the appropriate course of action for improvement, as necessary, as part of normal business operations to maintain reliability performance.

Network Performance Standard 3 currently provides that the Company will select a maximum of two underperforming circuits in Idaho on an annual basis and undertake corrective measures to reduce the average circuit performance indicator (CPI) by twenty percent within five years after selection. The Company requests authority to modify Network Performance Standard 3 to allow the Company to identify at least one underperforming area of concern, rather than circuits, in Idaho on an annual basis and undertake corrective measures to reduce the reliability performance indicator¹ (“RPI”) by ten percent within five years after identification. A target area can be a circuit section, a circuit or a subset of multiple circuits or sections. Shifting the focus of the standard to underperforming areas will allow the Company to be more effective when creating improvement plans.

The RPI metric (and the improvement target) for this standard is measured based on controllable distribution outages. As identified previously, it is reasonable to measure performance for engineering programs using controllable distribution outages. The Company will identify the criteria used for determining the under-performing areas and the plans to address them. The Company will also work with Commission Staff to develop methods to report the target area performance and cost-benefit results.

An attachment to this Application contains the Customer Guarantees, Customer Performance Standards and Network Performance Standards updated with the proposed revisions to Network Performance Standards 1, 2, and 3.

III. MODIFIED PROCEDURE

¹ Reliability performance indicator (RPI) will be calculated using controllable interruptions for SAIDI, SAIFI, and MAIFI, and are exclusive of major events as calculated by IEEE 1366-2012; this is a modification to the Company’s historic CPI. RPI excludes breaker lockout events.

Rocky Mountain Power believes that a hearing is not necessary to consider the issues presented herein and, therefore, respectfully requests that this Amended Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201 et seq. If, however, the Commission determines that a technical hearing is required, the Company stands ready to present its testimony and support the Application in such hearing.

IV. REQUEST FOR RELIEF

Rocky Mountain Power respectfully requests that the Commission issue an Order: (1) authorizing that this matter may be processed by Modified Procedure; (2) acknowledging that MEHC met its merger commitment by successfully delivering the Customer Guarantees, Network Performance Standards, and Customer Performance Standards programs through December 31, 2011; (3) eliminating the requirement to include these items in the annual merger commitment report and; (4) approving the proposed modification to Network Performance Standards 1, 2, and 3.

DATED: May 11, 2012.

Mark C. Moench / RBD

Mark C. Moench
Sr. VP and General Counsel
201 South Main, Suite 2400
Salt Lake City UT 84111
Telephone: (801) 220-4459
FAX: (801) 220-3299
Email: mark.moench@pacificorp.com

Daniel E. Solander
Senior Counsel
201 South Main, Suite 2400
Salt Lake City UT 84111
Telephone: (801) 220-4014
FAX: (801) 220-3299
Email: daniel.solander@pacificorp.com

Attorneys for Rocky Mountain Power



Idaho Customer Guarantees

<p><u>Customer Guarantee 1:</u> Restoring Supply After an Outage</p>	<p>The Company will restore supply after an outage within 24 hours of notification with certain exceptions as described in Rule 25.</p>
<p><u>Customer Guarantee 2:</u> Appointments</p>	<p>The Company will keep mutually agreed upon appointments which will be scheduled within a two-hour time window.</p>
<p><u>Customer Guarantee 3:</u> Switching on Power</p>	<p>The Company will switch on power within 24 hours of the customer or applicant's request, provided no construction is required, all government inspections are met and communicated to the Company and required payments are made. Disconnections for nonpayment, subterfuge or theft/diversion of service are excluded.</p>
<p><u>Customer Guarantee 4:</u> Estimates For New Supply</p>	<p>The Company will provide an estimate for new supply to the applicant or customer within 15 working days after the initial meeting and all necessary information is provided to the Company.</p>
<p><u>Customer Guarantee 5:</u> Respond To Billing Inquiries</p>	<p>The Company will respond to most billing inquiries at the time of the initial contact. For those that require further investigation, the Company will investigate and respond to the Customer within 10 working days.</p>
<p><u>Customer Guarantee 6:</u> Resolving Meter Problems</p>	<p>The Company will investigate and respond to reported problems with a meter or conduct a meter test and report results to the customer within 10 working days.</p>
<p><u>Customer Guarantee 7:</u> Notification of Planned Interruptions</p>	<p>The Company will provide the customer with at least two days notice prior to turning off power for planned interruptions.</p>



Idaho Performance Standards

<p><u>Network Performance Standard 1:</u> Report System Average Interruption Duration Index (SAIDI)</p>	<p>The Company will report Total, Underlying, and Controllable SAIDI and identify annual Underlying baseline performance targets for the reporting period. For actual performance variations from baseline, explanations of performance will be provided. The Company will also report rolling twelve month performance for Controllable, Non-Controllable and Underlying distribution events.</p>
<p><u>Network Performance Standard 2:</u> Report System Average Interruption Frequency Index (SAIFI)</p>	<p>The Company will report Total, Underlying, and Controllable SAIFI and identify annual Underlying baseline performance targets for the reporting period. For actual performance variations from baseline, explanations of performance will be provided. The Company will also report rolling twelve month performance for Controllable, Non-Controllable and Underlying distribution events.</p>
<p><u>Network Performance Standard 3:</u> Improve¹ Under-Performing Areas</p>	<p>Annually the Company will select at least one underperforming area based upon a reliability performance indicator² (RPI). Within five years after selection the Company will reduce the RPI by an average of 10% for the areas selected in a given year. The Company will identify the criteria used for determining these areas and the plans³ to address them.</p>
<p><u>Network Performance Standard 4:</u> Supply Restoration</p>	<p>The Company will restore power outages due to loss of supply or damage to the distribution system within three hours to 80% of customers on average.</p>

¹ When in the future, the Company discovers that marginal improvement costs outweigh marginal improvement benefits, the Company can propose modifications to the Performance Standards Program to recognize that maintaining performance levels is appropriate.

² Reliability performance indicators (RPI) will be calculated using controllable interruptions for SAIDI, SAIFI, and MAIFI, and are exclusive of major events as calculated by IEEE 1366-2012; they are a modification to the Company's historic CPI. RPI excludes breaker lockout events.

³ Prospectively, the Company will work with Commission Staff to determine methods to report the target area performance and cost-benefit results.

<p><u>Customer Service Performance Standard</u> 5: Telephone Service Level</p>	<p>The Company will answer 80% of telephone calls within 30 seconds. The Company will monitor customer satisfaction with the Company's Customer Service Associates and quality of response received by customers through the Company's eQuality monitoring system.</p>
<p><u>Customer Service Performance Standard</u> 6: Commission Complaint Response / Resolution</p>	<p>The Company will a) respond to at least 95% of non-disconnect Commission complaints within three working days and will b) respond to at least 95% of disconnect Commission complaints within four working hours, and will c) resolve 95% of informal Commission complaints within 30 days.</p>