



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

May 7, 2009

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504 – 7250

Attn: David Danner  
Executive Director and Secretary

**RE: UE-09\_\_\_\_\_ PacifiCorp's Petition for Modifications to the Service Standards Program**

Dear Mr. Danner:

PacifiCorp (d.b.a. Pacific Power) submits for filing an original and twelve (12) copies of the attached Petition for Modifications to the Service Standards Programs. PacifiCorp requests a new docket be opened for this Petition.

PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By email (**preferred**): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

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

Please direct any informal questions to Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,

Andrea L. Kelly  
Vice President, Regulation

Enclosures

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

In the Matter of the Petition of  
PacifiCorp, d.b.a. Pacific Power,  
Petitioner

**Docket UE-09** \_\_\_\_\_

Petition of PacifiCorp for  
Modifications to Service Standards  
Program

1. Pursuant to WAC 480-07-370(1)(b), PacifiCorp, d.b.a. Pacific Power (“PacifiCorp” or “the Company”), respectfully petitions the Washington Utilities and Transportation Commission (“Commission”) for an order authorizing modifications to its Customer Service Guarantees and Performance Standards (“Service Standards Program” or “Program”). The Company originally submitted a request in Docket No. UE-051090 for approval of modifications to the Service Standards Program via letter dated July 7, 2008. The Company hereby withdraws the letter request, at Commission Staff’s directive, and submits this Petition for the Commission’s consideration. In support of this Petition, PacifiCorp states:

2. PacifiCorp is an electrical company and public service company doing business in the state of Washington pursuant to RCW 80.04.010 and is subject to the jurisdiction of the Commission with regard to its public utility operations, retail rates, service and accounting practices. The Company also provides retail electricity service in California, Idaho, Oregon, and Wyoming. PacifiCorp’s principal place of business is 825 NE Multnomah, Suite 2000, Portland, Oregon, 97232.

3. The Company files this Petition in accordance with General Commitment 45 contained in the Settlement Stipulation adopted by the Commission in its approval of the

MidAmerican Energy Holdings Company (“MEHC”) acquisition of the Company.<sup>1</sup>

General Commitment 45 states: “MEHC and the Company commit to continue customer service guarantees and performance standards as established in each jurisdiction, provided that MEHC and the Company 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.”

4. Communications regarding this Petition should be addressed to:

Washington Dockets  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232  
E-mail: [washingtondockets@pacificorp.com](mailto:washingtondockets@pacificorp.com)

Michelle Mishoe  
Legal Counsel  
Pacific Power  
825 NE Multnomah, Suite 1800  
Portland, Oregon 97232  
E-mail: [michelle.mishoe@pacificorp.com](mailto:michelle.mishoe@pacificorp.com)

Please send all data requests regarding this Petition in Microsoft Word or plain text format to:

By email (preferred) [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

Or by regular mail to: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Or by facsimile to: (503) 813-6060

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<sup>1</sup> *In the Matter of the Joint Application of MidAmerican Energy Holdings Company and PacifiCorp, d/b/a/ Pacific Power & Light Company For an Order Authorizing Proposed Transaction*, Docket UE-0501090, Order 08, Appendix A (Adopting a revised Settlement Stipulation to incorporate several new commitments, leaving General Commitment 45 unchanged. Original discussion of General Commitment 45 may be found in paragraph 15, Order 07, Docket UE-051090).

Informal inquiries related to this Petition may be directed to Cathie Allen, Manager, Regulatory Affairs, at (503) 813-5934.

5. In 1999, as part of ScottishPower plc's acquisition of PacifiCorp,<sup>2</sup> the Company agreed to implement the Service Standards Program, originally intended to be implemented for a five-year term ending March 31, 2005. The Service Standards Program consists of Customer Guarantees and Performance Standards. The Customer Guarantees consist of seven specific commitments to the Company's customers. The Performance Standards consist of network-related performance standards and customer service-related performance standards. The Company voluntarily extended the Service Standards Program in January 2005.<sup>3</sup> As part of MEHC's acquisition of the Company, the Service Standards Program was further affirmed and extended through December 31, 2011.<sup>4</sup> With this Petition, the Company proposes only to modify the targets for three of the network-related performance standards.

6. The Service Standards Program is designed to improve service to customers and to emphasize to Company employees that customer service, including system reliability, is a top priority. This focus on system-level reliability performance benefits customers and the Company by allowing the Company to fine tune its operations, particularly by allowing the Company to allocate funds to areas of underperformance, and thus improving network reliability. Additionally, because the Program identifies

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<sup>2</sup> *In the Matter of the Application of PACIFICORP AND SCOTTISH POWER PLC for an Order (1) Disclaiming Jurisdiction, or in the Alternative, Authorizing the Acquisition of Control of PacifiCorp by ScottishPower and 2) Affirming Compliance with RCW 80.80.040 for PacifiCorp's Issuance of Stock in Connection with the Transaction*, Fifth Supplemental Order accepting stipulations, approving transaction, and granting securities issuance exemption, Docket UE-901627, pp 8-9.

<sup>3</sup> *In the Matter of the Application of PACIFICORP, d/b/a PACIFIC POWER & LIGHT, For Changes to and Continuation of Customer Guarantee Program and Network Performance Standards*, Docket UE-042131, Order 01.

<sup>4</sup> Order 07, Docket UE-051090, ¶15.

areas where improvements are warranted, it has been an effective tool for customer service and engineering employees in setting priorities for their daily work.

7. The Company has been successful with the Service Standards Program as demonstrated by its Service Standards Program semi-annual filings. For example, during the three year period between April 1, 2005 and March 31, 2008, the Company successfully delivered all standards under the Program. The Company achieved its System Average Interruption Duration Index (“SAIDI”) and System Average Interruption Frequency Index (“SAIFI”) performance goals. Additionally, the Company continued to deliver circuit improvements using the Company’s Underperforming Feeder Program. Further, the Company met its service restoration targets. The Company attributes the reliability delivered to its customers to the Service Standards Program, which is particularly noteworthy when considering the remote nature of some of the circuits in southeast Washington. Also, the Company successfully delivered on all customer service-related performance standards of answering the telephone and responding to commission complaints.

8. Prior to and after March 31, 2008, the Company evaluated the Service Standards Program to determine whether modifications could enhance the Program’s effectiveness. Utilizing feedback from customers and employees, the Company determined it should maintain its focus on providing excellent customer service by continuing all of its Customer Guarantees, and that three of the network-related Performance Standards, PS-1, PS-2 and PS-3, should be modified to provide greater cost-effective improvements in system-wide reliability and to maintain responsiveness to outages. The Company determined that no modifications to the Customer Guarantees

program were necessary.

9. PS-1 currently requires the Company to maintain its SAIDI commitment target for a 12-month rolling period through March 31, 2008. The Company calculates this by summing the number of minutes that customers' use of electricity is interrupted during a rolling 12-month period and dividing by the number of static customers served by the Company in Washington. Going forward, the Company proposes to develop an additional improvement target<sup>5</sup> around controllable outage events on the distribution system. Controllable outage events include, among other things, power lines coming into contact with each other, vegetation coming into contact with power lines, animal interference or equipment failure. The Company can prevent these types of events from occurring through engineering programs. The Company will continue reporting total and underlying SAIDI for each year. With this Petition, the Company proposes adding a target to the SAIDI reporting requirement to improve Controllable Distribution SAIDI by 30% by December 31, 2011, which equals a target<sup>6</sup> outage duration of 25 minutes or less. As shown in Table 1, included with this Petition as Attachment 1, the additional new target will allow the Company to continue to improve its controllable distribution outages. This proposed modification to PS-1 will allow the Company to focus on measures designed to deliver more cost-effective system improvements as well as reducing the duration of customer outages and is therefore in the public interest.

10. PS-2 currently requires the Company to maintain its SAIFI commitment target

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<sup>5</sup> While the Company is proposing that its improvement targets be set based on "controllable distribution" outages, it proposes that it will continue to report Total Performance (including major events) and Underlying Performance (which removes filed major events) in addition to the newly proposed Controllable Distribution Performance.

<sup>6</sup> The Company develops the target by categorizing outages into controllable distribution causes and evaluating prior average performance. The targets are based on the more aggressive of the Company's 2007 performance or a three-year average performance, whichever is lower.

for a 12-month rolling period through March 31, 2008. The Company calculates this by summing the number of customer interruptions during a rolling 12-month period and dividing by the number of static customers served by the Company in Washington. Going forward, the Company proposes to develop an additional target around controllable outage events on the distribution system, as described in paragraph 7 above. The Company will continue to report an underlying SAIFI for each year. With this Petition, the Company proposes adding a target to the SAIFI reporting requirement to improve Controllable Distribution SAIFI by 14 percent over the average prior period performance, for a target of 0.214 events or less. Table 2, included with this Petition as Attachment 2, depicts the Company's SAIFI trend. Modifying PS-2 as proposed will allow the Company to focus on measures designed to deliver more cost-effective system improvements as well as reduce the frequency of outages and is therefore in the public interest.

11. PS-3 currently requires the Company to reduce by 20 percent the circuit performance indicator ("CPI") for a maximum of five under-performing circuits on an annual basis within five years after selection. The Company proposes reducing the number of annually-identified under-performing circuits to two and implementing corrective measures to reduce the average CPI by 20 percent within five years of selection for those two circuits. Additionally, the Company intends to shift the funds that would have been spent on the other three under-performing circuits to improve the worst-performing segments of any circuits. This is a more efficient and effective way to improve reliability of all circuits. Because the Company has a relatively small number of circuits (123 circuits) in Washington, selecting two under-performing segments is a more

reasonable basis for setting the PS-3 standard. The public interest is served by providing more reliable service in a more cost-effective manner.

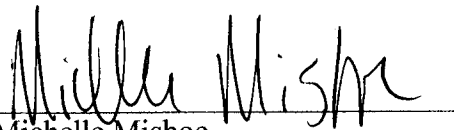
12. Included with this Petition as Attachment 3 is a copy of the Service Standards Program Comparison, which demonstrates the differences between the current program and the proposed modified program.

WHEREFORE, PacifiCorp respectfully requests an Order from the Commission:

- a. Approving the three proposed changes to the Company's Service Standards Program; and
- b. Any other relief the Commission deems necessary or appropriate.

Dated this 7th day of May, 2009.

Respectfully submitted,



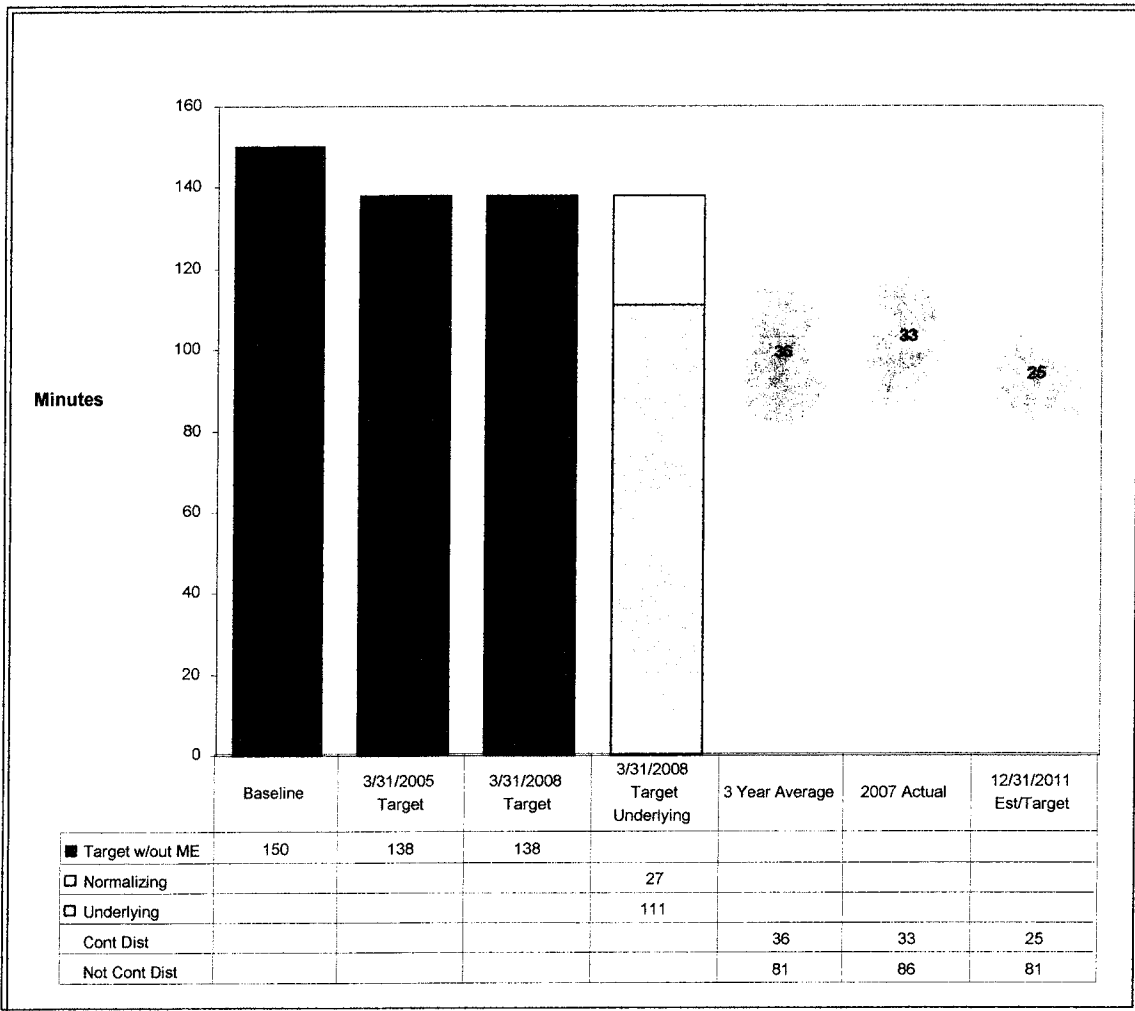
Michelle Mishoe  
Legal Counsel  
Pacific Power  
825 NE Multnomah, Suite 1800  
Portland, OR 97232



# **ATTACHMENT 1**

# TABLE 1

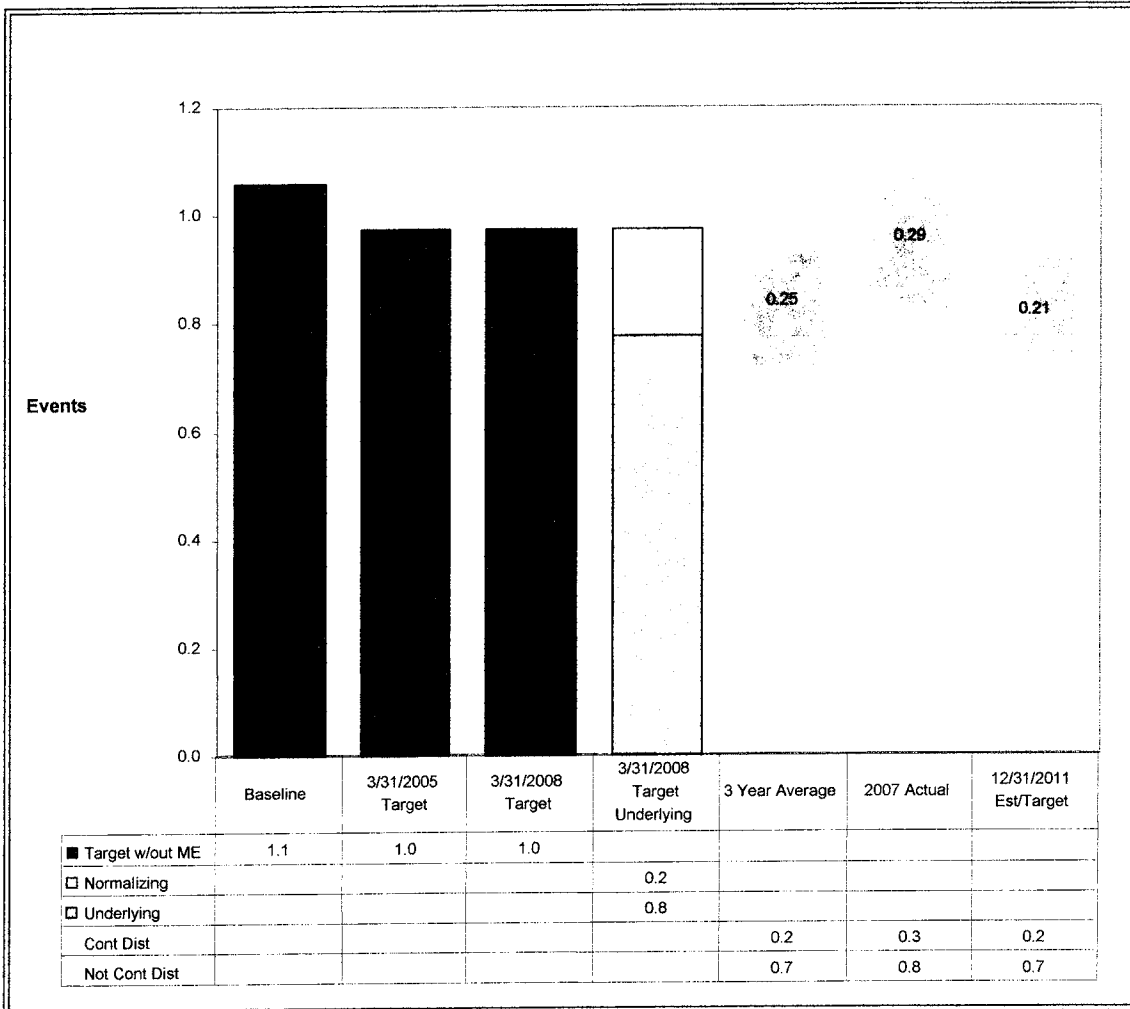
## PACIFICORP WASHINGTON SAIDI BASELINE, HISTORY, AND TARGETS FOR SERVICE STANDARDS PROGRAM MODIFICATION COMMITMENT BY DECEMBER 31, 2011



## **ATTACHMENT 2**

## TABLE 2

### PACIFICORP WASHINGTON SAIFI BASELINE, HISTORY, AND TARGETS FOR SERVICE STANDARDS PROGRAM MODIFICATION COMMITMENT BY DECEMBER 31, 2011



# **ATTACHMENT 3**

## Washington

### 1.1 Pacific Power Customer Guarantees

|   | <b>Existing</b>   | <b>Proposed Modifications</b> |
|---|---|-------------------------------|
| <u>Customer Guarantee 1:</u><br>Restoring Supply After an Outage      | The Company will restore supply after an outage within 24 hours of notification with certain exceptions as described in Rule 25.  | No change                     |
| <u>Customer Guarantee 2:</u><br>Appointments                          | The Company will keep mutually agreed upon appointments which will be scheduled within a two-hour time window.  | No change                     |
| <u>Customer Guarantee 3:</u><br>Switching on Power                    | 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. | No change                     |
| <u>Customer Guarantee 4:</u><br>Estimates For New Supply              | 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.   | No change                     |
| <u>Customer Guarantee 5:</u><br>Respond To Billing Inquiries          | 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.   | No change                     |
| <u>Customer Guarantee 6:</u><br>Resolving Meter Problems              | 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.   | No change                     |
| <u>Customer Guarantee 7:</u><br>Notification of Planned Interruptions | The Company will provide the customer with at least two days notice prior to turning off power for planned interruptions.   | No change                     |

## 1.2 PacifiCorp Performance Standards

|   | <b>Existing</b>  | <b>Proposed Modifications</b>   |
|---|--|---|
| <u>Network Performance Standard 1:</u><br>Improve System Average Interruption Duration Index (SAIDI)  | The Company will maintain SAIDI target by March 31, 2008.  | The Company will improve Controllable Distribution SAIDI by 30% by December 31, 2011.   |
| <u>Network Performance Standard 2:</u><br>Improve System Average Interruption Frequency Index (SAIFI) | The Company will maintain SAIFI target by March 31, 2008.  | The Company will improve Controllable Distribution SAIFI by 14% by December 31, 2011.   |
| <u>Network Performance Standard 3:</u><br>Improve Under Performing Circuits                           | The Company will reduce by 20% the circuit performance indicator (CPI) for a maximum of five under performing circuits on an annual basis within five years after selection.   | The Company will reduce by 20% the circuit performance indicator (CPI) for a maximum of two under performing circuits on an annual basis within five years after selection. |
| <u>Network Performance Standard 4:</u><br>Supply Restoration  | The Company will restore power outages due to loss of supply or damage to the distribution system on average to 80% of customers within three hours.   | No change   |
| <u>Customer Service Performance Standard 5:</u> Telephone Service Level                               | 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.                                    | No change   |
| <u>Customer Service Performance Standard 6:</u><br>Commission Complaint Response/Resolution           | 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. The Company will c) resolve 95% of informal Commission complaints within 30 days. | No change   |

*Note:*

*Performance Standards 1, 2 & 4 are for underlying performance days and exclude those classified as Major Events.*