

July 14, 2000

Ms. Carole J. Washburn, Secretary
Washington Utilities and Transportation Commission
P. O. Box 47250
Olympia, WA 98504-8250

Re: Docket UE-991168 Electric System Reliability Rulemaking
WAC Chapter 480-100 Electric Companies – New Sections

Dear Ms. Washburn:

PacifiCorp appreciates the opportunity to provide written comments on the first informal draft of rules in the above docket as requested in the Notice of Opportunity to File Written Comments dated June 22, 2000. We also plan on attending the third workshop in this matter on July 21 to engage in a dialogue with other parties regarding the proposed rules.

Need for Rulemaking

We continue to question the need for the proposed rules and what the Commission Staff is trying to accomplish in implementing these rules. PacifiCorp has received only one (1) Commission complaint related to reliability from its approximately 117,000 customers during the first half of 2000. (During the entire calendar year 1999 we had no Commission complaints on reliability.) In a recent survey of customers on outage response and handling, customers rated the Company's overall outage management performance very high at 92.9% out of a 100-point scale. Finally, the proposed rulemaking will add substantial costs for tracking and reporting. At this point we do not have any research to support the fact that customers would be willing to pay any additional costs for more information on reliability.

We do concur with the Staff's view that a consistent and accurate measure of supply reliability is necessary to measure the level of service provided across a utility's territory. This level of service varies across the territory, but the overall level can be used to measure trends, rather than to compare utilities.

PacifiCorp also believes that all customers in Washington should expect similar information, whether they are supplied by investor-owned or public utilities. Until such time as this issue is addressed, it would be unreasonable to apply a rule to the three investor-owned utilities in Washington.

As Staff is aware, PacifiCorp is actively working on improved reliability reporting systems. These systems will provide much more detail and accuracy than in the past. However, the Company believes it is premature to impose a rule until the potential of such modern systems are fully understood by Staff and customers.

To provide customers with improved service and better reliability in the future the Company has already implemented 7 performance standards and 8 customer guarantees as a result of our recent merger. These performance standards and guarantees include the following:

Performance Standards

- Reduce SAIDI by 10% by 2005
- Reduce SAIFI by 10% by 2005
- Reduce MAIFI by 5% by 2005
- Improve 5 worst performing circuits by 20% each year for 5 years
- Restore supplies to 80% of customers within 3 hours
- Answer 80% of calls within 30 seconds
- Respond to Commission complaints in 3 working days (4 working hours for disconnect complaints) and resolve 90% within 30 days

Customer Guarantees

- Power will be restored in 24 hours
- All mutually agreed appointments will be kept
- Power will be switched on within 24 hours
- Estimates for new supply will be scheduled within 2 working days and estimates prepared within 5/15 working days
- Bill inquiries will be responded to within 10 working days
- Meter problems will be investigated within 15 working days
- Notice of at least 2 working days will be provided on planned interruptions
- Power quality complaints will be responded to within 5/7 working days

The Company will provide a report to customers each year on our progress in meeting the performance standards and how well we performed against the customer guarantees. Commissions will receive quarterly and semi-annual updates, as well as a detailed annual report. We are confident that customers and the Commission will have the information necessary to gauge the level of service received from the Company.

Alternative to RuleMaking

As an alternative to the proposed rulemaking, we recommend that the three major utilities in Washington enter into a voluntary program and provide reliability information to Staff. This would allow the development of Staff requirements and company systems, yet provide improved information on reliability to the Commission and to customers. This would also identify the systems and associated costs of deriving the type of information Staff is proposing in the rulemaking. In addition, we should examine what type of information customers are seeking. For example, our focus is to improve the information that is provided to customers at the time of an outage since we believe this is important to customers.

Prior to this assessment it will be necessary to identify proposed reporting requirements that would be cost and time prohibitive to comply with. An example of this would be information requested in proposed rule WAC 480-100-xx3(b).

System-Wide Reliability Indicators

Should the Commission wish to develop rules surrounding reliability reporting, PacifiCorp recommends that system-wide indicators such as SAIDI and SAIFI be used instead of the customer level detail proposed. In addition, reporting on selected worst performing circuit improvements could be included. PacifiCorp is several years away from a connectivity model which will allow access to customer specific detail. In addition, some information would not feasibly be available, for example, information about components that failed for each interruption including historical system conditions and maintenance practices for failed components.

For customers who have a reliability complaint the Company prepares an outage response that includes a three-year outage history for the circuit the customer is located on, feeder characteristics as well as the

customer's location on the feeder, the tree trimming schedule and possible solutions for prevention of future outages. We are attaching a template that describes the type of information provided to customers on reliability complaints.

Customer-Level Reports

Providing the various reports and charts proposed in the Draft Rule for customer-level detail is not currently possible. While PacifiCorp is working toward this level of detail, it is premature to include the requirement in rulemaking. To provide this detail would require additional costs to aggregate the effects of outages at different voltage levels or introduce automatic data collection systems.

There are a number of ways of providing estimates of customer-level interruptions which could be explored during the trial program proposed by PacifiCorp.

The concept of threshold criteria is well-known to PacifiCorp, but work is required to understand the actual levels and the variation. We propose that this level of detail is developed in the trial program to ensure it can be used as an effective method of measuring service quality.

Summary

In summary, PacifiCorp is committed to providing customers with reliable service as evidenced by the Company's far-reaching performance standards that were recently implemented. We believe the outcome of the workshops on reliability should be a voluntary reporting program to provide information to Staff on reliability and to adopt a policy that customers shall be provided with reliability information upon request.

If Staff does decide to make a recommendation to the Commissioners, then PacifiCorp would wish to make more detailed proposals on the wording of the draft rules.

Should you have any questions regarding these comments, you can contact me at 503-813-7408, Alec Burden at 503-813-6881 or Marc Anderson at 503-813-7339.

Sincerely,

Carole Rockney, Manager
Customer & Regulatory Liaison
Attachment

Cc: Marc Anderson, PacifiCorp Operations
Alec Burden, PacifiCorp Asset Management
Bob Moir, PacifiCorp Distribution
Amanda Nelson, PacifiCorp Customer Service
Matthew Wright, PacifiCorp Regulation

Outage Response Template

CUSTOMER NAME:

Address:

City, State

Account #

Three-year Outage Detail Report, in chronological date order, using OVS. Include the following information:

Start date
End date
State
Region
Area
District
Momentary Outage Amax. Minutes
of Customers out
Included Circuits #

*****Attach this document and a copy of the Outage Report in chronological order to your e-mail response*****

Feeder Characteristics: *(such as length, voltage, customer location on feeder, rural/urban, number of line reclosers.) SAIDI SAIFI information.*

Customer Location On Feeder

Tree trimming schedule: *last time/next time trimmed*

Possible solutions for prevention of future outages: