

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL

DATE: MAY 15, 2012

SUBJECT: CASE NO. PAC-E-12-02
ROCKY MOUNTAIN POWER'S APPLICATION TO MODIFY THE
SERVICE AND PERFORMANCE QUALITY REPORTING
REQUIREMENTS IN ORDER NO. 29998

On January 23, 2012, PacifiCorp dba Rocky Mountain Power (Rocky Mountain) filed an Application requesting authorization to modify the Company's existing performance standards program, which includes a customer guarantee provision. The performance standards program was initiated as a result of the merger between ScottishPower and PacifiCorp. The Company committed to a five-year term for the program beginning February 29, 2000. The program was voluntarily extended in 2005, and was further extended by Order No. 29998 through December 31, 2011. In the Commission's final Order No. 32432 entered in Rocky Mountain's 2011 general rate case, the Commission ordered the Company to continue its service performance and quality reporting requirements.

On February 15, 2012, the Commission issued a Notice of Application and Notice of Modified Procedure establishing a comment period through March 12, 2012. After the Company's Application was filed, Commission Staff and the Company discussed changes to the standards. As a result, on March 5, 2012, Rocky Mountain filed an erratum identifying significant changes to the matrix attached to the Company's Application. On March 8, 2012, Staff filed a Motion to vacate the March 12, 2012 comment deadline. The Motion stated that Staff and the Company will recommend a new process or comment deadline for the Commission to complete its review of the

Company's Application. The Commission granted Staff's Motion, and ordered that the March 12, 2012 date for filing comments was vacated. Order No. 32484.

On May 11, 2012, Rocky Mountain filed an Amended Application, now proposing no changes to the Customer Guarantees and Customer Service Performance Standards, and requesting Commission approval of modifications to Network Performance Standards 1, 2, and 3. Network Performance Standards 1 and 2 are based on improving controllable distribution outage events. The Company proposes modifications to these standards to "re-establish baseline performance targets from the current controllable distribution outage events to reporting reliability performance based on underlying distribution events." Amended Application, p. 4. The Company contends that targets based on underlying distribution events better represent the overall outages customers experience, better aligns 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. *Id.*

Network Performance Standard 3 currently provides that the Company will select a maximum of two underperforming circuits in Idaho on an annual basis and take corrective measures to reduce the average circuit performance indicator by 20% in five years. The Company proposes to modify this standard to allow it to identify at least one underperforming area of concern, rather than an underperforming circuit, and take corrective measures to reduce the reliability performance indicator by 10% within five years after identification. The Company contends that shifting the focus of the standard to underperforming areas will allow the Company to be more effective when creating improvement plans.

Rocky Mountain requested that its Amended Application be processed by Modified Procedure. Staff recommends the Commission issue a Notice of Amended Application and Notice of Modified Procedure providing for a 21-day comment period.

COMMISSION DECISION

Should the Commission issue a Notice of Amended Application and Notice of Modified Procedure, establishing a 21-day comment period, to process Rocky Mountain's Amended Application?



Weldon B. Stutzman
Deputy Attorney General