

ANNUAL REPORT

Public Service Commission of Utah

2012





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STATE OF UTAH

Public Service Commission



Honorable Gary Herbert

Governor, State of Utah

Honorable Members of the Senate

Honorable Members of the House of Representatives

It is a pleasure to present you the Annual Report for fiscal year 2012 of the Public Service Commission of Utah. This report has been prepared in accordance with Utah Code § 54-1-10, which requires the Commission to submit to you a report of its activities during the fiscal year ending June 30, 2012.

This annual report highlights the issues and activities the Commission has focused on during the year.

We look forward to your continued support as we serve the citizens of Utah.

Respectfully submitted,

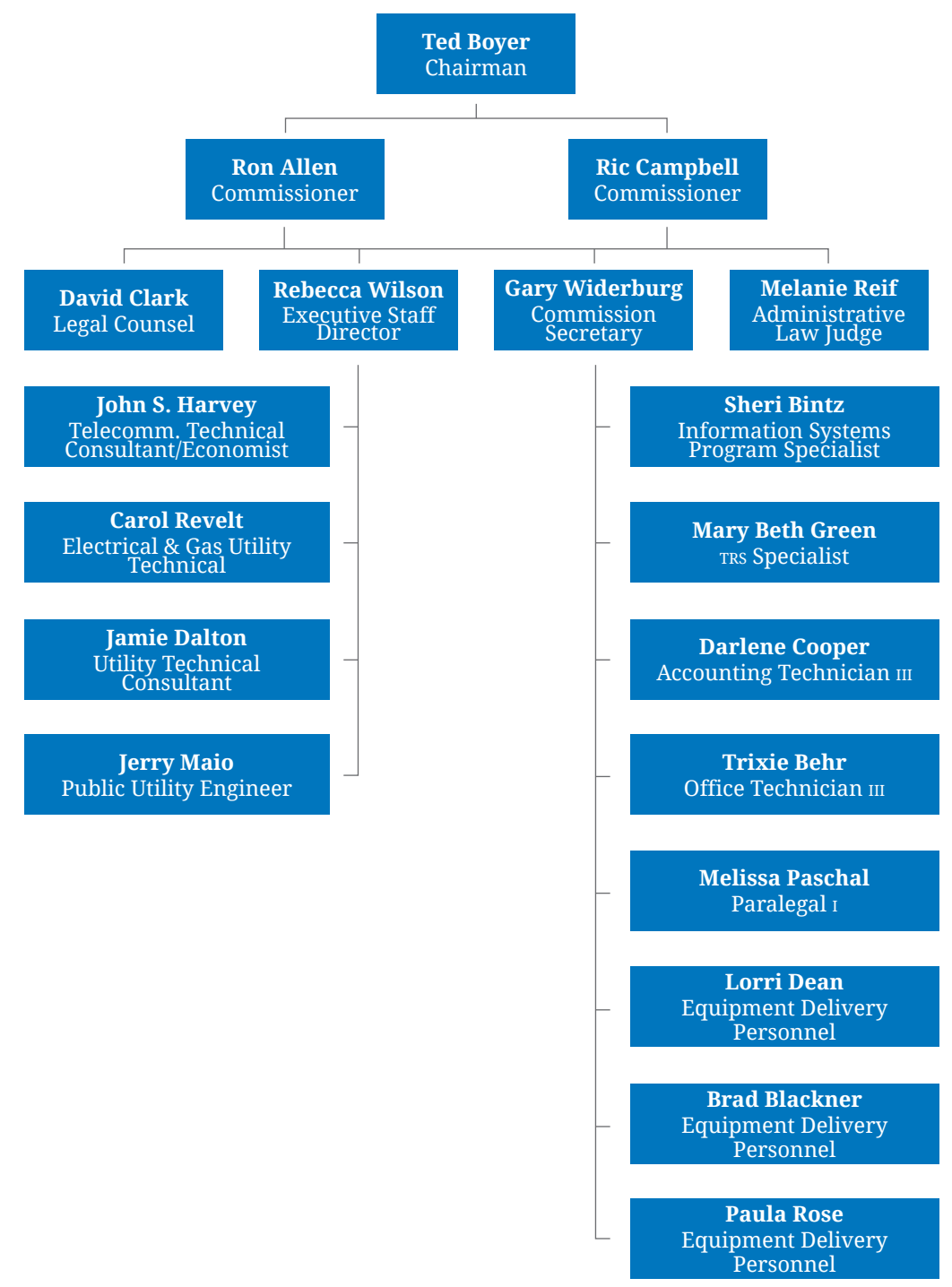
Ted Boyer, Commission Chairman

Ric Campbell, Commissioner

Ron Allen, Commissioner



Organizational Chart 2012



PSC PERSONNEL JUNE 30, 2012

- Chairman
Ted Boyer

- Commissioner
Ric Campbell

- Commissioner
Ron Allen

- Commission Secretary
Gary Widerburg

- Executive Staff Director
Rebecca Wilson

- Legal Counsel
David Clark

- Administrative Law Judge
Melanie Reif

- Telecommunications Technical
Consultant/Economist
John Harvey

- Utility Technical Consultant
Jamie Dalton

- Electric and Gas Utility Technical
Consultant
Carol Revelt

- Public Utility Engineer
Jerry Maio

- Utility Technical Consultant
Joseph Holland

- Information Systems Program
Support Specialist
Sheri Bintz

- TRS Specialist
Mary Beth Green

- Accounting Technician
Darlene Cooper

- Office Technician
Trixie Behr

- Paralegal
Melissa Paschal

- Equipment Delivery Personnel
Lorri Dean

- Equipment Delivery Personnel
Brad Blackner

- Equipment Delivery Personnel
Paula Rose



Original Term:

June 20, 2003 - March 1, 2009

Reappointed:

March 27, 2009 - March 1, 2015

Commission Chairman

Ted Boyer

Ted Boyer was appointed as a Commissioner of the Public Service Commission on June 20, 2003 and as Chairman on May 2, 2007.

Commissioner Boyer is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on the Energy, Resources and the Environment Committee and International Committee, the Regional Oversight Committee, the Utah Privatization Policy Board, the Utah Telecommunications Advisory Council, the Steering Committee of the Western Renewable Energy Zones Project of the Western Governor's Association, a member of the Advisory Council for the Center for Public Utilities at New Mexico State University, a member of the Utility Facility Review Board, a member of the Public Interest Advisory Committee of the Gas Technology Institute, and is a past president of the Western Conference of Public Service Commissioners.

Prior to his appointment, Commissioner Boyer served as Executive Director of the Utah Department of Commerce and before that as Director of the Utah Real Estate Division. After receiving his B.S. and M.S. degrees from Brigham Young University, he earned his J. D. from the University of Utah and practiced law in Salt Lake City for over 20 years. He has also worked in the steel industry, and row-crop farming and taught at Murray State University.



Original Term:

March 1, 2001 - March 1, 2007

Reappointed:

March 1, 2007 - March 1, 2013

Commissioner

Richard Campbell

Rick Campbell was appointed to the Public Service Commission on March 1, 2001, and was reappointed on March 1, 2007 for an additional six-year term.

Rick Campbell is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves on the Committee on Electricity as well as on the Board of Directors. He also serves on the Board of Directors of the Western Electricity Coordinating Council.

Prior to his appointment, he was the Director of the Utah Division of Public Utilities. While at the Division, Rick also served as a member of the Utah Telecommunications Advisory Council and on the Utah Rural Telecommunications Task Force.

Before joining the Division, Rick was the Executive Director of the Utah Health Policy Commission. Prior to Rick's public service in state government, he worked for Shell Oil Company. Rick has a B.S. degree in Accounting from Brigham Young University and a M.S. degree in Economics from the University of Utah.



Original Term:

March 18, 2005 - March 1, 2011

Reappointed:

March 18, 2011 - March 18, 2017

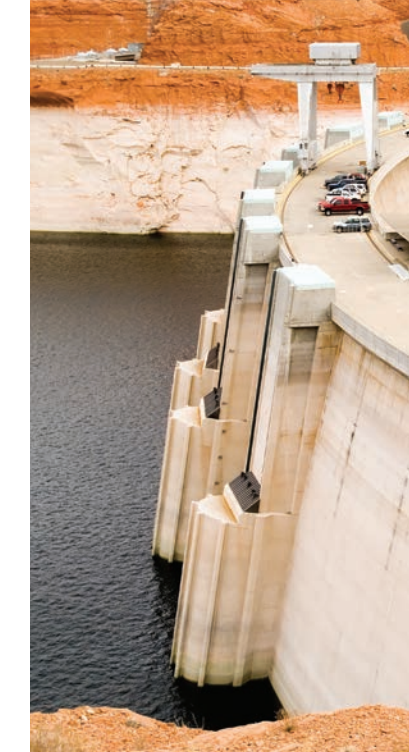
Commissioner

Ron Allen

Ron Allen was appointed to the Public Service Commission on March 18, 2005, and was reappointed on March 18, 2011, for an additional six-year term.

Prior to his appointment he served as a Utah State Senator representing Magna, West Valley and Stansbury Park. While in the Utah Senate he served as Minority Whip and on the Executive Appropriations and Executive Management Committees. Ron also served on the Utah Tax Review Commission and on the Privatization Review Board. In addition, he served on the Energy and Electric Utilities Committee for the National Conference of State Legislatures. Ron currently serves on the Gas Committee with the National Association of Regulatory Commissioners.

Ron is formerly a self-employed business and technology consultant and has owned and operated several Utah businesses, making the list of Utah's 100 fastest growing firms several times. Ron has a B.S. degree in Accounting and an M.A. degree in Art History from the University of Utah.



HISTORY

ORIGINS OF THE PSC

Since its origin in the Public Utilities Act of 1917, the Commission has served the citizens of Utah through technical and economic regulation of the state's public utility companies. These privately owned but government-regulated companies provide the telecommunications, electricity, natural gas, water, and sewerage systems through which important services are delivered to Utah households and businesses.

Utility systems are key structural elements of Utah's economy. Collectively, all such structural elements, whether provided by public authorities or regulated private companies, are known as "infrastructure." Roads, railways and other modes of transportation, and communications and other network-based services like electricity, natural gas and water, facilitate the flow of goods and services between buyers and sellers, making this infrastructure a prerequisite for economic growth.

Utility companies are certificated monopolies. With exceptions, primarily in the telecommunications industry, each utility is the sole provider of utility service in a designated geographic area of the State called "certificated service territory."

Because there is no competition, federal and state law obligates the Commission to promote and protect the public interest by ensuring that public utility service is adequate in quality and reliability, and is available to everyone at just and reasonable prices. This is the Commission's goal. The prices, terms and conditions of utility service affect the quality of the State's infrastructure.

ORGANIZATION OF THE REGULATORY FUNCTION IN UTAH TODAY

Since 1983, when the legislature last reorganized Utah's public utility regulatory function, the Commission has been an independent entity with a small clerical, legal, and technical advisory staff. The Office of the Commission consists of a three-member commission, each commissioner appointed by the Governor to a six-year term; an administrative secretary and clerical staff; an executive staff director and technical staff; a legal counsel and paralegal staff; and an administrative law judge. Currently the Commission employs 20 persons.

The Division of Public Utilities, within the Utah Department of Commerce, performs public utility audits and investigations, helps resolve customer complaints, and enforces Commission Orders. Since the 1983 reorganization, the Division has been empowered to represent an impartially-determined, broad public interest before the Commission. The Division employs a Director and a clerical and technical staff of approximately 30 people and receives legal assistance from the Office of the Attorney General. Also functioning within the Department of

Commerce is the Office of Consumer Services, established by the Utah Legislature in 1977. In 2009, the Utah Legislature reorganized the Committee into the Office of Consumer Services. The Office is staffed with five full-time professionals led by a Director who is appointed by the Governor, with the concurrence of the Committee and consent of the Senate, for a term of six years. The Director, on behalf of the Office, represents the interests of residential and small commercial consumers. The Committee of Consumer Services now exists as a nine-member layperson board as part of the Office to advise it regarding utility rate changes and other regulatory actions on residential, small commercial and irrigator customers and to help establish policy objectives.

HOW THE COMMISSION WORKS

As a regulatory decision-making body, the Commission exercises a delegated legislative power. Each regulatory decision is reached quasi-judicially – that is to say, the decision must be based on evidence of record gathered in open public hearings in docketed proceedings. All dockets are closely scheduled, but the due process rights of parties, carefully observed by the Commission, mainly govern their timing.

In the course of a hearing, parties participating may include the subject public utility, the Division of Public Utilities, and the Office of Consumer Services. Parties present the sworn testimony and evidence of expert witnesses on matters at issue and witnesses are cross-examined by the attorneys assisting each party.

In cases where tens of millions of dollars may be at stake, or important issues of regulatory policy arise, a number of other interveners, representing interests as diverse as low-income customers, environmental groups, and large industrial customers, may also participate. They too will employ expert witnesses and attorneys. They will want to be involved because regulatory decisions distribute outcomes as gains or losses to particular parties. Cases raise issues of law, economics, accounting, finance, engineering, and service quality.

Reaching decisions which balance the often-competing interests of concerned parties in pursuit of outcomes which protect and promote the overall public interest is the Commission's task. These decisions, reviewed by the Utah Supreme Court, must be drawn directly from the evidentiary record created in open public hearings or filed on the public record.

During fiscal year 2012, 554 cases were opened and docketed and 315 orders were issued. Of these, 47 were resolved by written Commission order, following hearing and deliberation on the evidentiary record. Many of the remaining cases were handled informally. The more important cases, whether for regulatory policy or financial implications, are highlighted in the following discussions of electricity, natural gas, telecommunications, and water. In Fiscal Year 2012, the Public Service Commission regulated 176 utility companies including gas, electric, telephone, water, sewer, and railway, with gross intrastate revenues of \$3.27 Billion.

PUBLIC SERVICE COMMISSION OF UTAH COMMISSIONERS

Yrs. Of Service	Name	Home Town
1917-21	Henry H. Blood	Kaysville
1917-23	Joshua Greenwood	Nephi
1917-25	Warren Stoutner	Salt Lake City
1921-23	Abbot R. Heywood	Ogden
1923-37	Elmer E. Corfman	Salt Lake City
1923-37	Thomas E. McKay	Huntsville
1925-33	George F. McGonagle	Salt Lake City
1933-35	Thomas H. Humphreys	Logan
1935-37	Joseph S. Snow	St. George
1937-41	Ward C. Holbrook	Clearfield
1937-41	Otto A. Wiesley	Salt Lake City
1937-40	Walter K. Granger	Cedar City

Yrs. Of Service	Name	Home Town
1941-43	George S. Ballif	Provo
1941-49	Oscar W. Carlson	Salt Lake City
1941-51	Donald Hacking	Price
1943-52	W.R. McEntire	Huntsville
1949-73	Hal S. Bennett	Salt Lake City
1951-56	Stewart M. Hanson	Salt Lake City
1952-72	Donald Hacking	Price
1956-57	Rue L. Clegg	Salt Lake City
1957-63	Jesse R. Budge	Salt Lake City
1963-65	Raymond W. Gee	Salt Lake City
1965-67	D. Frank Wilkins	Salt Lake City
1967-69	Donald T. Adams	Monticello
1969-72	John T. Vernieu	Richfield
1972-75	Eugene S. Lambert	Salt Lake City
1972-76	Frank S. Warner	Ogden
1973-79	Olof E. Zundel	Brigham City
1975-76	James N. Kimball	Salt Lake City
1976-77	Joseph C. Folley	Ogden
1976-82	Milly O. Bernard	Salt Lake City
1977-80	Kenneth Rigtrup	Salt Lake City
1979-85	David R. Irvine	Bountiful
1980-89	Brent H. Cameron	Salt Lake City
1982-95	James M. Byrne	Salt Lake City
1985-92	Brian T. Stewart	Farmington
1989-91	Stephen F. Mecham	Salt Lake City
1991-92	Stephen C. Hewlett*	Salt Lake City
1992-95	Stephen C. Hewlett	Salt Lake City
1992-2003	Stephen F. Mecham	Salt Lake City
1995-2005	Constance B. White	Salt Lake City
1995-2001	Clark D. Jones	Salt Lake City
2001-Present	Richard M. Campbell	Riverton
2003-Present	Theodore Boyer	Salt Lake City
2005-Present	Ronald Allen	Tooele

PUBLIC SERVICE COMMISSION OF UTAH
SECRETARIES

Yrs. Of Service	Name	Home Town
1917-23	Thomas E. Banning	Salt Lake City
1923-35	Frank L. Ostler	Salt Lake City
1935-36	Theodore E. Thain	Logan
1936-38	Wendell D. Larson	Salt Lake City
1938-40	J. Allan Crockett	Salt Lake City
1941-43	Charles A. Esser	Salt Lake City
1943-44	Theodore E. Thain	Logan
1945-48	Royal Whitlock	Gunnison
1949-49	C.J. Stringham	Salt Lake City
1949-56	Frank A. Yeamans	Salt Lake City
1956-59	C.R. Openshaw, Jr.	Salt Lake City
1959-60	Frank A. Yeamans	Salt Lake City
1960-70	C.R. Openshaw, Jr.	Salt Lake City
1970-71	Maurice P. Greffoz*	Salt Lake City
1971-72	Eugene S. Lambert	Salt Lake City
1972-77	Ronald E. Casper	Salt Lake City
1977-79	Victor N. Gibb	Orem
1979-81	David L. Stott	Salt Lake City
1981-83	Jean Mowrey	Salt Lake City
1983-86	Georgia Peterson	Salt Lake City
1986-91	Stephen C. Hewlett	Salt Lake City
1991-2011	Julie P. Orchard	Bountiful
2012-Present	Gary L. Widerburg	Ogden





Electric Utilities Overview

The principal electric utility regulated by the Commission is PacifiCorp, who does business in Utah as Rocky Mountain Power. PacifiCorp is an investor-owned utility serving approximately 800,000 residential, commercial and industrial customers in Utah. PacifiCorp also serves retail customers in five other western states and wholesale customers throughout the west. PacifiCorp provides approximately 80 percent of the electricity to Utah homes and businesses. Other Utah customers are served either by municipal utilities, which are not regulated by the Commission, or by rural electric cooperatives or electric service districts, which are subject to minimal state regulation. Thus, most of the Commission's work in the electric industry arises from regulation of PacifiCorp.

RATE CHANGES

Under Utah Code Ann. § 54-4-4, the Commission is responsible for determining just and reasonable rates for PacifiCorp. Utah law enables the Commission to approve rate changes reflecting the outcome of a general rate case in which costs associated with the generation, transmission and distribution of electricity are evaluated. In addition, the Commission has the authority to approve rate adjustments reflecting costs associated with the installation of major facilities in between general rate cases, the implementation of approved demand-side management/energy efficiency programs, energy balancing accounts, and the funding of low income assistance programs. In fiscal year 2012, the Commission approved seven rate changes.

The first of these rate changes occurred on September 8, 2011, when the Commission acknowledged PacifiCorp's request to cancel Electric Service Schedule No. 97, the Major Plant Addition Deferral Rider. This change was pursuant to the Commission's approval of a settlement

stipulation among intervening parties which resolved issues pertaining to the construction of the Ben Lomond to Terminal transmission line, the installation of emissions control measures on the Dave Johnston #3 generating unit, the construction of the Populous to Terminal transmission line, and the Dunlap 1 Wind Project. Under this stipulation, Schedule 97 was to terminate once deferred revenues and carrying charges for these projects were collected from customers. The reconciliation and termination of Schedule 97 resulted in a refund to customers of approximately \$15.1 million, which is equivalent to an approximate 1.4 percent decrease in the annual bill of a typical residential customer.

The second rate change occurred with a general rate increase which took effect on September 21, 2011. In January 2011, PacifiCorp filed an application requesting authority to increase its retail rates in Utah by an amount of \$232.4 million or approximately 12 percent. The request was based on the forecast test period ending June 30, 2012, a 13-month average rate base with a historical base period, and a return on equity of 10.5

percent. The request was driven by significant increases in net power costs and through investments in capital additions needed to ensure safe and reliable service to Utah customers.

In August 2011, the Commission held hearings to consider two settlement stipulations originating in this 2011 General Rate Case docket. In a September 13, 2011, Report and Order, the Commission approved the terms and conditions of these two stipulations which together resolved issues in five separate dockets for PacifiCorp. One stipulation addressed the revenue increase in the General Rate Case, and the alternative ratemaking treatment given to net power cost, wheeling revenue, and renewable energy credit ("REC") revenue. The other stipulation addressed the spread of the revenue changes to rate schedules and changes in rates.

Commission approval of these stipulations resulted in an increase in PacifiCorp's Utah jurisdictional annual revenue requirement of \$117.0 million based on a forecast test period of 12 months ending June 30, 2012, and an allowed rate of return on equity of 10.0 percent. This represented a 6.9 percent increase in PacifiCorp's forecast of general business revenue in Utah. Approximately 39 percent of the \$117.0 million revenue increase was to be collected from residential customers, 40 percent from commercial customers, and 20 percent from industrial customers. For residential customers taking single phase service, the monthly customer charge increased from \$3.75 to \$4.00, and the monthly minimum bill, from \$3.78 to \$7.00. Except for these changes and the residential time-of-day rate design change, the revenue increase was applied on an equal percentage basis to all rate elements of all service schedules receiving a rate increase. Service on Schedule 25 for mobile home and house trailer park service was closed and remaining customers were moved to appropriate service schedules.

As part of the settlement stipulation approved in the 2011 General Rate Case, PacifiCorp was authorized to implement a new schedule, Electric Service Schedule No. 98, REC (Renewable Energy Credits) Revenue Credit to account for revenue associated with a new REC Balancing Account. Pursuant to the settlement stipulation, effective September 21, 2011, through May 31, 2012, the Commission approved a \$33.6 million REC credit through Schedule No. 98.

This rate increase became effective on September 21, 2011, and represented an approximate 6.7 percent increase in a typical residential customer's annual bill.

The third rate change was associated with the Commission's approval of modifications to Electric Service Schedule No. 91, a surcharge to fund the Low Income Lifeline Program. Since the passage of Utah Senate Bill 75

in 2009, which led to increases in the low income credit and the program's surcharge collection rate, the number of qualifying residential customers receiving these credits increased significantly. To maintain program funding, the Commission approved PacifiCorp's application to increase the Schedule 91 surcharge, effective October 4, 2011. This resulted in a \$466,000 increase in rates, which is equivalent to a 0.04 percent increase in annual charges for a typical residential customer.

Another rate change was reflected in an \$8.4 million decrease in revenues collected for demand-side management programs. This decrease was implemented to balance the Schedule 193 Demand Side Management (DSM) Cost Adjustment. This reduction in revenues collected, effective February 1, 2012, represented an approximate 0.5 percent decrease in the annual bill of a typical residential customer. An actual customer refund also occurred as part of the Schedule 193 DSM Tariff Cost Adjustment reduction proceeding. PacifiCorp filed an application to return, as a line-item credit on customers' bills, a \$6.7 million refund for a one year period. This refund was implemented through the creation of a new schedule, Electric Service Schedule 194, the DSM Cost Adjustment Credit. The Commission approved PacifiCorp's application, effective June 1, 2012. This effectively reduced a typical residential customer's bill by about 0.4 percent.

Effective June 1, 2012, the Commission approved a \$4.0 million revenue credit of Schedule No. 98 REC revenues accrued between October 1, 2011, and May 31, 2012. Also, per the terms of the 2011 General Rate Case stipulation approved by the Commission, the Commission granted PacifiCorp a rate increase of \$20.0 million to recover deferred net power costs through Electric Service Schedule No. 94, the Energy Balancing Account (EBA) Pilot Program, effective June 1, 2012. This resulted in an approximate 1.2 percent increase in a typical residential customer's annual bill.

The net effect of these fiscal year 2012 changes would result in an approximate 8 percent increase in the annual bill of a typical residential customer.

2012 PACIFICORP GENERAL RATE CASE

In February 2012, PacifiCorp filed an application requesting authority to increase its retail rates in Utah by an amount of \$172.3 million using a 13-month average rate base with a forecast test period ending May 31, 2013, and with a requested return on equity of 10.2 percent. The request represents an average increase of approximately 9.7 percent in Utah revenues. PacifiCorp indicated the request was driven by the need to undertake capital investments, particularly in power plant emission controls and transmission and distribution infrastruc-

ture. PacifiCorp also indicated the increase was needed for increased operation and maintenance expenditures, increases in power costs, and to help offset lower than expected sales of renewable energy credits.

By the end of fiscal year 2012, sixteen parties, in addition to PacifiCorp, the Division of Public Utilities, and the Office of Consumer Services, requested and were granted intervention in the case. The Commission also issued several intermediate decisions resolving disputes in the case. As of June 30, 2012, parties filed direct, rebuttal, and surrebuttal testimony in the cost of capital phase of the proceeding and filed direct, and rebuttal testimony for the revenue requirement and cost of service portions. The Commission will render a decision in the case by October 2012.

ENERGY BALANCING ACCOUNT PILOT PROGRAM

In fiscal year 2012 the Commission issued a Report and Order approving an Energy Balancing Account (EBA) for PacifiCorp as a pilot program and authorized PacifiCorp to begin implementation of the balancing account at the conclusion of the 2011 PacifiCorp General Rate Case.

The Commission's September 13, 2011, Report and Order on PacifiCorp's 2011 General Rate Case approved the terms and conditions of a settlement stipulation which resolved certain outstanding issues involving the EBA. Specifically, the Commission modified its March 2011 order in this case by allowing certain prudent financial swap transactions to be included in the EBA per the terms of the settlement stipulation. The monthly average base costs in the EBA were based on a forecast annual Utah jurisdictional net power cost of \$629.1 million and \$30.5 million annual Utah jurisdictional wheeling revenue. A revenue increase of \$60.0 million for deferred net power costs was approved. This amount will be recovered from customers through an annual \$20.0 million surcharge over three years beginning June 1, 2012.

Through PacifiCorp's Electric Service Schedule No. 94, the Commission granted a rate increase of \$20 million to recover the first installment of deferred net power costs noted above. The Commission deferred for further consideration the remaining portion of the requested \$29.3 million rate increase. The Commission also affirmed its intent to re-examine and clarify the procedural requirements for recovery of deferred EBA costs.

As part of this case, the Division of Public Utilities filed its Energy Balancing Account Pilot Program Evaluation Plan. In June 2012, the Commission approved Energy Balancing Account filing requirements and a pilot program evaluation plan, based on the Division's filing as well as recommended modifications put forward by other parties.

PLANNING FOR LEAST COST AND RELIABLE POWER SUPPLY

The Commission requires PacifiCorp to file an integrated resource plan ("IRP") describing its plan to supply and manage growing demand for electricity in its six-state service territory for the next 20 years. In September 2011, the Commission received party comments on PacifiCorp's 2011 IRP previously filed with the Commission. In March 2012, the Commission issued an order identifying deficiencies in the IRP and providing guidance to assist in the development of the next IRP. The Commission found PacifiCorp did not sufficiently comply with Commission guidelines regarding IRP development and therefore did not acknowledge IRP 2011.

In March 2012, PacifiCorp filed its 2011 IRP Update. The 2011 IRP Update indicates a deficiency between existing resources and peak system requirements plus a 13 percent planning reserve of 1,218 megawatts beginning in 2012. This deficit grows to 2,861 megawatts in 2016, reaching a 3,862 megawatt maximum deficit in 2020. Compared to the 2011 IRP, the 2011 IRP Update indicates PacifiCorp's capacity position improves by an average of about 362 megawatts during the period 2012 through 2014. For the period 2015 through 2021 however, the 2011 IRP Update shows the capacity deficit increasing by an average of about 55 megawatts in comparison to the 2011 IRP.

In the 2011 IRP Update, PacifiCorp identifies a resource investment schedule representing a 10-year business planning schedule, PacifiCorp's "2012 Business Plan Portfolio." The 2012 Business Plan Portfolio consists of cumulative supply additions and direct-control load management or energy efficiency programs to address system resource deficiency during the period 2012 through 2021. Specifically, these resources consist of 2,177 megawatts of intermittent, intermediate and base load power plant, a 90 megawatt reduction from the 2011 IRP Preferred Portfolio. Of this 2,177 megawatt amount, 76.3 percent represents new thermal resource additions, primarily gas-fired generation. The remaining 23.7 percent consists of new renewable resource additions including wind, biomass, and solar generation. The 2012 Business Plan Portfolio also includes 768 to 1,223 megawatts in annual unspecified power purchases, an average annual increase of about 97 megawatts in comparison to the 2011 IRP Preferred Portfolio, and 1,449 megawatts of direct-control load management or utility energy efficiency programs, an amount essentially the same as the 2011 IRP Preferred Portfolio.

The 2011 IRP Update indicates the changes in capacity position and differences in resource investments relative to the 2011 IRP are due to a number of factors. These include lower forecasted natural gas costs and wholesale electricity prices, increased customer use of

self-generation offsetting retail loads, greater uncertainty about implementation of comprehensive federal carbon tax legislation in the short term, retirement of thermal generation resources, deferral of planned wind generation development, and increased access to purchases of power on the open market. The Commission received comments on the IRP Update in June 2012.

ELECTRIC ENERGY CONSERVATION

In 2003, the Commission approved Schedule 193, Demand Side Management Cost Adjustment. Charges appear on customer bills as "Customer Efficiency Services," the funding source for cost effective energy efficiency and load management programs approved by the Commission and managed by PacifiCorp. In fiscal year 2012, PacifiCorp collected approximately \$53.4 million through the surcharge to cover expenditures for 15 energy efficiency and load management programs. These programs help reduce load and improve energy efficiency in new and existing homes, and non-residential buildings and commercial and industrial processes; encourage the purchase of energy-efficient appliances, and provide for direct control of air conditioners and irrigation pumps in order to control summer peak loads. During 2011, approximately 227 megawatts of power and approximately 266,000 megawatt hours of energy were saved through these programs.

LARGE ELECTRIC POWER PLANT PROCUREMENT

The Commission is authorized to regulate the procurement and approval of the acquisition of PacifiCorp's significant energy resources, large electric generating plants of 100 megawatts or greater with a minimum 10 year useful life, under Utah Code Ann. § 54-17 "Energy Resource Procurement Act." In 2011, PacifiCorp continued to engage in the procurement of significant energy resources to address continued growth in electricity demand.

In October 2011, PacifiCorp filed an application and draft request for proposals ("RFP") with the Commission, requesting approval of a solicitation process for a resource for the 2016 time period. According to PacifiCorp, this RFP solicits bids to fulfill a portion of the capacity and energy resource needs identified in its 2008 and 2011 Integrated Resource Plans, both of which identify the need for the acquisition of a significant energy resource by June 2016.

In January 2012, the Commission issued an order identifying modifications to the 2016 RFP. In particular, the Commission suggested the RFP should include coal resources without restriction and should not fix all post-2016 IRP resources in the bid evaluation process within a static resource plan, thus enabling more optimal selec-

tion of potential resources. The Commission also identified a need within the RFP process to establish a due diligence procedure aimed at keeping parties better informed. These suggestions were provided to ensure the RFP will produce the lowest-cost, least-risk resources.

PacifiCorp modified its final RFP in response to the Commission's recommendations. On February 8, 2012, the Commission approved PacifiCorp's All Source Request for Proposals for Resources in the 2016 time period.

SOLAR INCENTIVE PROGRAM EXTENSION

In August 2007 the Commission approved PacifiCorp's request for approval of Schedule No. 107, the Solar Incentive Program. This program is a five-year pilot program providing financial support to those customers who purchase and install solar photovoltaic systems. In July 2011, the Commission directed the Division of Public Utilities to organize and lead a workgroup to investigate potential extension and expansion of the program and, if appropriate, develop an ongoing program designed to be cost-effective.

In November 2011, the Division of Public Utilities filed with the Commission its "Solar Incentive Report: Division Solar Incentive Program Review and Recommendations" concluding it is in the public interest to continue a solar incentive program and recommending extension of the program for an additional year. Among other things, the Division's report recommended reductions in program administrative costs, a program cap of 15 megawatts, and establishment of a workgroup to consider a new solar incentive program that would continue through 2016. In December 2011, the Commission generally found the Division's recommendations appropriate and approved the extension and expansion of the Program for one additional year. The Commission also directed the Division to organize and lead a workgroup to investigate development of an ongoing program.

ELECTRICAL SERVICE RELIABILITY RULES

In 2011, the Commission identified a need to develop formal rules to better monitor and ensure service reliability and continuity with electric utilities falling under its purview. The Commission initiated an investigative process to address this need by sponsoring a series of technical workshops through fiscal year 2012. Workshop participants included Commission staff, PacifiCorp, representatives from Dixie Escalante Rural Electric and Garkane Energy, the Division of Public Utilities, and the Office of Consumer Services. The workgroup met frequently during the fiscal year and reviewed PacifiCorp's biannual Service Quality Report and discussed issues specific to rural electric cooperatives in an effort to identify concerns, review trends, to enhance

technical understanding, and to identify reporting approaches and measures relevant to a service reliability rule. The workshops culminated with development of a draft rule using a “straw-man” proposal developed by Commission staff as a model. Following rounds of input from workshop participants, on May 15, 2012, the Commission filed proposed rule Utah Administrative Code R756-313, “Electrical Service Reliability” with the Utah Division of Administrative Rules (DAR), which DAR subsequently published in June 2012.

SENATE BILL 12: RENEWABLE ENERGY CONTRACTS

In the 2012 General Session of the Utah State Legislature, Utah Senate Bill 12 amended Utah Code Title 54 Public Utilities by adding Utah Code Ann. § 54-17-801, “Part 8. Renewable Energy Contracts.” This statute enacts provisions within the Energy Resource Procurement Act, Utah Code Ann. § 54-17. Specifically, it authorizes an electric corporation to enter into a contract to supply electric service from a renewable energy facility with a capacity of 2 megawatts or larger, thus enabling larger energy consumers to directly own or purchase renewable energy from renewable energy facilities. This legislation will help create new markets for medium to large-scale renewable energy projects. It will also allow larger customers to collaborate with PacifiCorp and other renewable energy developers to build or purchase renewable energy from remote areas and transmit the electricity on transmission and distribution infrastructure to their facility.

TECHNICAL CONFERENCES

The Commission sponsored the following technical conferences during fiscal year 2012:

October 13, November 2, and December 6, 2011, Docket Nos. 09-035-15, 10-035-124, and 11-035-T10, Technical Conferences to develop a common understanding of Energy Balancing Account (“EBA”) calculation methods, reporting requirements, the proposed EBA tariff, and the Division’s draft EBA evaluation plan.

January 30, 2012, Docket No. 10-035-124, Technical Conference to explore issues, calculation methodologies and policies relating to residential customer charges and minimum bills.

February 23, 2012, Docket No. 11-035-199, Technical Conference on the assessment of electronic notification systems for utility pole attachments.

March 9, 2012, Docket No. 11-035-104, Technical Conference on potential extension and expansion of PacifiCorp’s Utah Solar Incentive Program.

March 29, 2012, Docket No. 12-035-69, Technical Conference to discuss the creation of a Demand Side Management (“DSM”) Steering Committee.

June 4, 2012, Docket No. 11-035-200, Technical Conference to provide training for understanding of the Commission’s consolidated jurisdictional allocation and cost of service model, and to review and clarify inconsistencies between PacifiCorp’s jurisdictional and class cost of service studies.

Electric Dockets

GERNERAL CASES

02-035-04

In the Matter of the Application of PacifiCorp for an Investigation of Inter-Jurisdictional Issues:

In a Report and Order issued February 3, 2012, the Commission approved an Agreement by parties supporting the use of the 2010 Protocol method, coupled with certain terms and conditions, for apportioning PacifiCorp’s costs and revenues among its various jurisdictions, thereby determining Utah’s revenue requirement. This effectively removes ad-hoc adjustments included in the prior approved method, Revised Protocol, and renders the 2010 Protocol and Rolled-In cost apportionment methods essentially equivalent in Utah. Therefore, the Rolled-In apportionment method, as described in the Agreement, is approved for use in determining Utah’s revenue requirement in rate setting and for evaluating PacifiCorp’s financial performance in Utah. The Agreement permits PacifiCorp to continue to plan and operate as a single integrated utility company doing business in six states.

09-035-15

In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism:

On July 27, 2011, the Commission issued a Notice of Hearing to examine a proposed settlement stipulation affecting this and other dockets, commencing on August 3, 2011. On August 3, 2011, a duly noticed hearing was conducted in which the Commission heard testimony and evidence on the Settlement Stipulation.

On August 11, 2011, the Commission issued its Memorandum Decision approving the Settlement Stipulation, vacating the remaining procedural schedule for rehearing the issue of whether swap transactions should be included in the EBA, and rendering moot all pending motions regarding the ratemaking treatment of the net power cost deferred account balance.

The Commission’s Report and Order issued on September 13, 2011, approves the terms and conditions of the Cost of Service, Rate Spread and Rate Design Stipulation and the Settlement Stipulation which together resolve issues in five separate cases, including this one. The Commission modifies its prior order in this case by allowing certain prudent financial swap transactions to be included in the energy balancing account per the terms of the Settlement Stipulation. The monthly average costs in the energy balancing account are based on a forecast annual Utah jurisdictional net power cost of \$629.1 million and \$30.5 million annual Utah jurisdictional wheeling revenue. A revenue increase of \$60 million for deferred net power costs is approved. This amount will be recovered from customers through an annual \$20.0 million surcharge over three years beginning June 1, 2012.

The Commission held Technical Conferences on October 13, 2011, November 23, 2011, and December 23, 2011, to address issues regarding revised calculations to the Energy Balancing Account pursuant to the September 13, 2011, stipulation and to review PacifiCorp’s proposed Electric Service Schedule No. 94 “Energy Balancing Account (EBA) Pilot Program.”

On March 1, 2012, the Division of Public Utilities filed its Energy Balancing Account Pilot Program Evaluation Plan and on March 8, 2012, the Commission issued a notice of schedule for filing comments on the evaluation plan.

On June 15, 2012, the Commission issued a Report and Order approving energy balancing account filing requirements and a pilot program evaluation plan.

09-035-36

In the Matter of the Application of Rocky Mountain Power for Approval of a Strategic Communications and Outreach Program for Demand Side Management:

On August 16, 2011, an Order was issued, granting PacifiCorp an extension of time to file the second annual report on the Strategic Communications and Outreach Program for Demand Side Management.

On December 1, 2011, an Order was issued, acknowledging PacifiCorp’s Second Annual Report on the Strategic Communications and Outreach Program as meeting the general requirements and guidelines. PacifiCorp is directed to file future Program reports concurrently with the Annual Demand Side Management Report.

09-035-55

In the Matter of the Application of PacifiCorp for Approval of an Electric Service Agreement for Milford Wind Corridor Phase I:

On July 11, 2011, a Report and Order was issued, approving the Motion for Approval of the First Amendment to Electric Service Agreement (ESA) for Milford Wind Corridor Phase I (Milford I).

10-035-14

In the Matter of the Application of the Utah Association of Energy Users for a Deferred Accounting Order Directing Rocky Mountain Power to Defer Incremental REC Revenue for Later Ratemaking Treatment:

On July 27, 2011, the Commission issued a Notice of Hearing to Examine Proposed Settlement Stipulation affecting this case along with other cases.

On August 3, 2011, a duly noticed hearing was conducted in which the Commission heard testimony and evidence on the Settlement Stipulation.

On August 11, 2011, the Commission issued its Memorandum Decision approving the Settlement Stipulation, rendering moot all pending motions regarding the ratemaking treatment of the REC revenue deferred account balance.

The Commission's Report and Order issued on September 13, 2011, approves the terms and conditions of the Cost of Service, Rate Spread and Rate Design Stipulation and the Settlement Stipulation which together resolve issues in five separate cases, including this one.

10-035-57

In the Matter of the Rocky Mountain Power Demand-Side Management 2010 Semi-Annual Forecast:

On December 21, 2011, an Order acknowledging PacifiCorp's forecast of DSM program expenditures and acquisition targets for calendar year 2012, along with reported balancing account results for calendar year 2011 was issued. The Commission determined PacifiCorp's calendar year 2012 forecast is compliant with Commission requirements. The Order also directed PacifiCorp to prepare a supplementary filing explaining

how projected calendar year 2012 savings can be reconciled with corresponding targets in PacifiCorp's 2011 IRP preferred portfolio.

10-035-124

In the Matter the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations:

On August 11, 2011, a Memorandum Decision was issued by the Commission. On August 3 and 8, 2011, the Commission held hearings to consider two settlement stipulations originating in this docket (referred to informally as the 2011 PacifiCorp General Rate Case). One of these stipulations was uncontested and resolves all cost of service, rate spread, and rate design issues in this docket. The other stipulation resolves the revenue requirement issues in this docket, as well as all issues in Docket Nos. 10-035-14, 11-035-46, and 11-035-47, and certain issues in Docket No. 09-035-15.

In a September 13, 2011, Report and Order, the Commission approved the terms and conditions of the Cost of Service, Rate Spread and Rate Design Stipulation and the Settlement Stipulation.

11-035-17

In the Matter of the Application of PacifiCorp for Approval of an Electric Service Agreement for Milford Wind Corridor Phase II, LLC:

On July 11, 2011, the Commission issued its Final Order Approving an Electric Service Agreement between PacifiCorp and Milford Wind Corridor Phase II (Milford II).

11-035-46

In the Matter of the Application of the Utah Industrial Energy Consumers ("UIEC") for a Deferred Accounting Order Directing Rocky Mountain Power to Defer Incremental REC Revenue for Later Rate-making Treatment:

On July 19, 2011, the Commission issued an Order Granting Extension of Direct Testimony Filing Date to September 8, 2011.

On July 27, 2011 a Notice of Hearing to Examine Proposed Settlement Stipulation affecting this case, along with other cases was issued.

On August 3, 2011, a duly noticed hearing was conducted in which the Commission heard testimony and evidence on the Settlement Stipulation. On August 11, 2011, the Commission issued its Memorandum Decision approving the Settlement Stipulation, effectively vacating the procedural schedule for UIEC's REC Application.

The Commission's Report and Order issued on September 13, 2011, approved the terms and conditions of the Cost of Service, Rate Spread and Rate Design Stipulation and the Settlement Stipulation which together resolve five separate cases, including this one.

The Commission approved a customer credit of \$33.6 million for the revenue deferred or projected to be deferred from February 22, 2010, through September 20, 2011, from incremental REC revenue. This credit will be in place from September 21, 2011, through May 31, 2012, and will be allocated and credited to customers generally on the basis of Factor 10 and implemented through Schedule 98. The impact of the credit to the Utah jurisdiction during this time period is to reduce the revenue increase from 6.9 percent to 4.0 percent.

11-035-47

In the Matter of the Application of the Utah Office of Consumer Services for a Deferred Accounting Order Directing Rocky Mountain Power to Defer All Bonus Depreciation Allowed for 2010 through 2011 by the Small Business Jobs Act as Amended:

On July 27, 2011, the Commission issued a Notice of Hearing to examine a proposed settlement stipulation affecting this and other dockets.

On August 3, 2011, a duly noticed hearing was conducted in which the Commission heard testimony and evidence on the Settlement Stipulation.

On August 11, 2011, the Commission issued its Memorandum Decision approving the Settlement Stipulation, effectively vacating the procedural schedule for the Office's Application.

The Commission's Report and Order issued on September 13, 2011, approved the terms and conditions of the Cost of Service, Rate Spread and Rate Design Stipulation and the Settlement Stipulation which together resolve issues in five separate cases, including this one.

11-035-73

In the Matter of the Application of PacifiCorp, by and through its Rocky Mountain Power Division, for Approval of a Solicitation Process for an All-Source Resource for the 2016 Time Period:

On January 3, 2012, the Commission's Suggested Modifications and Order was issued. The Commission suggested modifications to PacifiCorp's All Source Request for Proposals for Resources ("RFP") for 2016. The Commission suggested modifying the RFP to:

- 1) include coal resources without restriction and 2) allow all post-2016 IRP resources in the bid evaluation process to "float." These suggestions

were provided to ensure the RFP will produce the lowest-cost, least-risk resources. The Commission also directed further work on establishing a due diligence process to keep parties informed of issues in a timely manner.

On January 6, 2012, PacifiCorp filed clean and redline versions of its final RFP in response to the Commission's recommended modifications.

On February 8, 2012, the Commission approved PacifiCorp's All Source Request for Proposals for Resources in the 2016 time period as filed on January 6, 2012.

11-035-74

In the Matter of the Utah Demand-Side Management Annual Report for 2010:

In a Report and Order dated July 14, 2011, the Commission acknowledged PacifiCorp's 2010 Annual Energy Efficiency and Peak Reduction Report and directed PacifiCorp to file an addendum clarifying report elements.

11-035-104

In the Matter of an Investigation into Extending and Expanding the Solar Incentive Program and Possible Development of an Ongoing Program:

In its July 7, 2011 Order on the 2010 Annual Report of the Solar Incentive Program and Notice of Agency Action, the Commission acknowledged the 2010 Annual Report.

On December 21, 2011, an Order Approving Continuation of the Program with Modifications was issued. The Commission generally found recommendations issued by the Division of Public Utilities for the Solar Incentive Program appropriate and approved the extension and expansion of the Program for one additional year. The Commission directed the Division of Public Utilities to organize and lead a workgroup to investigate issues

related to development of an ongoing program.

11-035-139

In the Matter of the Formal Complaint of Complainant against Rocky Mountain Power:

On November 8, 2011, the Commission issued an Order dismissing the complaint. In this matter, the Complainant filed a complaint asking the Commission to invalidate PacifiCorp's policy of requesting a customer, facing disconnection, to phone and confirm payment once it is made, as a precondition of establishing a payment plan. PacifiCorp moved for dismissal. The Commission granted PacifiCorp's motion based on the Division of Public Utilities' recommendation and Complainant's failure both to respond to PacifiCorp's motion and to appear at the hearing held on the motion.

11-035-140

In the Matter of the Application of Rocky Mountain Power for a Deferred Accounting Order to Defer the Costs of an Energy Storage Demonstration Project and Recovery of those Costs Through the Demand-Side Management Surcharge (Schedule 193):

On November 22, 2011, a Report and Order was issued. The Commission approved PacifiCorp's Application for deferred accounting and cost recovery through Schedule 193 for the proposed Energy Storage Demonstration Project. PacifiCorp was also directed to report on the project's success and to identify the next steps for deployment of the technology.

11-035-178

In the Matter of the Application of Rocky Mountain Power for Approval of the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper LLC (Refinery):

On November 30, 2011, an Order Approving Power Purchase Agreement was issued. The Commission approved the Application and the Agreement and directed PacifiCorp to provide to the Division of Public Utilities quarterly data reflecting hourly power purchased under the Agreement.

11-035-179

In the Matter of the Application of Rocky Mountain Power for Approval of the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper LLC (Smelter):

On November 30, 2011, an Order Approving Power Purchase Agreement was issued. The Commission approved the Application and the Agreement and directed PacifiCorp to provide to the Division of Public Utilities quarterly data reflecting hourly power purchased under the Agreement.

11-035-180

In the Matter of the Formal Complaint of Menlove-Johnson, Inc. against Rocky Mountain Power for Refund:

On January 25, 2012, an Order Dismissing Complaint was issued. The Parties reached a mutually agreeable resolution to the dispute and Menlove-Johnson, Inc. no longer wished to pursue the formal complaint with the Commission. The Parties jointly requested dismissal of the complaint with prejudice and without further hearing. The Commission therefore ordered that Menlove-Johnson, Inc.'s complaint is dismissed with prejudice, without a hearing.

11-035-181

In the Matter of the Application of Rocky Mountain Power for Approval of an Electric Service Agreement between Rocky Mountain Power and Kennecott Utah Copper LLC:

On December 5, 2011, an Order Approving Electric Service Agreement was issued by the Commission. The Commission approved the Application and the Agreement. In the Order, the Commission determined that the energy scalars used in the Agreement should not set precedent for any other special contract or electric service agreement.

11-035-182

In the Matter of the Application of Rocky Mountain Power for Approval of a Power Purchase Agreement between PacifiCorp and u.s. Magnesium:

On December 7, 2011, an Order Approving Power Purchase Agreement was issued by the Commission. The Commission approved the Application and the Agreement and directed PacifiCorp to provide to the Division of Public Utilities quarterly data reflecting hourly power purchased under the Agreement.

11-035-183

In the Matter of the Application of Rocky Mountain Power for Approval of the Power Purchase Agreement between PacifiCorp and Tesoro Refining and Marketing Company:

On December 7, 2011, an Order Approving Power Purchase Agreement was issued by the Commission. The Commission approved the Application and the Agreement and directed PacifiCorp to provide to the Division of Public Utilities quarterly data reflecting hourly power purchased under the Agreement.

11-035-196

In the Matter of the Application of Rocky Mountain Power for Approval of the Power Purchase Agreement between PacifiCorp and Blue Mountain Wind 1, LLC:

On December 19, 2011, an Order Suspending Complaint was issued. The Commission received Rocky Mountain Power's request to suspend Commission consideration of PacifiCorp's application filed in this docket. The Division of Public Utilities recommended suspension so PacifiCorp and Blue Mountain Wind 1, LLC could negotiate a new agreement and file it with the Commission. The request for suspension was granted. This matter was suspended until PacifiCorp submitted a written request for recommencement of the proceedings.

11-035-197

In the Matter of the Application of Rocky Mountain Power for Approval of the Pole Attachment Agreement between PacifiCorp and Trappers Loop Communications LLC:

On January 19, 2012, an Order Approving Pole Attachment Agreement was issued. After reviewing the application and attachments, and with the Division of Public Utilities recommending approval, based on their finding it is just and reasonable, and in the public interest, the Commission approved the application.

11-035-198

In the Matter of the Application of Rocky Mountain Power for Approval of the Pole Attachment Agreement between PacifiCorp and First Digital Telecom LLC:

On January 19, 2012, an Order Approving Pole Attachment Agreement was issued. After reviewing the application and attachments, and with the Division of Public

Utilities recommending approval, based on their finding the application and the Agreement to be just and reasonable, and in the public interest, the Commission approved the application and the Agreement. Further, the Commission reminded PacifiCorp of its obligation to timely file its applications as previously ordered by the Commission in Docket No. 09-035-52.

11-035-199

In the Matter of the Joint Application of Rocky Mountain Power and Qwest Corporation, d/b/a CenturyLink, for Approval of an Electronic Notification System for Pole Attachments:

On April 27, 2012, an Order Vacating Scheduling Order and Approving Electronic Notification System for Pole Attachments was issued. The Commission concurred with the Division's recommendation that because only one party filed for intervention but did not file any comments, and no other party filed comments, the remaining scheduling deadlines were unnecessary and the Commission should therefore vacate the remaining scheduling order and approve the Notify system without further proceedings.

11-035-200

In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations:

On January 19, 2012, an Order Approving Test Period was issued. Based on a stipulation in Docket No. 10-035-124, and with the absence of opposition to PacifiCorp's proposed test year, the Commission found the proposed test year meets the statutory requirements defined by Utah Code Ann. § 54-4-4(3).

11-2035-01

In the Matter of PacifiCorp's 2011 Integrated Resource Plan ("IRP"):

On March 22, 2012, the Commission issued an order identifying deficiencies in the IRP and providing guidance to assist in the development of the next IRP. The Commission found PacifiCorp had not sufficiently complied with Commission guidelines regarding IRP development and therefore did not acknowledge the 2011 IRP.

11-506-01

In the Matter of the Application of Deseret Generation & Transmission Co-operative for Authority to Issue Securities in the form of Secured Promissory Note to National Rural Utilities Cooperative Finance Corporation:

The Commission issued a Report and Order on October 5, 2011, authorizing Deseret Generation & Transmission Cooperative to secure a Restated Credit Line from the National Rural Utility Cooperative Finance Corporation in the amount of up to \$20,000,000 and to provide security interests to secure repayment of the same.

12-035-01

In the Matter of the Formal Complaint of Complainant against Rocky Mountain Power:

A Report and Order was issued on January 13, 2012. Based on findings and conclusions, the complaint was dismissed.

12-035-02

In the Matter of the Formal Complaint of Complainant against Rocky Mountain Power:

An Order Dismissing Action was issued March 29, 2012. The Commission entered this Order dismissing Complainant's formal complaint for mootness, lack of standing, and lack of jurisdiction.

12-035-57

In the Matter of the DSM Annual Report filing by Rocky Mountain Power:

An Order was issued June 12, 2012. The Commission acknowledged that the "2011 Annual Energy Efficiency and Peak Reduction Report-Utah" complies with the reporting guidelines ordered in Docket No. 09-035-27.

12-035-67

In the Matter of the Application of Rocky Mountain Power to Increase Rates by \$29.3 Million or 1.7 Percent Through the Energy Balancing Account:

An Order was issued May 31, 2012. The Commission approves PacifiCorp's Electric Service Schedule 94, Energy Balancing Account (EBA) Pilot Program compliance filing, with a modification.

A Report and Order was issued on June 12, 2012. The Commission approved a rate increase of \$20 million to recover deferred net power costs found reasonable in a prior Commission order. The Commission deferred for further consideration the remaining portion of the requested rate increase.

An Order was issued June 18, 2012. The Commission affirmed its intent to re-examine and clarify the procedural requirements for recovery of deferred EBA costs.

12-035-68

In the Matter of the Application of Rocky Mountain Power for Authority to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account, by Crediting Revenues of Approximately \$4.0 Million:

A Report and Order was issued on May 30, 2012. The Commission approved an interim rate change by crediting Tariff Schedule 98 revenue of \$4.0 million, subject to further review following audit by the Division of Public Utilities.

12-035-69

In the Matter of a Request for Agency Action for Creation of a DSM Steering Committee for DSM Issues Involving Sensitive, Confidential or Proprietary Information or Settlement Negotiations:

A Report and Order was issued on May 23, 2012. The Commission approved a Request for Agency Action for creation of a DSM Steering Committee.

12-035-71

In the Matter of the Application of Rocky Mountain Power for Approval of a Strategic Communications and Outreach Program for Demand-Side Management:

An Order Approving Strategic Communications and Outreach Program for Demand-Side Management Program and Budget was issued May 1, 2012. The Commission approved the fourth year budget and the action plan of PacifiCorp's "Strategic Communications and Outreach Program for Demand Side Management" with an effective date of May 1, 2012.

12-035-77

In the Matter of the Request for a Home Energy Report Pilot Program:

In an Order issued on May 15, 2012, the Commission approved PacifiCorp's proposed Home Energy Reporting Pilot Program, as filed.

12-035-78

In the Matter of the Formal Complaint of South-Forty RV Park against Rocky Mountain Power:

On June 28, 2012, a Cancellation of Hearing and Order of Dismissal was issued. The Commission entered this Order granting PacifiCorp's motion to dismiss.

TARIFF CHANGES

07-035-T14

In the Matter of: The Solar Incentive Program is a pilot program and will gather information on the viability of a photo voltaic program funded by the Company, participating customers and tax credit:

The Commission issued an Order on July 7, 2011, acknowledging the Annual Report for the Solar Photovoltaic Incentive Program for the year 2010 and directing the formation of an information workgroup to investigate potential extension and expansion of the Program.

The Commission issued a Tariff Acknowledgement Letter on May 4, 2012, acknowledging the Annual Report for the Solar Photovoltaic Incentive Program for the year 2011.

11-025-T01

In the Matter of the 6.3 percent increase in rates will allow Empire Electric Association, Inc. to recover an increase in wholesale power from Tri-State Generation and Transmission, Inc., of 4.8 percent plus a small 2.7 percent general rate increase:

A Tariff Acknowledgement Letter was issued December 29, 2011. The Commission acknowledged Empire Electric Association, Inc.'s tariff revisions effective January 1, 2012.

11-031-T02

In the Matter of: The change to this rule is new Section H in regard to a member request for a conversion, relocation or re-routing of an existing electrical facility:

A Tariff Acknowledgement Letter was issued September 26, 2011. The Commission acknowledged Mt. Wheeler Power Inc.'s tariff revisions effective August 9, 2011.

11-035-T03

In the Matter of: The purpose of this filing is to propose modifications to the Cool Keeper Program tariff (Schedule 114):

A Tariff Approval Letter was issued August 16, 2011. The Commission approved PacifiCorp's tariff revisions effective May 27, 2011.

11-035-T06

In the Matter of the compliance filing to the February 12, 2009 Order in Docket No. 08-035-78 on Net Metering Service, the Utah Commission directed the Company to "update the avoided cost pricing in Schedule No. 37 annually, concurrent with the approval and establishment of rates for larger commercial and industrial customers based on the FERC Form No. 1 method":

The Commission, on July 27, 2011, suspended the proposed tariff filing to provide additional time for parties' review.

An Order Requesting Additional Information was issued on October 31, 2011. The Commission requested supplementary information to examine consistency of the filing with 2011 Integrated Resource Plan projected load and resource balances and other related information.

An Order approving Schedule No. 37 rates was issued on December 14, 2011. The Commission approved PacifiCorp's revised Schedule No. 37 avoided cost rates.

11-035-T07

In the Matter of Advice No. 11-07 for Approval of Revision to Sheet No. 91, Increasing the Surcharge to Fund the Low Income Lifeline Program:

On October 25, 2011, the Commission issued an Order approving the tariff revision, based on the application, the recommendation from the

Division, and testimony presented at a hearing for this matter held on October 4, 2011. By a ruling at the conclusion of the hearing, the rate changes became effective October 4, 2011. This Order memorialized that bench ruling.

11-035-T08

In the Matter of: Termination of Electric Service Schedule No. 97, Docket No. 10-035-13 Major Plant Addition i (MPA i), and Docket No. 10-035-89 Major Plant Addition ii (MPA ii):

A Tariff Approval Letter was issued September 29, 2011. The Commission approved PacifiCorp's tariff revisions effective September 8, 2011.

11-035-T09

In the Matter of: This filing submits tariff revisions in compliance with the Commission's Report and Order on Revenue Requirement and Rate Design in this docket dated August 11, 2011:

A Tariff Approval Letter was issued September 29, 2011. The Commission approved PacifiCorp's tariff revisions effective September 21, 2011.

11-035-T10

In the Matter of the Rocky Mountain Power Proposed Schedule 94, Energy Balancing Account (EBA) Pilot Program Tariff:

On October 14, 2011, the Commission issued an Order suspending the tariff based on recommendations from the Division of Public Utilities as a result of discussions held during a technical conference in Docket Nos. 10-035-124 and 09-035-15.

An Order directing PacifiCorp to file a modified Schedule 94 was issued on May 1, 2012. This Order directed PacifiCorp to make tariff sheet changes in account level detail, tariff language, definitions, and to correct typographical errors in the tariff. The Order also required PacifiCorp to file a compliance net power cost

study and provided direction on the finality of rates, annual filing requirements, and carrying charges.

In an Order issued May 31, 2012, the Commission approved PacifiCorp's Electric Service Schedule 94, Energy Balancing Account (EBA) Pilot Program compliance filing, with a modification.

By an Order issued June 18, 2012, the Commission affirmed its intent to re-examine and clarify the procedural requirements for recovery of deferred EBA costs.

11-035-T11

In the Matter of: The purpose of this filing is to advance the ENERGY STAR New Homes program (Program), which is administered through Schedule 110, with NEW ENERGY STAR guidelines:

A Tariff Approval Letter was issued November 17, 2011. The Commission approved PacifiCorp's tariff revisions effective November 16, 2011.

11-035-T12

In the Matter of: The purpose of this filing is to true-up the Collections under Electric Service Schedule Nos. 40 & 97:

A Tariff Approval Letter was issued November 30, 2011. The Commission approved PacifiCorp's tariff revisions effective December 1, 2011.

A Tariff Acknowledgement Letter was issued May 11, 2012. The Commission acknowledged PacifiCorp's tariff revisions effective April 11, 2012.

11-035-T13

In the Matter of: The purpose of this filing is to clarify eligibility requirements for the Low Income Weatherization program as specified in Schedule 118:

A Tariff Approval Letter was issued December 21, 2011. The Commission approved PacifiCorp's tariff revisions effective January 1, 2012.

11-035-T14

In the Matter of Advice No. 11-13 of Rocky Mountain Power for Approval of Proposed Reduction to the Schedule 193 (the "DSM Surcharge") Collection Rate Tariff Sheets:

A Report and Order Approving Settlement Stipulation was issued February 23, 2012. The Commission approved a settlement stipulation and lowered the Schedule 193 collection rate (DSM Surcharge) from 3.6 percent to 3.2 percent.

11-036-T01

In the Matter of: The main reason for the change in rates is power supply costs:

A Tariff Acknowledgement Letter was issued December 12, 2011. The Commission acknowledged Wells Rural Electric Company's tariff revisions effective October 1, 2011.

12-022-T01

In the Matter of: The Bridger Valley Electric Board of Directors authorized a Rate change to recover increased wholesale power costs and to bring rates more in line with the cost of service:

A Tariff Acknowledgement Letter was issued February 9, 2012. The Commission acknowledged Bridger Valley Electric Association's tariff revisions effective February 1, 2012.

12-028-T01

In the Matter of New Rate Schedules:

A Tariff Acknowledgement Letter was issued June 8, 2012. The Commission acknowledged Garkane Electric Cooperative Inc.'s tariff revisions submitted on April 18, 2012.

12-031-T01

In the Matter of: Mt. Wheeler Power Inc. Revised the following two rules: Rule 2 Description of Service and Rule 24 Service Fees:

A Tariff Acknowledgement Letter

was issued February 9, 2012. The Commission acknowledged Mt. Wheeler Power Inc.'s tariff revisions effective January 10, 2012.

12-031-T02

In the Matter of Revisions to Rule 23 Irrigation Service:

A Tariff Acknowledgement Letter was issued March 23, 2012. The Commission acknowledged Mt. Wheeler Power Inc.'s tariff revisions effective February 14, 2012.

12-031-T03

In the Matter of Revisions to Rule 2: Description of Service and Rule 23: Irrigation Service:

A Tariff Acknowledgement Letter was issued June 15, 2012. The Commission acknowledged Mt. Wheeler Power Inc.'s tariff revisions submitted on May 16, 2012.

12-035-T01

In the Matter of: In compliance to the December 21, 2011, Order in Docket No. 11-035-104, Rocky Mountain Power files these proposed tariff sheets associated with Tariff P.s.c.u No. 48 of PacifiCorp, d.b.a Rocky Mountain Power, applicable to electric service in the State of Utah:

A Tariff Approval Letter was issued February 2, 2012. The Commission approved PacifiCorp's tariff revisions effective January 1, 2012.

12-035-T02

In the Matter of: The purpose of this filing is to make changes to the Company's street lighting tariffs that will better clarify provisions of service for street lighting customers and create consistency across the street lighting tariffs:

A Tariff Approval Letter was issued May 4, 2012. The Commission approved PacifiCorp's tariff revisions effective May 5, 2012.

12-035-T03

In the Matter of the proposed removal of the March 31, 2014, expiration from Schedule 192 Self-Direction Credit (the "Self-Direction Credit") and Schedule 193 Demand-side Management Cost Adjustment (the "DSM Cost Adjustment") and request administrative changes to the DSM Cost Adjustment:

An Order approving tariff sheets was issued on May 4, 2012. The Commission approved PacifiCorp's recommended tariff modifications along with some minor tariff language changes recommended by the Division of Public Utilities with an effective date of May 6, 2012.

12-035-T04

In the Matter of the requested approval to modify the Commercial and Industrial Energy Efficiency Incentives Optional for Qualifying Customers ("FinAnswer Express") program, which is administered through Schedule 115:

In an Order issued May 15, 2012, the Commission approved PacifiCorp's proposed changes to Schedule 115 with an effective date of May 19, 2012. The tariff modifications align the program with new standards, codes, and changing market conditions while maintaining or improving program cost-effectiveness.

12-035-T05

In the Matter of the Proposed Changes to the Schedule 96A Dispatchable Irrigation Load Control Credit Rider Program (the "Dispatchable Program") and Phasing Out the Schedule 96 Irrigation Load Control Credit Rider Program (the "Schedule Forward Program"):

An Order was issued May 16, 2012. The Commission approved modified tariff sheets along with additional tariff language change recommendations from the Division of Public Utilities and the

Office of Consumer Services on May 16, 2012 with an effective date of May 20, 2012.

12-035-T06

In the Matter of Schedule 194 Demand-side Management Cost Adjustment Credit:

A Tariff Approval Letter was issued May 31, 2012. The Commission approved PacifiCorp's tariff revisions effective June 1, 2012.

12-035-T07

In the Matter of the proposed changes to the ENERGY STAR New Homes program and advancing it under the New Homes program which will be administered through Schedule 110:

An Order was issued June 21, 2012. To ensure there was sufficient time necessary to review the Division's recommendation, the Commission suspended the proposed tariff revisions pending the results of the Division's investigation and Commission review.

An Order was issued June 27, 2012. The Commission approved the tariff sheets with the recommended changes identified by the Division of Public Utilities with an effective date of July 1, 2012.

12-035-T09

In the Matter of: In its February 12, 2009 order in Docket 08-035-78, the Commission directed Rocky Mountain Power to update annually the valuation of net excess generation credits for large non-residential customers in Schedule 135, Net Metering Service, to reflect the average retail for the previous year's Federal Energy Regulation Commission Form No. 1:

A Tariff Approval Letter was issued June 28, 2012. The Commission approved PacifiCorp's proposed tariff revisions effective July 1, 2012.

Electric Utility Companies

Bridger Valley Electric Association Inc.

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Empire Electric Association

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Flowell Electric Association

495 N. 3200 W.
Fillmore, UT 84631
Tel: (435) 743-6214
Fax: (435) 743-5722
Web: www.dixiepower.com

Garkane Energy Cooperative Inc.

120 W. 300 S.
PO Box 465
Loa, UT 84747-0465
Tel: (435) 836-2795
(800) 747-5403
Fax: (435) 836-2497
Web: www.garkaneenergy.com

Moon Lake Electric Association Inc.

800 W Hwy 40
PO Box 278
Roosevelt, UT 84066-0278
Tel: (435) 722-5400
Fax: (435) 722-3752
Web: www.mleainc.com

Mt Wheeler Power Inc.

1600 Great Basin BL.
PO Box 151000
Ely, NV 89315
Tel: (775) 289-8981
(800) 977-6937
Fax: (775) 289-8987
Web: www.mwpower.net

PacifiCorp dba Rocky Mountain Power One Utah Center

201 S. Main St. Ste 2300
Salt Lake City, UT 84111
Tel: (801) 220-4149
Fax: (801) 220-4144
Power Outage: (877) 508-5088
Web: www.rockymtnpower.net

Raft River Rural Electric Cooperative Inc.

155 N. Main St.
PO Box 617
Malta, ID 83342-0617
Tel: (208) 645-2211
Fax: (208) 645-2300
Web: www.rrelectric.com

Ticaboo Electric Service District

Highway 276, Mile Marker 25
PO Box 2140
Ticaboo, UT 84533-2140
Tel: (435) 788-8343
Fax: (435) 788-2115

South Utah Valley Electric Service District

803 N. 500 E.
PO Box 349
Payson, UT 84651
Tel: (801) 465-8020
Fax: (801) 465-8017
Web: www.sesdofutah.com

Strawberry Water Users Association

745 N 500 E
PO Box 70
Payson, UT 84651
Tel: (801) 465-9273
Fax: (801) 465-4580
Web: www.strawberrywater.com

Wells Rural Electric Company

1451 N Humboldt Ave
PO Box 365
Wells, NV 89835-0365
Tel: (775) 752-3328
Fax: (775) 752-3407
Web: www.wrec.coop



Natural Gas Utilities Overview

Questar Gas Company is the only natural gas utility regulated by the Utah Public Service Commission for rate making purposes. Questar Gas currently provides natural gas distribution services to approximately 895,000 customers in Utah and, unlike other natural gas utilities, also owns natural gas production resources which provide about 60 percent of its supply needs.

RATE CHANGES

Under Utah Code Ann. § 54-4-4, the Commission is responsible for determining just and reasonable rates for Questar Gas. The Commission approves rate adjustments during general rate case proceedings when the costs associated with the distribution of natural gas are evaluated. The Commission also approves rate changes for non-distribution-related costs associated with the acquisition of natural gas and related gathering, storage, and transportation costs.

At least twice annually, as permitted by law, Questar Gas files a "pass-through" application to adjust its rates in order to recover the costs of producing its own gas and purchasing gas from others (collectively referred to in rates as the gas commodity rate element), and the costs associated with gas gathering, storage, and interstate transportation (collectively referred to in rates as the supplier-non gas, or *sNG*, rate element). In 2011, the cumulative amount Questar incurred for these costs was approximately \$600 million, or approximately 70 percent of the cost of providing natural gas service to customers in Utah. When actual costs vary from those projected, the difference is maintained in a special balancing account and an appropriate rate adjustment is made in a pass-through rate proceeding.

The Commission has also approved several other balancing accounts which were agreed to in settlement stipulations, each supported by a diverse group of parties. These balancing accounts track costs and revenues associated with: the Conservation Enabling Tariff (*CE*) which allows Questar to collect a fixed revenue-per-customer on a monthly basis in exchange for promoting customer energy efficiency programs; demand-side management (*DSM*) programs; and a low-income assistance program. Rate adjustments associated with these accounts are normally filed concurrent with the pass-through proceedings. In conjunction with Questar's most recent general rate case, the Commission approved an Infrastructure Tracker Pilot Program which provides Questar the ability to collect the costs associated with replacing aging pipeline infrastructure between general rate cases. The *CE* and *DSM* balancing accounts are only applicable to Questar's General Service (*GS*) rate schedule whereas the other balancing accounts and the Infrastructure Tracker apply to all sales and transportation, as well as the natural gas vehicle and rate schedules.

During fiscal year 2012, the Commission approved several changes to Questar Gas Company's rates. The following information presents the approved revenue change and, in parentheses, the associated percent

change in a typical residential customer's annual bill. A typical residential customer is defined as one using 82 decatherms per year of natural gas. On October 1, 2011, an \$18.9 million (1.71 percent) rate decrease reflecting the following elements was implemented: 1) a \$26.2 million (2.68 percent) decrease for the gas pass-through balancing account. This decrease included postponing the SNG winter rate increase from November to January; 2) a \$3.8 million (0.54 percent) increase associated with the Conservation Enabling Tariff account balance; 3) a \$0.06 million (0.01 percent) decrease associated with the Low Income Assistance Program balancing account; and 4) a \$3.5 million (0.46 percent) increase associated with the Infrastructure Tracker Pilot Program.

On January 1, 2012, at the request of the Division of Public Utilities, the Commission postponed the SNG winter rate increase another month, until February 1, 2012. This request was due to a colder than normal November and December resulting in a higher account balance than forecasted and resulted in an annual decrease of 1.4 percent to a typical customer's annual bill.

Effective February 1, 2012, a \$14.1 million (1.6 percent) decrease reflecting the following elements was implemented: 1) a \$3.0 million (0.39 percent) decrease associated with the demand-side management/energy efficiency balancing account; 2) a \$2.2 million (0.30 percent) increase associated with the Infrastructure Tracker Pilot Program; and 3) a \$13.3 million (1.54 percent) decrease for the gas pass-through balancing account.

On February 1, 2012, the SNG winter rate increase (which had previously been postponed for three months) became effective.

Finally, on May 1, 2012, a \$42.0 million one-time refund to Questar's firm service customers was authorized due to cost of gas being lower than anticipated in the February 1, 2012, gas pass-through rate change.

RESOURCE PLANNING

The Commission requires Questar Gas to prepare and file an annual Integrated Resource Plan (IRP) which it uses as a guide in meeting the natural gas requirements of its customers on both a day-to-day and long-term basis. The standards and guidelines on which the IRP is based are intended to ensure Questar's present and future customers are provided natural gas energy services at the lowest costs consistent with safe and reliable service, the fiscal requirements of a financially healthy utility, and the long-run public interest. The IRP is based on a 20-year planning horizon, focusing on the immediate future.

As part of the IRP process, Questar uses data and information on natural gas supply and demand; energy

efficiency and conservation; system constraints and capabilities; and gas drilling, gathering, transportation and storage; as well as results from a cost-minimizing stochastic model, to develop a resource acquisition plan and strategy. In the 2011 IRP for plan year June 1, 2011, through May 31, 2012, Questar Gas identified a balanced portfolio of 45.2 million decatherms of purchased gas and 70.1 million decatherms of Company-owned natural gas is necessary to meet its annual demand. Questar also identified several potential future system upgrade and replacement projects to ensure safe, adequate service. Questar concluded it should undertake price stabilization measures for purchased gas contracts to mitigate the risk of volatility in the marketplace, continue to monitor and manage producer imbalances, and incorporate into its DSM program cost-effective energy efficiency measures. In December 2011, the Commission provided guidance to Questar on its 2011 Integrated Resource Plan and future plans.

In conjunction with Questar's 2012 IRP process, Questar held a series of public and/or confidential meetings addressing, among other things: shut-in of cost-of-service production, hedging plans for 2012, long-term capacity planning, use of the Questar Gas Electronic Mapping System to facilitate emergency response, gas modeling issues, completed 2011-2012 major high pressure projects, major 2012 projects, update of gathering issues, and presentation of the 2012 IRP which was filed in early June 2012.

NATURAL GAS CONSERVATION AND ENERGY EFFICIENCY

The Commission reviews and approves Questar's annual plan and budget for demand-side management activities. This plan is based on the efforts of Questar, in collaboration with a Commission-established Demand-Side Management Advisory Group, to design, implement, evaluate and revise cost-effective programs to encourage residential and commercial customers to conserve energy through education and the use of energy-efficient products and appliances.

The programs currently offered by Questar Gas are: ThermWise Appliance Rebates Program, ThermWise Builder Rebates Program, ThermWise Business Rebates Program, ThermWise Weatherization Rebates Program, ThermWise Home Energy Audits Program, Low Income Weatherization Assistance Program, ThermWise Business Custom Rebates Program, and a comprehensive Market Transformation initiative. These programs offer rebates, fund training and grants, and provide information to Questar Gas Company's customers with the goal of decreasing energy consumption. In early 2012, Questar implemented its Authorized Contractors requirements for those programs in which authorized

contractors must be used to provide services or products in order for the services or products to be eligible for a ThermWise rebate. Contractors who desire to provide such services or products must enter into a written Authorized Contractor Agreement with the Company.

In December 2011, the Commission approved Questar's estimated \$28.3 million budget for its 2012 demand-side management programs and market transformation initiative, a 12.1 percent decrease from the 2011 budget. In comparison, Questar's 2011 budget for demand-side management programs was \$32.4 million. Due to changes and refinements made to the 2011 programs, Questar expects approximately 91,787 customers will participate in the programs, which is approximately 20 percent lower than 2011 levels of participation. Questar estimates its 2012 DSM programs will reduce natural gas consumption annually by 680,651 decatherms which is approximately 13.5 percent less than in 2011 and which is equivalent to the annual natural gas consumption of approximately 8,500 homes based on an annual average usage of 80 decatherms.

As directed by the Commission, Questar Gas Company filed, and the Commission reviewed, several reports and assessments pertaining to the status of DSM activities. Based on this information, Questar's DSM program to date is cost effective.

INFRASTRUCTURE TRACKER

In June 2010, as part of an overall general rate case settlement agreement between parties, the Commission approved Questar's implementation of an Infrastructure Tracker Pilot Program which allows Questar to track and recover costs that are directly associated with replacement of aging infrastructure between general rate cases. These costs are recovered through an incremental surcharge to Questar's published rate schedules for firm and interruptible sales and transportation customers as well as natural gas vehicles. The annual infrastructure replacement budget cannot exceed \$55 million, adjusted annually for inflation, and tracking of infrastructure replacement costs did not commence until the level of replacement-infrastructure investment included in rates (\$10.1 million) was reached. As part of the agreement, the Company's next general rate case will be filed no later than July 2013.

Since the inception of this pilot program through December 2011, the Company reported a cumulative plant balance increase of \$90.9 million for aging infrastructure replacement projects representing an increased revenue requirement of \$8.7 million. In November 2011, Questar Gas filed its 2012 Replacement Infrastructure Annual Plan and Budget indicating that in 2012 Questar plans to replace five major feeder lines in Tooele, Logan,

Lehi, Herriman and Riverton, and Henefer, in addition to minor replacement projects, at a cost of approximately \$57 million. Questar also anticipates it will continue to spend \$55 million per year from 2013 through 2016 on aging infrastructure replacement projects.

AGREEMENT WITH PACIFICORP FOR THE LAKE SIDE 2 GENERATING FACILITIES

In March 2012, Questar filed a confidential application for an order approving the Second Agreement for Firm Transportation to PacifiCorp's Lake Side Generating Facilities (Lake Side 2 Agreement) entered into between the Company and PacifiCorp. In June 2012, based on testimony from Questar, the Division of Public Utilities, and the Office of Consumer Services, the Commission approved the Lake Side 2 Agreement.

RESOLUTION OF PIPELINE SAFETY ENFORCEMENT ACTION

In October of 2011, the Commission issued its final order approving a confidential settlement stipulation between the Division of Public Utilities and Questar Gas pertaining to a March 24, 2009, incident involving Questar Gas Company's failure to properly mark its intrastate gas line near 1580 East 400 South, Salt Lake City, Utah. This resulted in the line being hit by an excavator, leading to gas loss, road closures, and evacuations. The Division of Public Utilities' investigation concluded Questar failed to mark its underground facilities within 48 hours of receiving notice, in violation of Utah Code Ann. §54-8a-5 and Utah Admin. Code R746-409.

The Settlement Stipulation contains provisions requiring implementation of changes to Questar's locating practices, as well as implementation of additional Questar Gas practices such as expanding Questar's spot check program, conducting additional seasonal training for locators and certain Questar Gas employees, and increasing the frequency and coverage of third party damage reports currently being provided to the Division. Of note, in March 2011, Questar Gas voluntarily performed the additional seasonal training for locators and certain Questar Gas employees. Additionally, the Settlement Stipulation mandated that Questar Gas pay a \$4,500 fine pursuant to Utah Code Ann. §54-7-23 and 54-7-25.

INTEGRITY MANAGEMENT

In order to prevent catastrophic pipeline failure incidents, the U.S. Department of Transportation Hazardous Materials and Safety Administration (PHMSA) promulgated rules to ensure the integrity of natural gas transmission and distribution lines. These rules are codified as 49 CFR Part 192 Subpart O—Gas Transmission Pipeline Integrity Management and Subpart P—Gas Distribution

Pipeline Integrity Management. In Utah, these rules are enforced by the Division of Public Utilities in accordance with Utah Code Ann. §54-13.

The transmission integrity rule requires Questar to identify all high consequence areas along the segments of feeder lines that are defined as transmission lines. Once these high consequence areas are defined, Questar calculates a risk score for each segment and feeder line. These risk scores establish the baseline and set the priority for when these segments are assessed for integrity using either in-line inspection, external corrosion direct assessment, internal corrosion direct assessment, or visual methods. The verification of high consequence areas and calculating the risk score is completed on an annual basis. The federal law mandates that baseline assessment of all covered high consequence area segments must be completed by December 17, 2012.

The transmission integrity rule also requires Questar to conduct additional preventive and mitigative measures, such as monitoring excavations (excavation standby) near the feeder lines and performing semi-annual leak surveys. Other integrity activities include annual high consequence area validation, pipeline centerline survey, and the day-to-day administration of the program.

The distribution integrity management rule requires Questar to develop and implement a distribution integrity management program including the following elements: knowledge and understanding of the gas distribution system developed from reasonably available information; identification of threats; evaluation and ranking of risks; identification and implementation of measures to address risks; performance measurement and evaluation of program effectiveness; program improvement; and reporting.

The Company estimates it will spend approximately \$7 million on transmission and distribution integrity management activities in 2012.

LEGISLATIVE CHANGES AND FEDERAL STANDARDS

There were no substantive bills pertaining to the Commission's regulation of natural gas utilities during the 2012 Utah legislative general session.

In January 2012, the Pipeline Safety Regulatory, Certainty, and Job Creation Act (Act) was enacted by the federal government. This Act amends Title 49, United States Code, to provide for enhanced safety and environmental protection in pipeline transportation, to provide for enhanced reliability in the transportation of the Nation's energy products by pipeline, and for other supporting purposes. This Act includes doubling of the maximum fine for safety violations to \$2 million; authorizes more pipeline inspectors; and requires automatic shut-off valves on new or replaced pipelines.

On April 2, 2012, the federal Pipeline and Hazardous Materials Safety Administration issued a Notice of Proposed Rulemaking (NPRM) which seeks to revise the Pipeline Safety Regulations to: establish criteria and procedures for determining the adequacy of state pipeline excavation damage prevention law enforcement programs; establish an administrative process for making adequacy determinations; establish the Federal requirements PHMSA will enforce in states with inadequate excavation damage prevention law enforcement programs; and establish the adjudication process for administrative enforcement proceedings against excavators where Federal authority is exercised.

Natural Gas Dockets

GERNERAL CASES

07-057-09

In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah:

An Order Setting Final Rates was issued October 24, 2011. The Commission made final the interim rate changes previously ordered in this docket.

08-057-15

In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah:

An Order Setting Final Rates was issued October 24, 2011. The Commission made final the interim rate changes previously ordered in this docket.

11-057-05

In the Matter of the Request of the Division of Public Utilities for Enforcement Action under the Natural Gas Pipeline Safety Act against Questar Gas Company:

The Final Order Approving Amended Confidential Settlement Stipulation was issued October 25, 2011. The Commission approved the Amended Confidential Settlement Stipulation between the Division of Public Utilities and Questar Gas.

11-057-06

In the Matter of the Questar Gas Company's Integrated Resource Plan for Plan Year: June 1, 2011 to May 31, 2012:

An Order Granting Extension of Time was issued August 2, 2011. The Commission extended the deadline for comments in this docket from August 4, 2011, to August 25, 2011.

An Order Granting Extension of Time was issued September 13, 2011. The Commission extended the deadline for comments in this docket from August 25, 2011 to September 30, 2011.

A Report and Order was issued December 16, 2011. The Commission provided guidance on Questar Gas Company's 2011 Integrated Resource Plan.

11-057-07

In the Matter of the Formal Complaint of Complainant against Questar Gas Company:

A Notice Cancelling Hearing was issued on August 16, 2011. The Commission canceled a previously scheduled hearing, determined the complaint is moot, and dismissed the complaint.

11-057-08

In the Matter of the Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah:

A Report and Order was issued September 30, 2011. The Commission approved the application on an interim basis, pending final Division audit. The changes became effective October 1, 2011.

11-057-09

In the Matter of the Application of Questar Gas Company to Amortize the Conservation Enabling Tariff (CET) Balancing Account:

A Report and Order was issued September 30, 2011. The Commission approved the application on an interim basis, pending final Division audit. The changes became effective October 1, 2011.

11-057-10

In the Matter of the Application of Questar Gas Company for a Tariff Change and Adjustment to the Low Income Assistance/Energy Assistance Rate:

A Report and Order was issued September 30, 2011. The Commission approved the application on an interim basis, pending final Division audit. The changes became effective October 1, 2011.

11-057-11

In the Matter of the Application of Questar Gas Company to Include the Infrastructure Rate Adjustment:

A Report and Order was issued September 30, 2011. The Commission approved the application on an interim basis, pending final Division audit. The changes became effective October 1, 2011.

11-057-12

In The Matter of the Application of Questar Gas Company for Approval of the 2012 Year Budget for Energy Efficiency Programs and Market Transformation Initiative:

A Report and Order was issued December 2, 2011. The Commission approved the application as follows: 1) The budget and proposed programs were approved with an effective date of January 1, 2012; 2) The example tariff sheets, with the Division's corrections, were approved with an effective date of January 1, 2012. The Company was ordered to make a compliance filing in a separate Tariff Docket as soon as was practicable; 3) The Company was ordered to work with the Division to prepare the Compliance Filing; 4) The Division was ordered to verify to the Commission the Company's

Tariff Sheets were consistent with this Order within one week of the Company's compliance filing; and 5) The Company and Division were ordered to prepare a recommendation to the Commission regarding reporting requirements.

11-057-13

In the Matter of the Questar Gas Company's Report on DSM expenditures and decatherm (Dth) savings to date:

Commission correspondence was issued December 21, 2012. The Commission acknowledged Questar's filing as meeting the requirements established in Docket No. 05-057-T01.

11-057-14

In the Matter of Questar Gas Company's Replacement Infrastructure 2012 Annual Plan and Budget:

Commission correspondence was issued on December 16, 2012. The Commission acknowledged Questar's 2012 Replacement Infrastructure Annual Plan and Budget as meeting the Commission's reporting requirements

11-057-15

In the Matter of the Application of Questar Gas Company to Amortize the Energy Efficiency Deferred Account Balance and for Tariff Modification:

A Report and Order was issued January 24, 2012. The Commission approved the application on an interim basis, pending final Division audit. The changes became effective February 1, 2012.

11-057-16

In the Matter of the Application of Questar Gas Company to Include the Infrastructure Rate Adjustment:

A Report and Order was issued January 24, 2012. The Commission

approved the application on an interim basis, pending final Division audit. The changes became effective February 1, 2012.

12-057-01

In the Matter of the Formal Complaint of Complainant against Questar Gas Company:

An Order Granting Stay of Proceeding Pending Resolution of Bankruptcy Petition was issued February 24, 2012. The Commission entered a stay of the proceeding pending resolution of the bankruptcy petition.

12-057-02

In the Matter of the Application of Questar Gas Company for Authority to Change its Existing Tariff by Removing the Commodity Amortization Rate:

A Report and Order was issued January 25, 2012. The Commission approved Questar Gas Company's application to remove the debit amortization from the commodity portion of rates for all GS and FS customers, thereby lowering the annual gas bill of a typical GS customer by \$10.31.

An Erratum to the January 25, 2012 Report and Order was issued on January 26, 2012. The Commission specified that each reference in the January 25, 2012, Order to the "GS and FS" rate schedules was corrected to read the "GS, NGV and FS" rate schedules.

12-057-03

In the Matter of the Formal Complaint of Complainant against Questar Gas Company:

A Notice of Filing of Answer and Motion to Dismiss was issued March 8, 2012. The Commission affirmed the deadline for the Complainant to respond to Questar's filing.

An Order Shortening Time for Response to Discovery Request was issued March 14, 2012. The Commission shortened the time for Questar's response to a discovery request in order to allow the Complainant a fair opportunity to review the discovery responses before the response deadline.

A Cancellation of Hearing and Order of Dismissal was issued on April 11, 2012. The Commission granted Questar's and the Division of Public Utilities' separately filed motions to dismiss.

12-057-04

In the Matter of the Application of Questar Gas Company to Provide Natural Gas Transportation Service to the Lake Side Power Plant Facility:

A Report and Order was issued June 20, 2012. The Commission approved a special contract for firm gas transportation service between Questar Gas Company and PacifiCorp.

12-057-05

In the Matter of the Application of Questar Gas Company for an Adjustment to the 191.1 Balancing Account by Means of a Special One-Time Refund:

A Report and Order was issued May 8, 2012. The Commission approved Questar's application to provide a one-time refund of \$41.9 million as filed.

12-057-06

In the Matter of the Formal Complaint of Complainant against Questar Gas Company:

A Notice of Filing of Answer and Motion to Dismiss was issued May 22, 2012. The Commission specified the deadline for the Complainant to respond to Questar's filing.

TARIFF CHANGES

11-057-T05

In the Matter of: To comply with the Commission order dated September 30, 2011, in Docket Nos. 11-057-08, Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah; 11-057-09, Application of Questar Gas Company to Amortize the Conservation Enabling Tariff Balancing Account; 11-057-10, Application of Questar Gas Company for a Tariff Change and Adjustment to the Low Income Assistance/Energy Assistance Rate; and 11-057-11, Application of Questar Gas Company to Include the Infrastructure Rate Adjustment:

A Tariff Approval Letter was issued October 25, 2011. The Commission approved the proposed tariff revisions with an effective date of October 1, 2011.

11-057-T06

In the Matter of the Questar Gas Company Updated Tariff Sheets filed in Compliance with Docket No. 11-057-08, Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah:

An Order Suspending Tariff Change was issued December 29, 2011. The Commission suspended the proposed tariff revisions until February 1, 2011.

11-057-T07

In the Matter of: To comply with the Commission order dated December 2, 2011, in Docket No. 11-057-12, Application of Questar Gas Company for Approval of the 2012 Year Budget for Energy Efficiency Programs and Market Transformation Initiative:

A Tariff Approval Letter was issued December 29, 2011. The Commission approved the proposed tariff revisions with an effective date of January 1, 2012.

12-057-T01

In the Matter of: To comply with the Commission order in Docket No. 11-057-T06, dated December 29, 2011, In the Matter of the Questar Gas Company Updated Tariff Sheets filed in Compliance with Docket No. 11-057-08, Pass-Through Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah:

A Tariff Approval Letter was issued February 2, 2012. The Commission approved the proposed tariff revisions with an effective date of February 1, 2012.

12-057-T02

In the Matter of: To comply with the Commission orders in Docket Nos. 12-057-02, dated January 25 and 26, 2012, Application of Questar Gas Company for Authority to Change its Existing Tariff by Removing the Commodity Amortization Rate; 11-057-16, dated January 24, 2012, Application of Questar Gas Company to Include the Infrastructure Rate Adjustment; and 11-057-15, dated January 24, 2012, Application of Questar Gas Company to Amortize the Energy Efficiency Deferred Account Balance and for Tariff Modification:

A Tariff Approval Letter was issued February 9, 2012. The Commission approved the proposed tariff revisions with an effective date of February 1, 2012.

Natural Gas Utility Companies

Questar Gas Company

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Salt Lake City, UT 84145-0360
Tel: (801) 324-5111
(800) 232-5517
Emergency: (800) 767-1689
Fax: (800) 324-5131
Web: www.questargas.com

Wendover Gas Company

285 S. 1st St.
PO Box 274
Wendover, UT 84083
Tel: (775) 664-2291
(775) 664-3081
Fax: (775) 664-4422



Telecommunications Overview

In fiscal year 2012, there were approximately 900,000 traditional “land line” telephones, about 2 million wireless phones, and an unknown, but increasing number of voice over internet protocol (VoIP) accounts within the state. Overall, the local telecommunications industry in Utah is characterized by both intra-industry competition through competitive local exchange companies, and inter-modal competition through wireless and VoIP companies. As a result of consumers having more options, the total number of traditional land line phone accounts in Utah has been declining recently, even as the population and the number of businesses have been increasing.

The regulation of telecommunications companies providing telephone service in Utah has changed significantly over the past 15 years. These changes are due to significant alterations in the number and type of firms in the industry, the types of technologies used, consumer preferences, and the legal landscape.

Qwest (doing business as CenturyLink, referred to as Qwest or CenturyLink hereafter) is the largest telecommunications company in Utah. It operates under state pricing flexibility rules and faces both intra- and inter-industry/modal competition. CenturyLink primarily offers service to customers located along the Wasatch Front and much of the I-15 corridor from Logan to St. George. CenturyLink’s service area includes about 90 percent of the state’s population. CenturyLink complies with the same service quality regulations that all regulated local exchange companies and non-regulated competitive companies face.

Since 1995, there have been 283 applications for Certificates of Public Convenience and Necessity (certificates) and the Commission has issued 219 certificates to

competitive local exchange companies (CLECs) in CenturyLink’s service territory. In fiscal year 2012, there were 98 CLECs (certificate holders), 47 of whom were active, meaning they produced some intra-state revenues during the year. Most of those active CLECs provide service only to business customers. Most CLECs provide services over CenturyLink’s public telephone network but Comcast offers VoIP over its own cable network and interconnects with CenturyLink’s public telephone network.

Currently, the Commission sets rates through traditional rate-of-return regulation only for the 16 independent incumbent telephone companies providing land line service in the more rural areas of the state. These independent incumbents generally do not face competition from CLECs, but, like CenturyLink, face competition from wireless and VoIP service providers. Many of these companies are part of larger corporate families which also compete in the wireless, internet, and video markets. The Commission does not regulate wireless providers, toll resellers, video providers, internet service providers, or VoIP companies.

SIGNIFICANT DEVELOPMENTS

The event with potentially the most far reaching consequences relating to telecommunications in Utah during the 2012 fiscal year was the Federal Communications Commission's (FCC) issuance of the "Order on Connect America Fund and Inter-carrier Reform Order" (Transformation Order). This Order, if implemented as written, will significantly alter the federal programs relating to universal service. The Transformation Order creates the Connect America Fund (CAF) and shifts money from high cost telephone support and inter-carrier compensation objectives to building out broadband facilities in un-served or under-served areas of the country. Since Utah's telephone carriers and broadband providers have done an excellent job of building out facilities, Utah has very few un-served or underserved areas left in the state. As a result, the Commission anticipates that over the next five to ten years, the state's telephone carriers will lose a significant amount of federal universal service fund subsidies.

In responding to the Transformation Order, the Commission has opened Dockets and started investigations to clarify the impacts of the Transformation Order, identify compliance deadlines, and clarify auditing and oversight obligations. These efforts are on-going and are designed to result in Utah carriers receiving the maximum amount of Federal universal service funds and CAF payments available.

It will be some time until the full effects of the Transformation Order become clear. There are efforts at the national level by some carriers and states to have several provisions of the Transformation Order reviewed by the courts, and there are lobbying efforts underway by some of those same parties to have certain parts of the Transformation Order overturned by Congressional action.

RECENT ACTIVITY

During the 2012 fiscal year, Utah continued to see interest from potential competitors to CenturyLink. The Commission granted eight applications for certification to compete in the state. Additionally, the Commission has seen an increased interest by wireless carriers to be designated as federal-level eligible telecommunications carriers (ETC) in order to receive federal-level Lifeline funds for serving low income customers. Currently the state has three such carriers, and has received applications for three more. These carriers do not receive any state-level Lifeline funding, but their presence does require the state to do additional verification and eligibility determination work on behalf of their customers.

PRICING FLEXIBILITY

In 2005 and 2009, the Utah Legislature enacted amendments to the 1995 Utah Telecommunications Reform Act (1995 Act). These amendments removed the incumbent tariff obligations from Qwest and generally placed the company on an equal footing with its competitors. In 2005, Qwest was required to offer a basic residential phone line at the existing tariff rate, but was granted pricing flexibility for all other residential and business services. In 2009, the requirement to offer a tariffed residential service was removed as well [U.C.A. Title 54-8b-2.3 (1) (b) (iii)]. As a result, CenturyLink now has pricing flexibility for all retail services it offers. The law allows all local exchange companies (incumbent or competitive) in CenturyLink's service area to implement new prices five days after filing them with the Commission. The law also allows the Commission to review whether the new prices are just and reasonable either during the five days after filing, or after the pricing change is implemented.

In 2001, Qwest received federal approval to move into long-distance markets in Utah. CenturyLink is now competing "head-to-head" with competitors by offering bundled packages of services, including: local, long-distance, wireless, internet, and some limited video services at market-determined rates.

IMPLEMENTATION OF COMPETITION

In implementing the Federal 1996 Telecommunications Act (Act), the FCC and the courts have disagreed on the obligations the Act imposes on the major telecommunications carriers. Initially, the FCC required the major carriers to lease, at rates determined by state commissions, most of the unbundled network elements a CLEC^o might need to provide service. In subsequent years, this requirement has been scaled back in various ways. The current rules embody a dramatically reduced obligation for CenturyLink to lease portions of its network to CLECS. Under the current rules, CLECS generally must either build their own networks or enter into commercial agreements with CenturyLink, at higher than previous prices. As a result, CenturyLink faces less competition from CLECS. However, the market for telecommunications services has evolved and now CenturyLink faces a greater net level of competition primarily from wireless and VoIP providers. Potential competitors have emerged in the form of cable, internet, or wireless providers who are bundling "voice services" with other product offerings. Such competition has tended to increase the level of competition in telecommunications, or similar services, throughout the state.

The Commission observes an additional change in the market place which is occurring with more frequency. This is the practice wherein real estate developers and property owners or managers enter into exclusive arrangements with telecommunications or other types of audio and video service providers in order to offer voice, video and data services within their developments to the exclusion of all other providers. Typically, these arrangements preclude competition among service providers because potential competitors are not granted access to rights-of-way or easements, and the selected provider will only lease portions of its network at prices other local exchange companies find uneconomic. Since the developers can restrict access to rights-of-way and easements, it is not possible for a competing service provider to place network facilities. As a result, the residents or commercial tenants in such developments have no choice of service providers. While the Commission views these arrangements as contrary to the state and federal legislative intent to promote competition, it lacks the necessary legal authority to require access for competing providers.

CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND INTERCONNECTION AGREEMENTS

As explained above, the Commission continues to grant and revoke certificates of Public Convenience and Necessity. In fiscal year 2012, there were 98 authorized CLECS, 47 of whom are actively serving customers in the state. In order to serve customers, a CLEC must intercon-

nect its facilities with other carriers. The Commission continues to arbitrate (when requested) and review "interconnection agreements" and "commercial agreements," i.e. terms by which the incumbent and competitors interconnect facilities to provide effective and efficient service. These agreements facilitate competition by providing a means for competitors' and CenturyLink's networks to communicate.

TELECOMMUNICATIONS DOCKETS

Of the hundreds of telecommunications dockets the Commission addressed this year, most concerned the entry or exit of competitors, and the interaction between CenturyLink and competitors as the marketplace adjusts to, and implements the relatively new FCC rules regarding inter-carrier relationships. These dockets addressed Certificate applications and cancellations, mergers and acquisitions, approval and enforcement of interconnection agreements, resolution of inter-carrier complaints, approval of special contracts for regulated services, and other service issues. In addition, there were three general rate cases for the independent incumbent providers in rural areas which included setting universal service fund receipt levels, one stand alone universal service fund eligibility determination, and 14 dockets addressing formal customer complaints.

Telecommunications Utility Dockets

09-2511-01

In the Matter of the Petition of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Utah for the Limited Purpose of Offering Lifeline Service to Qualified Households:

An Order was issued July 7, 2011. The Commission approved TracFone's contribution method, which is currently set in Utah Admin. Code R746-360-4.C, as .25 percent of intrastate retail rates. TracFone was ordered to remit those amounts to the Commission.

11-2540-01

In the Matter of the Application of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier for Low Income Support Only:

An Order of Dismissal was issued July 7, 2011. The Commission dismissed Nexus Communications' Application for ETC designation without prejudice.

10-2521-01

In the Matter of Virgin Mobile USA, L.P. Petition for Limited Designation as an Eligible Telecommunications Carrier:

An Order on Reconsideration was issued on July 13, 2011. The Commission amended and clarified its Report and Order issued May 25, 2011, and declined to grant additional review or rehearing, except as set forth in the Order.

11-049-31

In the Matter of the Interconnection Agreement between Qwest Corporation and IPDataStream, LLC:

An Order Rejecting Interconnection Agreement was issued August 8, 2011. The proposed interconnection agreement involved an entity that does not possess a Certificate of Public Convenience and Necessity (CPCN), and was, therefore, discriminatory, against the public interest, convenience and necessity. It was rejected.

11-049-33

In the Matter of the Interconnection Agreement between Qwest Corporation and IPDataStream, LLC:

An Order Rejecting Interconnection Agreement was issued August 8, 2011. The proposed interconnection agreement involved an entity that does not possess a Certificate of Public Convenience and Necessity (CPCN), and was, therefore, discriminatory, against the public interest, convenience and necessity. It was rejected.

09-049-60

In the Matter of Qwest's Petition for Review and Termination of Qwest's Performance Assurance Plan Termination Pursuant to Section 16.3:

An Order was issued August 22, 2011. In light of the Division of Public Utilities' report and the absence of opposition to Qwest's motion, the motion was granted to limit the scope of this proceeding to consideration of the Tier 2 payment requirement. The Commission also provisionally granted Qwest's request to terminate Tier 2 payments. Since no party filed comments opposing termination

of Tier 2 payments within 30 days of the date of this Order, the termination became final.

11-049-44

In the Matter of the Interconnection Agreement between Qwest Corporation and Wholesale Carrier Services, Inc.:

A Report and Order was issued September 8, 2011. The Interconnection Agreement at issue being defective as involving a non-certificated carrier, the Commission rejected the Interconnection Agreement.

11-049-45

In the Matter of the Interconnection Agreement between Qwest Corporation and Wholesale Carrier Services, Inc.:

A Report and Order was issued September 8, 2011. The Interconnection Agreement at issue being defective as involving a non-certificated carrier, the Commission rejected the Interconnection Agreement.

11-2542-01

In the Matter of the Application of IPDataStream, LLC, for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange and Interexchange Telecommunications Services:

A Report and Order was issued September 29, 2011. By this Report and Order, the Commission converted this matter to an informally adjudicated matter. Additionally, the Commission approved the application of IPDataStream, LLC for a Certificate of Public Convenience and Necessity authorizing applicant to provide public telecommunications services within Utah, excluding those local exchanges having

fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

11-049-50

In the Matter of the Interconnection Agreement between Qwest Corporation and Gazelle Link, LLC:

A Report and Order was issued October 6, 2011. The Interconnection Agreement at issue being defective as involving a non-certificated carrier, the Commission rejected the Interconnection Agreement.

11-049-51

In the Matter of the Interconnection Agreement between Qwest Corporation and Gazelle Link, LLC:

A Report and Order was issued October 6, 2011. The Interconnection Agreement at issue being defective as involving a non-certificated carrier, the Commission rejected the Interconnection Agreement.

11-2180-01

In the Matter of the Application of All West Communications, Inc. for USF Eligibility:

An Interim Order Approving Confidential Stipulation was issued October 20, 2011. The confidential stipulation was approved.

11-2249-01

In the Matter of the Joint Application of PAETEC Holding Corp., PaeTec Communications, Inc., McLeodUSA Telecommunications Services, LLC and Windstream Corporation for the Indirect Transfer of Control of PaeTec Communications, Inc. and McLeodUSA Telecommunications Services, LLC to Windstream Corporation:

A Report and Order was issued October 24, 2011. The Commission approved the indirect transfer of control of PAETEC Regulated Entities to Windstream.

11-2441-01

In the Matter of the Joint Application of PAETEC Holding Corp., PaeTec Communications, Inc., McLeodUSA Telecommunications Services, LLC and Windstream Corporation for the Indirect Transfer of Control of PaeTec Communications, Inc. and McLeodUSA Telecommunications Services, LLC to Windstream Corporation:

A Report and Order was issued October 24, 2011. The Commission approved the indirect transfer of control of PAETEC Regulated Entities to Windstream.

11-049-52

In the Matter of the Disposition of Tier 2 Funds Associated with Qwest's Performance Assurance Plan:

A Notice of Intent to Transfer QPAP Tier 2 Funds was issued November 2, 2011. The Commission provided notice of its intent to transfer QPAP Tier 2 funds to the Utah Universal Public Telecommunications Service Support Fund.

10-052-01

In the Matter of South Central Utah Telephone Association, Inc.'s Application for Additional USF Eligibility:

An Order Approving Stipulation was issued November 21, 2011. The parties' stipulation as to the Company's application for USF distribution was approved.

11-2289-01

In the Matter of the Joint Application of 360networks Corporation, 360networks (USA) Inc. and Zayo Group, LLC for the Transfer of Indirect Control of 360networks (USA) Inc. to Zayo Group, LLC:

A Report and Order was issued November 29, 2011. The Commission approved the transfer of indirect control of 360networks to Zayo.

11-2536-02

In the Matter of the Joint Application of 360networks Corporation, 360networks (USA) Inc. and Zayo Group, LLC for the Transfer of Indirect Control of 360networks (USA) Inc. to Zayo Group, LLC:

A Report and Order was issued November 29, 2011. The Commission approved the transfer of indirect control of 360networks to Zayo.

11-2180-01

In the Matter of the Application of All West Communications, Inc. for USF Eligibility:

An Order Approving Stipulation was issued November 30, 2011. The parties' stipulation as to the Company's application for USF distribution was approved.

11-2275-01

In the Matter of the Joint Application of DSLnet Communications, LLC, and DIECA Communications, Inc. for Authority to Complete Certain Pro Forma Intra-Corporate Transactions:

A Report and Order was issued December 5, 2011. The Commission approved the application to combine, merge, or consolidate DSLnet into DIECA.

11-049-52

In the Matter of the Disposition of Tier 2 Funds Associated with Qwest's Performance Assurance Plan:

An Order Directing Transfer of QPAP Tier 2 Funds was issued December 5, 2011. The Commission directed the transfer of QPAP Tier 2 funds to the Utah Universal Public Telecommunications Service Support Fund.

11-2543-01

In the Matter of the Application of Spectrotel, Inc., d/b/a OneTouch Communications, d/b/a Touch Base Communications, for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Services:

A Report and Order was issued December 6, 2011. By this Report and Order, the Commission converted this matter to an informally adjudicated matter. Additionally, the Commission approved the application of Spectrotel, Inc. for a Certificate of Public Convenience and Necessity authorizing applicant to provide public telecommunications services within Utah, excluding those local exchanges having fewer than 5,000 access lines of an incumbent telephone corporation with fewer than 30,000 access lines in the state.

11-2460-01

In the Matter of the Notice of BellSouth Long Distance, Inc. d/b/a AT&T Long Distance Service to Cancel its Certificate of Service Authority in the State of Utah:

An Order Canceling Certificate of Public Convenience and Necessity was issued December 15, 2011. BellSouth's request was approved and its Certificate was canceled.

11-2546-01

In the Matter of the Application of Onvoy, Inc. d/b/a Onvoy Voice Services for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange, Access, and Interexchange Telecommunications Services in the State of Utah:

A Report and Order was issued January 4, 2012. By this Report and Order, the Commission converted this matter to an informally adjudicated matter. Additionally, the Commission approved the appli-

cation of Onvoy Voice Services for a Certificate of Public Convenience and Necessity authorizing applicant to provide resold and facilities-based local exchange service within Utah.

11-2305-01

In the Matter of the Joint Application of UPH Holdings, Inc., UPH Acquisition Sub Inc., Pac-West Acquisition Company, LLC, and Pac-West Telecomm, Inc. for Consent to Transfer Control of Pac-West Telecomm, Inc.:

A Report and Order was issued January 11, 2012. The Commission approved the application to combine, merge, or consolidate Pac-West by UPH.

11-2275-01

In the Matter of the Joint Application of DSLnet Communications, LLC and DIECA Communications, Inc. for Authority to Complete Certain Pro Forma Intra-Corporate Transactions:

An Order Cancelling Certificate of Public Convenience and Necessity was issued January 27, 2012. Certificate No. 99-2275-01, issued July 14, 1999, was canceled, and DSLnet's price lists on filed in this state were deemed withdrawn.

11-2277-01

In the Matter of the Joint Application of DSLnet Communications, LLC and DIECA Communications, Inc. for Authority to Complete Certain Pro Forma Intra-Corporate Transactions:

An Order Cancelling Certificate of Public Convenience and Necessity was issued January 27, 2012. Certificate No. 99-2275-01, issued July 14, 1999, was canceled, and DSLnet's price lists on filed in this state were deemed withdrawn.

11-2544-01

In the Matter of the Petition of us Connect LLC for Designation as an Eligible Telecommunications Carrier in the State of Utah:

An Order Granting Stay of Proceedings and Schedule was issued February 22, 2012. Given that the Office of Consumer Services' motion was unopposed, and for other good cause appearing, the Commission entered a stay of the proceedings and schedule. The stay did not apply to pending or future discovery. If, at a future date, the Applicants or another party believes reason(s) exist for lifting the stay, said applicant or party should file a motion explaining the reason(s) why it is necessary to lift the stay.

12-2445-01

In the Matter of the Joint Application of NextG Networks of California, Inc., NextG Networks, Inc., and Crown Castle Solutions Corp. for the Transfer of Indirect Control of NextG Networks of California to Crown Castle Solutions:

A Report and Order was issued February 22, 2012. The Commission approved the transfer of indirect control of NextG-CA to Crown Castle Solutions.

11-2548-01

In the Matter of the Petition of Cincinnati Bell Any Distance Inc. for Authority to Compete as a Telecommunications Corporation and to Offer Public Local Exchange Telecommunications Services.

A Report and Order was issued February 27, 2012. By this Report and Order, the Commission converted this matter to an informally adjudicated matter. Additionally, the Commission approved the application of Cincinnati Bell Any Distance Inc. for a Certificate of Public Convenience and Necessity authorizing applicant to compete

as a Competitive Local Exchange Carrier within Utah.

11-2545-01

In the Matter of the Application of Wholesale Carrier Services, Inc. for a Certificate of Public Convenience and Necessity to Provide Resold and Facilities-Based Local Exchange Services within the State of Utah:

An Order Denying Applicant for "CPCN" was issued March 9, 2012. Because Wholesale did not attend the scheduling conference and did not file a response as requested, Wholesale's application for a CPCN was denied. The denial was without prejudice; therefore, Wholesale may re-file its application if it so desires. If it does so, it shall specify each of the exchanges it intends to serve.

12-2536-01

In the Matter of the Joint Application of AboveNet, Inc., AboveNet of Utah L.L.C. and Zayo Group, LLC for the Transfer of Indirect Control of AboveNet of Utah L.L.C. to Zayo Group, LLC:

A Report and Order was issued May 7, 2012. The Commission approved the transfer of indirect control of AboveNet to Zayo.

12-2324-01

In the Matter of the Joint Application of AboveNet, Inc., AboveNet of Utah L.L.C. and Zayo Group, LLC for the Transfer of Indirect Control of AboveNet of Utah L.L.C. to Zayo Group, LLC:

A Report and Order was issued May 7, 2012. The Commission approved the transfer of indirect control of AboveNet to Zayo.

12-2485-01

In the Matter of the Petition of Sage Telecom, Inc. to Voluntarily Surrender its Certificate of Convenience and Necessity:

An Order Canceling Certificate of Public Convenience and Necessity was issued May 8, 2012. Certificate No. 2485, issued December 2007, was canceled.

12-2509-01

In the Matter of the Notification of a Name Change from Liberty-Bell Telecom, LLC to dishNET Wireline L.L.C.:

An Order Approving Name Change was issued June 4, 2012. The Commission ordered that the name change from Liberty-Bell Telecom, LLC to dishNET Wireline L.L.C. be approved. Additionally, CPCN 09-2509-01, previously issued to Liberty-Bell Telecom, LLC, was changed to dishNET Wireline L.L.C.

Telecommunications Utility Companies

ILEC(Incumbent Local Exchange Carrier)

Albion Telephone Company dba ATC Communications

225 W North St.
Albion, ID 83311
Tel: (208) 673-5335
Fax: (208) 673-6200
Web: www.atcnet.net

All West Communications, Inc.

50 W 100 N
Kamas, UT 84036
Tel: (435) 783-4361
(888) 292-1414
Fax: (435) 783-4928
Web: www.allwest.net

Bear Lake Communications, Inc. d/b/a CentraCom Interactive

35 S State St.
PO Box 7
Fairview, UT 84629
Tel: (435) 427-3331
(800) 427-8449
Fax: (435) 427-3200
Web: www.cut.net

Beehive Telephone Company, Inc.

2000 E Sunset Rd.
Lake Point, UT 84074
Tel: (435) 837-6000
(800) 629-9993
Fax: (435) 837-6109
Web: www.beehive.net

Carbon/Emery Telcom, Inc.

455 ESR 29
PO Box 629
Orangeville, UT 84537
Tel: (435) 748-2223
Fax: (435) 748-5001
Web: www.emerytelcom.com

Central Utah Telephone, Inc. d/b/a CentraCom Interactive

35 S State St.
PO Box 7
Fairview, UT 84629
Tel: (435) 427-3331
(800) 427-8449
Fax: (435) 427-3200
Web: www.cut.net

CenturyTel of Eagle, Inc. d/b/a CenturyLink

100 CenturyLink Dr
PO Box 4065
Monroe, LA 71203
Tel: (318) 388-9081
(800) 562-3956
Fax: (318) 340-5244

Citizens Telecommunications Company of Utah dba Frontier Communications of Utah

PO Box 708970
Sandy, UT 84070-8970
Tel: (801) 298-0757
(888) 340-9545
Fax: (801) 298-0758
Web: www.frontier.com

Direct Communications

Cedar Valley, LLC

3726 East Campus Dr, Ste A
Eagle Mountain, UT 84005
Tel: (801) 789-2800
Fax: (801) 789-8118
Web: www.directcom.com

dishNet Wireline, LL

d/b/a Liberty-Bell Telecom, LLC

and Dish Network Phone & Internet

2460 W 26th Ave, Ste 380-C
Denver, CO 80211
Tel: (303) 831-1977
(866) 664-2355
Fax: (303) 831-1988
Web: www.libertybelltelecom.com

Emery Telephone d/b/a Emery Telcom

455 ESR 29
PO Box 629
Orangeville, UT 84537
Tel: (435) 748-2223
Fax: (435) 748-5001
Web: www.emerytelcom.net

Farmers Telephone Company, Inc.

26077 Highway 666
PO Box 369
Pleasant View, CO 81331
Tel: (970) 562-4211
(877) 828-8656
Fax: (970) 562-4214
Web: www.farmerstelcom.com

Gunnison Telephone Company

29 S Main St
PO Box 850
Gunnison, UT 84634
Tel: (435) 528-7236
Fax: (435) 528-5558
Web: www.gtclco.net

Hanksville Telecom, Inc.

455 ESR 29
PO Box 629
Orangeville, UT 84537
Tel: (435) 748-2223
Fax: (435) 748-5222
Web: www.emerytelcom.net

Manti Telephone Company, Inc.

40 W Union St.
Manti, UT 84642
Tel: (435) 835-3391
Fax: (435) 835-0008
Web: www.mantitel.com

Navajo Communications

Company, Inc.

(UTAH) d/b/a Frontier Navajo

Communications Company

PO Box 708970
Sandy, UT 84070-8970
Tel: (801) 298-0757
(888) 340-9545
Fax: (801) 298-0758
Web: www.frontier.com

Qwest Corporation QC d/b/a CenturyLink QC

250 Bell Plaza Room 1603
Salt Lake City UT 84111
Tel: (801) 237-7200
(888) 642-9996
(800) 244-1111 Customer service
Web: www.centurylink.com

Skyline Telecom

d/b/a CentraCom Interactive

35 S State St.
PO Box 7
Fairview, UT 84629
Tel: (435) 427-3331
(800) 427-8449
Fax: (435) 427-3200
Web: www.cut.net

South Central Utah Telephone Association, Inc.

d/b/a South Central Communications

45 N 100 W
PO Box 555
Escalante, UT 84726
Tel: (435) 826-0225
Fax: (435) 826-0826
Web: www.socen.com

UBTA-UBET Communications, Inc. d/b/a UBTA Communications,

Strata Networks

211 E 200 N
PO Box 398
Roosevelt, UT 84066
Tel: (435) 622-5007
(888) 546-8282
Fax: (435) 646-2000
Web: www.stratanetworks.com

Union Telephone Company

850 N Highway 414
PO Box 160
Mountain View, WY 82939
Tel: (307) 782-6131
(800) 646-2355
Fax: (307) 782-6913
Web: www.union-tel.com

CLEC (Competitive Local Exchange Carrier) A telephone company that competes with an incumbent local exchange carrier (ILEC) such as CenturyLink QC. 360networks (USA), Inc.

370 Interlocken Blvd, Ste 600
Broomfield, CO 80021
Tel: (303) 854-5000
(800) 609-1025
Fax: (303) 854-5100
Web: www.zayo.com

AboveNet Communications, Inc. f/k/a MFN

360 Hamilton Ave., 7th Flr
White Plains, NY 10601
Tel: (914) 421-7546
(866) 440-4087
Fax: (914) 421-7688
Web: www.above.net

Access Point Inc.

1100 Crescent Green, Ste 109
Cary, NC 27518
Tel: (919) 851-4838
(800) 957-6468
Fax: (919) 851-5422
Web: www.accesspointinc.com

ACN Communications Services, Inc.

1000 Progress Place
Concord, NC 28025-2449
Tel: (704) 260-3000
(800) 599-9559
Fax: (704) 260-3625
Web: www.acninc.com

Affinity Network Incorporated

250 Pilot Rd, Ste 300
Las Vegas, NV 89119
Tel: (407) 260-1011
Fax: (407) 260-1033
Web: www.affinitynetworkinc.com

All West Utah, Inc.

d/b/a All West World Connect

50 W 100 N
PO Box 588
Kamas, UT 84036-0588
Tel: (435) 783-4361
(888) 292-1414
Fax: (435) 783-4928
Web: www.allwest.net

American Fiber Systems, Inc.

400 Centennial Parkway, Ste 200
Louisville, CO 80027
Tel: (303) 381-4662
Fax: (303) 226-5922
Web: www.zayo.com

AT&T Communications of the Mountain States, Inc.

One AT&T Way, Room 2B115E
Bedminster, NJ 07921
Tel: (908) 234-7386
Fax: (908) 532-1808
Web: www.att.com

Baldwin County Internet/DSSI Service, LLC

5540 Centerview Dr, Ste 200
Raleigh, NC 27606
Tel: (919) 464-6300
Web: www.baldwininternet.com

Bandwidth.com CLEC, LLC d/b/a Bandwidth.com

4001 Weston Parkway, Ste 100
Cary, NC 27513
Tel: (913) 859-9674
Fax: (919) 238-9903
Web: www.bandwidth.com

Beehive Telecom, Inc.

2000 E Sunset Rd
Lake Point, UT 84074-9779
Tel: (435) 837-6000
(800) 629-9993
Fax: (435) 837-6109
Web: www.beehive.net

Bresnan Communications

d/b/a Optimum

106 E 200 N
Cedar City, UT 84720
Tel: (435) 586-8334
(877) 273-7626
Fax: (435) 586-7675
Web: www.bresnan.net

Broadband Dynamics, LLC

8757 E Via De Commercio,
1st Floor
Scottsdale, AZ 85258
Tel: (480) 941-0444
(800) 277-1580
Fax: (480) 941-1143
Web: www.broadbanddynamics.net

Broadview Networks, Inc
1018 W 9th Ave
King of Prussia, PA 19406
Tel: (610) 755-4446
(800) 276-2384
Fax: (347) 287-0845
Web: www.broadviewnet.com

Broadvox-CLEC, LLC
1950 N Stemmons Fwy, Ste 3031
Dallas, TX 75207
Tel: (214) 646-8035
Fax: (214) 646-8005
Web: www.broadvox.com

Broadweave Networks of Utah, LLC
d/b/a Broadweave Networks
744 North 300 West
Provo, UT 84601
Tel: (801) 691-5800
Fax: (801) 307-1104
Web: www.veracitynetworks.com

BT Communications Sales, LLC
d/b/a Concert Communications Sales, LLC
11440 Commerce Park Dr.
Reston, VA 20191-1555
Tel: (703) 755-6733
(866) 221-8623
Fax: (703) 755-6740
Web: www.bt.com

Bullseye Telecom, Inc.
25925 Telegraph Road, Suite 210
Southfield, MI 48033
Tel: (248) 784-2500
(877) 438-2855
Fax: (248) 784-2501
Web: www.bullseyetelecom.com

Central Telcom Services, LLC
d/b/a CentraCom Interactive
35 S. State Street
P.O. Box 7
Fairview, UT 84629
Tel: (435) 427-3331
(800) 427-8449
Fax: (435) 427-3200
Web: www.centracom.com

Cincinnati Bell Any Distance, Inc.
221 East Fourth Street, Suite
103-1290
Cincinnati, OH 45202
Tel: (513) 397-7118
(800) 571-6601
Fax: (513) 397-1337
Web: www.cincinnati-bell.com

Citizens Telecommunications Company of Utah
d/b/a Frontier Communications of Utah
1800 41st Street
Everett, WA 98201
Tel: (801) 298-0757
Fax: (801) 298-0758
Web: www.frontier.com

Comcast Phone of Utah, LLC
d/b/a AT&T Broadband Phone of Utah, LLC
One Comcast Center
Philadelphia, PA 19103
Tel: (215) 286-8667
(800) 288-2085
Fax: (215) 286-8414
Web: www.comcast.com

Comtech21, LLC
One Barnes Park South
Wallingford, CT 06492
Tel: (203) 679-7000
Fax: (203) 679-7387
Web: www.comtech21.com

Crexendo Business Solutions, Inc.
1303 North Research Way
Orem, UT 84097
Tel: (801) 227-0004
Toll Free: (866) 621-6111
Fax: (801) 426-6712
Web: www.crexendo.com

Cypress Communications Operating Company, Inc.
4 Piedmont Center, Ste 600
Atlanta, GA 30305
Tel: (404) 869-2500
(888) 205-6912
Fax: (404) 869-2525
Web: www.cypresscom.net

Dieca Communications, Inc.
d/b/a Covad Communications Company
2510 Zanker Rd
San Jose, CA 95131
Tel: (408) 952-6400
Fax: (408) 952-7539
Web: www.covad.com

DPI Teleconnect, LLC
1330 Capital Parkway
Carrollton, TX 75006
Tel: (972) 488-5500
(800) 350-4009
Fax: (972) 488-8636
Web: www.dpiteleconnect.com

Easton Telecom Services, LLC
Summit II Unit A, 3046 Brecksville Rd
Richfield, OH 44286
Tel: (330) 659-6700
(800) 222-8122
Fax: (330) 659-9379
Web: www.eastontelecom.com

Electric Lightwave, LLC
d/b/a Integra Telecom, Inc.
265 E 100 S, Ste 200
Salt Lake City, UT 84111
Tel: (801) 746-2000
(888) 746-2150
Fax: (801) 505-4200
Web: www.integratelecom.com

Emery Telecommunications & Video, Inc.
455 E. SR 29
PO Box 629
Orangeville, UT 84537-0550
Tel: (435) 748-2223
Fax: (435) 748-5001
Web: www.etv.net

Entelegant Solutions, Inc.
3800 Arco Corporate Dr., Ste 310
Charlotte, NC 28273
Tel: (704) 323-7488
(800) 975-7192
Fax: (704) 504-5868
Web: www.entelegant.com

Ernest Communications Inc.
5275 Triangle Pkwy. Suite 150
Norcross, GA 30092-6511
Tel: (770) 242-9069
(800) 456-8353
Fax: (770) 448-4115
Web: www.ernestgroup.com

Eschelon Telecom of Utah Inc.
d/b/a Integra Telecom
265 E. 100 S., Ste 200
Salt Lake City, UT 84111
Tel: (801) 746-2000
(866) 746-2159
Fax: (801) 505-4200
Web: www.integratelecom.com

FirstDigital Telecom, LLC
90 S. 400 W., Suite M-100
Salt Lake City, UT 84101
Tel: (801) 456-1000
(800) 540-9789
Fax: (801) 456-1010
Web: www.firstdigital.com

France Telecom Corporate Solutions, LLC
13775 McLearen Rd, Mail Stop
1100
Oak Hill, PA 20171-3212
Tel: (703) 375-7323
(866) 280-3726
Fax: (703) 925-4712

GC Pivotal, LLC/Pivotal Global Capacity, LLC
200 South Wacker Drive, Suite 1650
Chicago, IL 60606
Tel: (312) 673-2400
(866) 226-4244
Fax: (312) 673-2422

Global Connection Inc. of America
5555 Oakbrook Parkway, Ste 620
Norcross, GA 30093
Tel: (678) 741-6200
(877) 511-3009
Fax: (678) 741-6333

Global Crossing Local Services, Inc.
225 Kenneth Dr
Rochester, NY 14623
Tel: (585) 255-1327
(800) 400-0446
Fax: (877) 766-2492
Web: www.globalcrossing.com

Granite Telecommunications, Inc.
100 Newport Avenue Extension
Quincy, MA 02171
Tel: (866) 847-1500
Fax: (866) 847-5500
Web: www.granitenet.com

Greenfly Networks, Inc.
d/b/a Clearfly Communications
550 S. 24th St. W. Suite 201
Billings, MT 59102
Tel: (406) 580-4530
(866) 652-7520
Fax: (406) 869-4614
Web: www.clearfly.net

inCONTACT, Inc.
d/b/a UCN, Inc.
7730 S Union Park Ave, Ste 500
Midvale, UT 84047
Tel: (866) 541-0000
(800) 669-3319
Fax: (866) 800-0007
Web: www.inContact.com

iNetworks Group Inc.
125 S. Wacker Dr. Suite 2510
Chicago, IL 60606
Tel: (312) 212-0822
(866) 409-2826
Fax: (312) 422-9201
Web: www.inetworksgroup.com

Integra Telecom of Utah, Inc.
265 E 100 S, Ste 200
Salt Lake City, UT 84111
Tel: (801) 746-2000
(888) 746-2150
Fax: (801) 505-4200
Web: www.integratelecom.com

IntelePeer, Inc.
2855 Campus Drive, Suite 200
San Mateo, CA 94403
Tel: (650) 525-9200
(866) 780-8639
Fax: (650) 287-2628
Web: www.intelepeer.com

Intrado Communications Inc.
f/k/a SCC Communications
1601 Dry Creek Dr.
Longmont, CO 80503-6493
Tel: (720) 494-5800
Fax: (720) 494-6600
Web: www.intrado.com

InTtec, Inc.
1001 S. Douglas Hwy, Suite 201
P.O. Box 2799
Gillette, WY 82717-2799
Tel: (307) 682-1884
(888) 682-1884
Fax: (307) 682-2519
Web: www.inttec.biz

IPDataStream, LLC
4000 SE International Way, Suite
F204
Milwaukie, OR 97222
Tel: (503) 205-4767
(877) 255-4767
Fax: (866) 912-4768
Web: www.ipdatastream.com

Level 3 Communications, LLC
1025 Eldorado Blvd
Broomfield, CO 80021-8869
Tel: (720) 888-1000
(866) 835-2683
Fax: (720) 888-5134
Web: www.level3.com

Lightyear Network Solutions, LLC
1901 Eastpoint Parkway
Louisville, KY 40223
Tel: (502) 244-6666
(866) 406-7253
Fax: (502) 515-4136
Web: www.lightyear.net

LSSI Data Corp.
1600 Stewart Ave, Ste 305
Westbury, NY 11590
Tel: (516) 229-6556
(800) 210-9021
Web: www.lssidata.com

Matrix Telecom, Inc.
d/b/a Matrix Business Technologies
d/b/a Excel Telecommunications
d/b/a Trinsic Communications
d/b/a Vartec Telcom
433 E Las Colinas Blvd, Ste 400
Irving, TX 75039
Tel: (972) 910-1900
(888)-411-0111
Fax: (866) 418-9750
Web: www.matrixbt.com

McGraw Communications, Inc.

521 5th Ave, 14th Floor
New York, NY 10175-0000
Tel: (888) 543-2000
Fax: (212) 843-0457
Web: www.mcgrawcom.net

MCI Communications Services, Inc.**d/b/a Verizon Business Services**

201 Spear St., 7th Floor
San Francisco, CA 94105
Tel: (703) 886-5600
(800) 749-9600
Fax: (703) 866-0860
Web: www.verizon.com

MCI Metro Access Transmission Services, LLC**d/b/a Verizon Access Transmission Services**

201 Spear St., 7th Floor
San Francisco, CA 94105
Tel: (703) 886-5600
(800) 749-9600
Fax: (703) 866-0860
Web: www.mci.com

McLeodUSA Telecommunications Services, LLC**d/b/a Paetec Business Services**

600 Willowbrook Office Park
Fairport, NY 14450
Tel: (800) 634-0395
Fax: (800) 523-6998
Web: www.mcleodusa.com

Metropolitan Telecommunications of Utah, Inc.**d/b/a MetTel**

55 Water St., 31st Flr
New York, NY 10041
Tel: (212) 607-2004
(800) 876-9823
Fax: (212) 535-5074
Web: www.mettelangents.com

Mitel Netsolutions, Inc.**f/k/a Inter-Tel Netsolutions**

7300 W. Boston St.
Chandler, AZ 85226-3229
Tel: (602) 253-6004
(800) 894-7026
Fax: (602) 798-7000
Web: www.mitel.com

Mobilitie, LLC

660 Newport Center Dr., Suite 200
Newport Beach, CA 92660
Tel: (949) 717-6023
(877) 999-7070
Web: www.mobilitie.com

Momentum Telecom, Inc.

2700 Corporate Dr., Ste 200
Birmingham, AL 35242
Tel: (205) 978-4442
(877) 447-1220
Fax: (205) 978-3402
Web: www.momentumtelecom.com

Navajo Communications Company, Inc. (UTAH)**d/b/a Frontier Navajo Communications Company**

1800 41st Street
Everett, WA 98201
Tel: (214) 770-6245
(877) 718-1432
Web: www.frontier.com

Net Talk.com, Inc.

1100 NW 163rd Dr.
North Miami, FL 33169
Tel: (305) 621-1200
Fax: (305) 621-1201
Web: www.nettalk.com

Neutral Tandem-Utah, LLC

550 W. Adams St., Suite 900
Chicago, IL 60661
Tel: (312) 384-8000
(866) 388-7251
Fax: (312) 346-3276
Web: www.neutraltandem.com

New Edge Network Inc.**d/b/a New Edge Networks**

3000 Columbia House Blvd, Suite 106
Vancouver, WA 98661-2969
Tel: (360) 969-9009
(866) 636-4357
Fax: (360) 737-0828
Web: www.newedgenetworks.com

NewPath Networks, LLC

1200 Augusta Dr, Ste 500
Houston, TX 98109
Tel: (206) 632-0931
(888) 632-0931
Fax: (206) 632-9374
Web: www.newpathnetworks.net

NextG Networks of California, Inc.**d/b/a NextG Networks West**

890 Tasman Dr
Milpitas, CA 95035
Tel: (408) 954-1580
(866) 446-3984
Fax: (408) 383-5397
Web: www.nextgnetworks.net

NextGen Communications, Inc.

275 West St., Ste 400
Annapolis, MD 21401
Tel: (410) 349-7097
(800) 959-3749
Fax: (410) 295-1884
Web: www.telecomsys.net

North County**Communications Corp.**

3802 Rosecrans St., Suite 485
San Diego, CA 92110
Tel: (619) 364-4750
Fax: (619) 364-4710
Web: www.nccom.com

Onvoy, Inc.**d/b/a Onvoy Voice Services**

300 South Highway 169, Suite 700
Minneapolis, MN 55426-1137
Tel: (736) 230-2036
Fax: (952) 230-4200
Web: www.onvoy.com

OrbitCom, Inc.

1701 N. Louise Dr.
Sioux Falls, SD 57107
Tel: (605) 977-6900
(866) 834-7837
Fax: (605) 373-9355
Web: www.orbitcom.biz

Pac-West Telecomm, Inc.

4210 Coronado Ave
Stockton, CA 95204
Tel: (877) 626-4325
Fax: (510) 380-5972
Web: www.pacwest.com

PAETEC Communications, Inc.

600 Willowbrook Office Park
Fairport, NY 14450-4223
Tel: (585) 340-2600
(877) 472-3832
Fax: (585) 340-2801
Web: www.paetec.com

Preferred Long Distance

16380 Ventura Blvd., Suite 350
Encino, CA 91436-1716
Tel: (818) 380-9090
(888) 235-2026
Fax: (818) 380-9099
Web: www.preferredld.com

QuantumShift Communications, Inc.**d/b/a vCom Solutions, f/k/a MVX.COM**

12657 Alcosta Blvd., Ste 418
San Ramon, CA 94583
Tel: (415) 209-7044
(800) 804-8266
Fax: (925) 415-1458
Web: www.quantumshift.com

Questar InfoComm, Inc.

180 E. 100 S.
PO Box 45433
Salt Lake City, UT 84145-0433
Tel: (801) 324-5912
(800) 729-6790
Fax: (801) 324-5935
Web: www.questarinfo.com

Qwest Communications**Company, LLC****d/b/a CenturyLink QCC**

1801 California Street, Ste 5100
Denver, CO 80202
Tel: (303) 992-1400
(800) 362-1228
Fax: (303) 296-2782
Web: www.qwest.com

Redline Phone, Inc.

770 E. Main Street, Ste 105
Lehi, UT 84043
Tel: (801) 990-3990
(800) 424-3037
Fax: (801) 268-0200
Web: www.arrivaltel.com

Sierra Pacific Communications, Inc.

6100 Neil Road
Reno, NV 89520
Tel: (775) 834-4444
Fax: (775) 834-4202

Sorenson Communications, Inc.

4192 S. Riverboat Rd.
Salt Lake City, UT 84123
Tel: (801) 287-9400
Fax: (801) 287-3294
Web: www.sorenson.com

South Central Communications-Telecom Services, LLC

45 N. 100 W.
Escalante, UT 84726
Tel: (435) 826-4211
(888) 826-4211
Fax: (435) 826-4900
Web: www.socen.com

Spectrotel, Inc.**d/b/a OneTouch Communications****d/b/a Touch Base Communications**

3535 State Highway 66, Suite 7
Neptune, NJ 07753
Tel: (732) 345-7000
Toll Free: (888) 773-9722 Business Customers
Toll Free: (888) 700-5850 Residential Customers
Fax: (732) 345-7893
Web: www.spectrotel.com

Sprint Communications**Company LP**

6200 Sprint Parkway
Overland Park, KS 66251
Tel: (800) 829-0965
Web: www.sprint.com

TCG Utah**Teleport Com Group/AT&T Communications of the Mountain States, Inc.**

One AT&T Way, Room 2B115E
Bedminster, NJ 07921
Tel: (908) 234-7386
Fax: (908) 532-1808

TeleQuality Communications, Inc.

16601 Blanco Road, Ste 200
San Antonio, TX 78232
Tel: (210) 481-5499
Fax: (210) 408-1700
Web: www.telequality.com

Teltrust Corporation

3783 South 500 West, Suite 6
Salt Lake City, UT 84115
Tel: (801) 260-9020
(866) 260-9020
Fax: (801) 265-8181
Web: www.teltrust.com

Trans National Communications International, Inc.**d/b/a TNCL, Inc.**

2 Charlesgate West
Boston, MA 02215
Tel: (617) 369-1000
(800) 800-8400
Fax: (617) 369-1100
Web: www.tncii.com

TW Telecom of Utah, LLC

10475 Park Meadows Dr.
Littleton, CO 80124
Tel: (303) 566-1000
(888) 245-0608
Fax: (303) 566-1010
Web: www.twtelecom.com

Velocity The Greatest Phone Company Ever, Inc.

7130 Spring Meadows Dr West
Holland, OH 43528-9296
Tel: (419) 868-9983
(800) 983-5624
Fax: (419) 868-9986
Web: www.velocity.org

Veracity Networks**f/k/a Veracity Communications, Broadweave Networks**

379 North University Avenue,
Suite 301
Provo, UT 84601-2878
Tel: (801) 379-3000
Fax: (801) 373-0682
Web: www.veracitynetworks.com

Witel Communications, LLC

1025 Eldorado Blvd
Broomfield, CO 80021
Tel: (720) 888-1000
(866) 835-2683
Web: www.witelcommunications.com

WiMacTel, Inc.

1882 Porter Lake Drive, Suite 101
Sarasota, FL 34240
Tel: (403) 390-9983
Fax: (403) 398-0714
Web: www.wimactel.com

X5 SLC, LLC

d/b/a X5 Solutions

1301 5th Ave, Ste 2301
Seattle, WA 98101
Tel: (206) 973-5800
(888) 588-1501
Fax: (888) 834-8558
Web: www.x5solutions.com

Xmission Networks, LLC

51 E. 400 S., Ste 100
Salt Lake City, UT 84111
Tel: (801) 539-0852
(877) 964-7746
Fax: (801) 539-0853
Web: www.xmission.com

XO Communications Services, LLC

13865 Sunrise Valley Rd
Herndon, VA 20171
Tel: (703) 547-2000
(888) 575-6398
Fax: (703) 547-2881
Web: www.xo.com

Ymax Communications Corp.

5700 Georgia Ave
West Palm Beach, FL 33405
Tel: (561) 839-3735
(888) 370-5005
Fax: (561) 586-2328
Web: www.ymaxcorp.com

Zayo Group, LLC

400 Centennial Parkway, Ste 200
Louisville, CO 80027
Tel: (303) 381-4683
(800) 390-6094
Fax: (303) 226-5922
Web: www.zayo.com



Telecommunications Relay Service & Equipment Distribution Program

The Utah Public Service Commission initiated its telecommunications relay service program in 1988 with the goal of providing equal telecommunications access to hearing-and speech impaired individuals. Telecommunications relay service, also known as TRS or Relay Service, is an operator service that allows people who are deaf, hard-of-hearing, or speech disabled to place calls to standard telephone users via a keyboard or assistive device. Prior to the availability of Relay Service, people who were deaf relied on hearing family members or neighbors to make telephone calls. When Relay Services were introduced, a deaf person had the option to use a text telephone (TTY) or Telecommunications Relay Service (TRS). Now, as TRS equipment and technology continue to improve, a person with a hearing or speech disability has multiple service and equipment options available including video relay service, IP-Relay, wireless pagers, captioned telephones, application software, and amplified telephones – wireless or landline. Not only is there traditional TRS, but relay services have expanded over the years to include Spanish language, Speech-to-Speech (STS), Voice Carry Over (VCO) and Captioned Telephone (CapTel), and Hearing Carry Over (HCO).

The 2010 federal census numbers indicate approximately 276,000 Utahns are deaf or hard-of-hearing. In addition, specialists predict as baby boomers age, and their life expectancies increase, the number of people with hearing loss will continue to increase. Over the last several years, due to the Commission education, advertising, and public relations outreach efforts targeted towards people who are deaf or hard-of-hearing, the number of applicants, customers, and users of the Relay Programs and services has continued to grow as residents become aware of the Commission's TRS programs.

Notable Commission accomplishments pertaining to the Relay Program achieved in Fiscal Year 2012 include:

- The Commission hosted the National Association of State Relay Administrators (NASRA) and the Telecommunications Equipment Distribution Program Association (TEDPA) Conferences in October 2011. These conferences allow

colleagues in the fields of TRS and equipment distribution to discuss policies, regulations, funding, outreach, and future technologies.

- The Commission applied for, and was awarded a grant through the National Deaf-Blind Equipment Distribution Program.
- The number of professionally certified American Sign Language interpreters in Utah has more than doubled in the last 7 years.
- Equipment testing centers for consumers were established at the Relay Utah office and the Robert G. Sanderson Community Center in Salt Lake City, as well as a Relay Utah satellite office in St. George.

In addition, as a result of the enactment of 2011 Utah Senate Bill 209 "Telecommunications Amendments," sponsored by Senator Curtis Bramble, wireless surcharges were added as a funding source for Relay Utah. In general, Senate Bill 209 broadened the tax base while lowering the rate of the surcharge collected through assessment on both landlines and cellular lines. This alternate funding source was necessary due to the decline in funds as a result of decreasing landlines and the increasing use of mobile telephones.

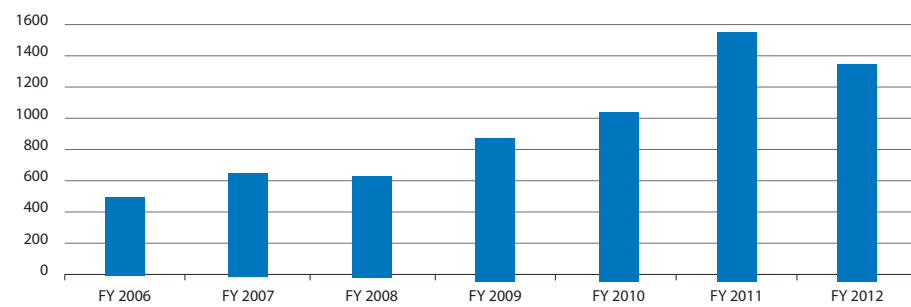
The State of Utah is in its third year of contracting with Hamilton Relay Service for its TRS and captioned telephone (CapTel) relay service. Currently, a Commission equipment specialist and a Hamilton Relay in-state outreach coordinator publicize relay services available in Utah through the Commission's program.

OUTREACH

In addition to its staff, the Commission utilizes a contractor to assist with education, outreach, public relations, and grassroots activities for relay services and equipment distribution. Each year print, television, and radio media are used to raise awareness of the Relay Utah program. During 2012, the Program successfully added search engine marketing, i.e., Online Google Search. In addition, the Program arranged for print advertisements in the Utah Shakespeare Festival Playbill,

the Stage Arts Playbill, the Senior Blue Book and Utah's Senior Review. The Stage Arts playbills run for the entire season in the Utah Symphony and Opera programs, as well as in programs for other cultural activities. Television outreach included features about Relay Utah on KJZZ, KSL, and KUTV. Public Service advertisements were aired on KBYU and KUED. Live interviews were held on local talk shows including: KSL Studio 5, KTVX Good Things Utah, KUTV Fresh Living, and KSTU News Interview Senior Spotlights. As a bonus, Relay Utah's public service announcement ran over 3,000 times during FY 2012.

Through grassroots efforts, the Commission and the Hamilton Outreach Specialist reached approximately 3,000 seniors during FY 2012 and also distributed approximately 1,850 brochures. This extraordinary number of potential applicants for equipment was reached through booths at senior health fairs and expositions as well as power point presentations at senior centers, senior housing facilities, and area agencies on aging.



AMERICAN SIGN LANGUAGE INTERPRETER TRAINING PROGRAM

The Commission currently contracts with the ICAN Program, provided through the Division of Services for the Deaf and Hard-of-Hearing, to provide American Sign Language (ASL) interpreter training classes, on-the-job training, and/or mentoring. Previously the Commission contracted with as many as three ASL interpreter training programs to meet a shortage in the industry of certified ASL interpreters. The ICAN Program contract is in its third year due to ICAN's unique mentoring program.

Year	Number of Professional Certifications
2007	74
2008	107
2009	126
2010	137
2011	152
2012	167

EQUIPMENT DISTRIBUTION

Due to the statewide presentations by Commission staff and Hamilton Relay's outreach representative, as well as advertising efforts, the number of application requests for equipment continues to grow year after year. Currently Relay Utah equipment, which includes all available audio and speech enhancement devices, is distributed by one full-time equipment specialist assisted by three (3) part-time employees. These state employees distribute and train to qualified applicants the appropriate amplified, text, wireless, and captioned telephone equipment. These employees travel the entire state and provide individualized training to each and every program participant. The following table provides information on the number of pieces of equipment distributed since FY 2006.

According to the Utah Interpreter Program, the entity overseeing the testing and certification of interpreters, there were 167 professionally-certified sign language professionals in Utah for FY 2012. Prior to the ASL training program activities sponsored by the Commission, the number of ASL interpreters had remained flat for several years. The following table shows the number of professional certifications for sign language interpreters in Utah has more than doubled in the past six years.

RELAY UTAH

Over 31,000 TRS calls were handled by Hamilton Relay in FY 2012, which include traditional TTY, VCO, HCO, and Speech to Speech. CapTel calls are now up to about

76,000 calls per year. The highest volume of TRS traffic was July 13, 2011, and the highest day of CapTel traffic was handled on December 12, 2011. The past year's information is as follows:

Month/Year	HCO	Spanish	STS	TTY	VCO	Voice	Total
July 2011	56	59	85	1503	708	510	2921
August 2011	27	93	125	1466	608	639	2958
September 2011	45	83	85	1437	658	517	2825
October 2011	23	74	117	1390	777	608	2989
November 2011	68	63	164	1381	471	553	2700
December 2011	49	64	98	1307	621	579	2718
January 2012	56	70	101	1271	621	606	2725
February 2012	73	39	90	957	353	559	2071
March 2012	43	47	195	1350	363	635	2633
April 2012	20	18	124	1138	442	514	2256
May 2012	39	2	178	1296	354	487	2356
June 2012	57	8	142	1211	332	475	2225
FY Total	556	620	1504	15707	6308	6682	31377

Hamilton Relay has recently added new Speech-to-Speech enhancement features to its platform while also providing 24-hour customer service for its captioned telephone services. In addition, Mobile CapTel has developed and introduced technology whereby Smartphones can now be used anywhere on a single, mobile telephone capable of supporting both voice and data simultaneously through a 3G or a Wi-Fi connection. With new technology, including Smartphones, PC or Mac and Tablets, equal communication access for all individuals becomes a reality no matter their location. Equal access has been a goal for Relay Utah since the program's inception.

Regarding outreach services, the outreach coordinator was able to provide intensive training to Brighton Bank in the Relay Friendly Business Program. Hamilton plans to focus on this program in FY 2013 in order to educate businesses about relay services and how to accept, place, and handle relay calls.

Hamilton Relay recognizes individuals living in states that they serve. In 2011, Jeff Agnellow of Davis High School received the Deaf Community Leader award. Katharine Evans received the 2012 Better Hearing and Speech Community Award and Candice Chatland was the recipient of the Hamilton Relay Scholarship.

NATIONAL DEAF-BLIND EDUCATION DISTRIBUTION PROGRAM

In October 2010, President Barack Obama signed into law the Twenty-First Century Communications and Video Accessibility Act which prompted the Federal Communications Commission (FCC) to create a pilot program expanding the access that people who are deaf-blind have to the appropriate telecommunications equipment. The National Deaf-Blind Equipment Distribution Program (NDBEDP) is a two (2) year pilot project, with the potential to be extended a third year, starting in July 2012. The FCC intends to certify one entity per state to provide services under the NDBEDP. The entity may provide all of the services on its own, contract some services, and/or enter into a collaborative partnership to provide the services. The Commission has been meeting with the Division of Services for the Blind and Visually Impaired, Utah School for the Deaf and Blind, and the Division of Services for the Deaf and Hard-of-Hearing in order to ensure that Utahns who are deaf-blind will receive the specialized equipment necessary to effectively access telecommunications services and Internet access services.

NDBEDP requirements include: identification of groups or agencies in each state with expertise in deaf-blindness; communication with people who are deaf-blind through sign language and Braille materials; staffing and resources to handle administration of the program; experience with distribution of equipment; ability to train consumers how to use equipment; and familiarity with telecommunications, Internet, and advanced communication services, such as instant messaging and e-mail.

The NDBEDP pilot program provides different financial guidelines from those used by Relay Utah's equipment distribution program. The FCC will reimburse the certified entity for equipment for consumers who are deaf-blind and whose income is at or below 400 percent of poverty level as opposed to Utah's guideline for Relay Utah which is set at 150 percent. Utah's yearly allocation of the \$10 million federal program is set at approximately \$111,000, of which fifteen percent of the funding can be used for administrative costs involved with running the program, with the remaining 85 percent to be used for assessment, equipment, installation, training, and related travel costs. Monthly reporting requirements and guidelines for data collection and for reimbursement have recently been established.

The Commission is waiting to hear if it has been awarded the grant, and if so, anticipates collaborating with the Division of Services for the Blind and Visually Impaired to ensure that Utah residents who are deaf-blind have the necessary equipment, installation, and training as requested by the FCC.

Additional information on this pilot program and be found at www.iCanConnect.org or www.fcc.gov/NDBEDP.

FUNDING

As of August 2011 funding for Relay Utah, the equipment distribution program, outreach and education activities, administrative costs and the ASL interpreter training programs is provided by a monthly surcharge on Utah residential and business telephone landlines and cellular telephones not to exceed \$.20 per month. This rate is set by the Public Service Commission, and the current surcharge was recently lowered from \$.10 to \$.06 per line per month. During Fiscal Year 2012, the total amount collected was \$1,970,808. During Fiscal Year 2012, the Commission spent \$1,076,221. The Commission has relied upon surplus funds to make up the difference between expenditures and revenue.

LOCAL EXCHANGE CARRIER SURCHARGE AMOUNTS

Fiscal Year	Surcharge Amount Collected by Commission
2005	\$1,312,480
2006	\$1,355,700
2007	\$1,367,500
2008	\$1,364,600
2009	\$1,261,130
2010	\$1,146,813
2011	\$1,098,373
2012	\$1,970,808

There remains the possibility the FCC may delegate fiscal liability to each state for the provision of alternative relay services such as VRS and/or IP Relay for that state. Currently these services are funded by the National Exchange Carrier Association rather than supported by state entities.

RELAY UTAH CONSUMER COUNCIL (RUCC)

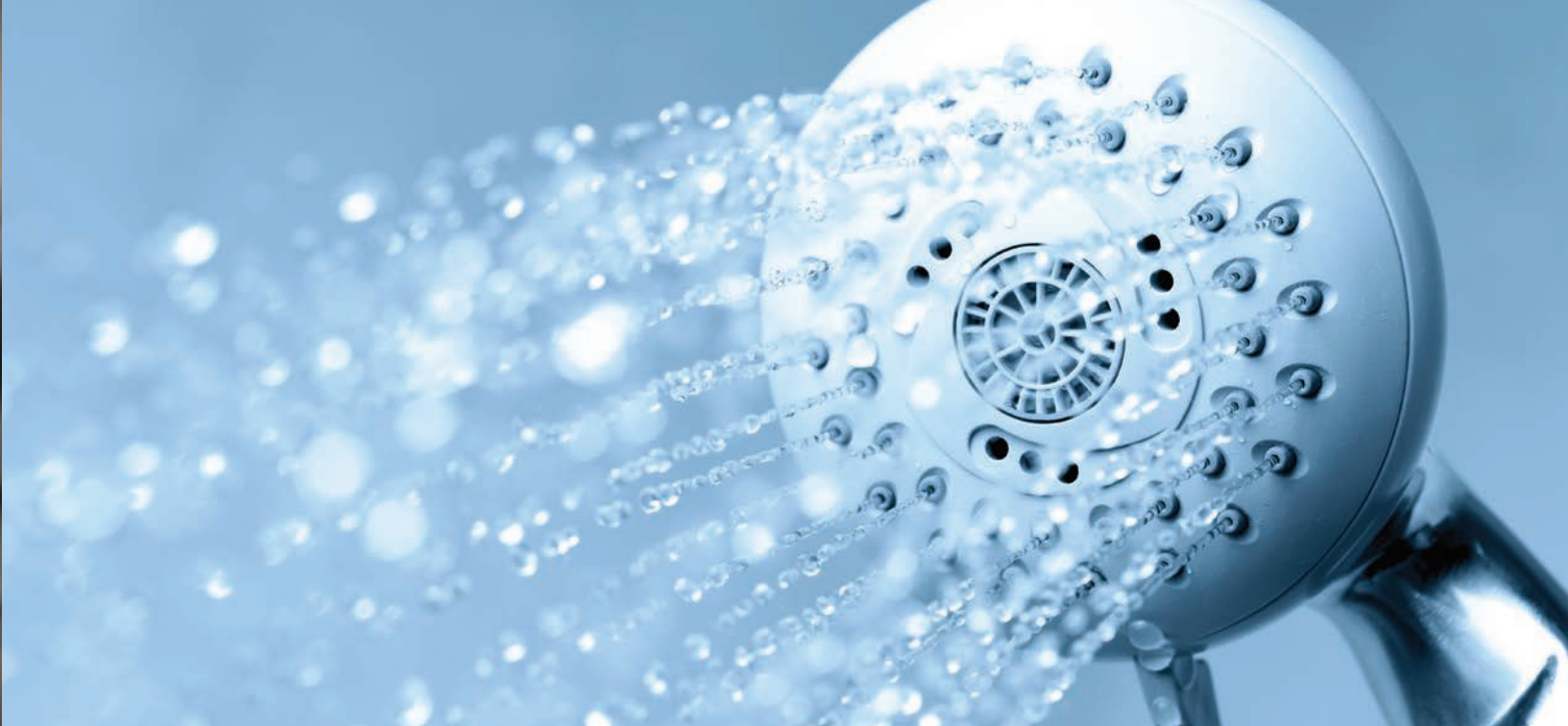
Utah Code 54-8b-10(7) states, "The Commission shall solicit the advice, counsel, and physical assistance of severely hearing or speech impaired persons and organizations serving them in the design and implementation of the program." In Compliance with this law, in FY 2012,

the Commission held quarterly meetings with the Relay Utah Consumer Council (RUCC). This council is comprised of representatives of different groups or organizations; individuals who are deaf, hard-of-hearing, or speech disabled; and also individuals who use the services provided by the Commission.

The RUCC meetings are currently held in conjunction with Hamilton Relay. RUCC members actively provide feedback and ideas of how to best meet the needs of relay consumers in Utah. Through these meetings and continued contact with relay users, the Commission is able to gather information for better implementation of the relay services and the equipment distribution program.

SUMMARY

The Public Service Commission is committed to improving and maintaining the quality of Relay Utah services and equipment. The Commission constantly strives to provide functionally-equivalent forms of telecommunications available for people with speech impairments or hearing loss. As technology evolves and new FCC rules or pilot programs are added, these advancements continue to bring Relay Utah consumers closer to equal access to telecommunications service. The Commission looks forward to future technological developments and innovations, to continued high-quality customer service, and to provide equal access to Utah residents.



Overview of Water Utilities

Water is the lifeblood of any community. Thus, providing clean, safe culinary water to Utah's citizens is a crucial function of a water utility. For the overwhelming majority of Utahns, culinary water is delivered by municipal systems, quasi-governmental special improvement districts, or water districts. Irrigation water is delivered by irrigation cooperatives in Utah. Some Utahns, however, receive their culinary water through privately-owned water companies. The Public Service Commission is charged by the legislature with regulating those privately-owned water companies. The Commission is charged with ensuring that customers of privately-owned water companies have access to water at just and reasonable rates. The Commission has no jurisdiction over municipal systems, quasi-governmental special improvement districts, or water districts. Neither does the Commission have jurisdiction over irrigation cooperatives.

Most Utah residents who are customers of private water companies, reside primarily in sparsely populated rural areas. In recent years, relatively few new culinary water companies have been organized. Most privately-owned water companies formed recently have been formed more with a view toward serving as a marketing tool for real estate development, than as economically viable enterprises in their own right.

WATER COMPANIES

Many of the new water companies have been set up as non-profit cooperatives with the intent that control and ownership, with all of the responsibilities attendant thereto, will transfer to the lot owners as the lots are sold. In the meantime, many developers subsidize their water companies to enable them to offer attractive rates.

The Commission's policy is to exercise its jurisdiction, which under the law it is required to do, so long as the developer retains effective voting control of the water company. Once the lot owners/water users have attained voting control, the Commission relinquishes jurisdiction as required by law.

In uncontested cases, the Commission adjudicates the status of a water company informally. Those companies which appear to be bona-fide cooperatives are issued informal letters of exemption without the formal entry of a Commission order. Those companies found to be subject to Commission jurisdiction are issued Certificates of Public Convenience and Necessity by formal Commission order. Currently there are 19 investor-owned private water utilities and 18 homeowners' associations operating water utilities that are regulated by the Commission.

COMMISSION JURISDICTION

As with other utilities, the Commission exercises regulatory jurisdiction over rates and changes in tariffs. Rate cases in the water context are relatively infrequent. Filing and prosecuting a rate case is somewhat costly and complicated, so companies tend to apply only when the need for an increase is acute. The Commission also entertains consumer complaints regarding water companies, as it does other utilities.

During fiscal year 2012, the Commission issued one letter of exemption, ruled on a rate increase requested by a water utility, began several investigations concerning certifi-

cates of convenience and necessity held or requested by water entities, and approved various tariff changes.

One of the trends the Commission has been trying to remedy, per the Division of Public Utilities' recommendations, is the lack of capital reserve accounts by water utilities. Without capital reserves, water utilities face significant exposure to the risk of an inability to provide safe, clean culinary water to their customers, when faced with significant repair costs or emergencies. The Commission has ordered the implementation of capital reserve accounts in new rate cases, and has issued guidelines for the use and monitoring of those funds.

the Commission concerning Apple Valley Water Company. Thereafter, the Division of Public Utilities filed a status report, on August 17, 2011, indicating it anticipated a rate increase would be filed imminently by the Company. No further filings have been received to date.

Water Dockets

12-2194-01

In the Matter of Durfee Creek, Inc. Association's Request to Cancel Certificate of Public Convenience and Necessity (CPCN) No. 2728:

The Commission granted the request to cancel the CPCN on April 27, 2012.

12-2238-01

In the Matter of West Slope Water Company, Inc.'s Request to Cancel Certificate of Public Convenience and Necessity (CPCN) No. 2238

An Order Canceling Certificate of Public Convenience and Necessity was issued May 8, 2012. The Commission granted the request to cancel the CPCN.

11-097-02 and 11-540-01

In the Matter of Ronald J. Catanzaro's Intent to Sell Mountain Sewer Corporation and Lakeview Water Corporation:

The president of Mountain Sewer Corporation provided notice to the Commission on May 18, 2011, that he intended to sell the corporation to a new owner. This matter is still pending.

11-097-01 and 11-097-03

In the Matter of the Formal Complaint of James and Dawn Martell; Robert Kimball; Frank and Pat Cumberland; Larry and Sharon Zini; David and Marsha Smith, et al vs. Mountain Sewer Corporation, and In the Matter of the Application of Mountain Sewer Corporation for a General Rate Increase:

These matters are still pending.

11-2195-01

In the Matter of Hi-Country Estates Homeowners Association's Request for Reassessment of the Commission's Jurisdiction:

The Commission revoked the Company's letter of exemption and reinstated its Certificate of Public Convenience and Necessity (CPCN). A request for agency review and rehearing of the Commission's decision was filed.

11-2178-01

In the Matter of Water System Rating Change/Not Approved System #UTAH27069:

On July 6, 2011, The Department of Environmental Quality filed a copy of its "Not Approved" letter with

11-2423-02

In the Matter of the Application of Cedar Ridge Distribution Company for an Increase in Rates:

In a Report and Order issued December 16, 2011, the Commission granted the rate increase and ordered the proceeds from the sale of a well be used to pay legitimate Company expenses; in particular, repaying corporate loans, paying for meters and meter installation, refunding an assessment paid by customers, plus interest, and the remaining held in reserve for use in repairing and maintaining the water system in good operating condition. A request for review and rehearing was subsequently filed on January 17, 2012, and the Commission denied the request.

Water Utility Companies

Apple Valley Water Company

1518 N Apple Blossom Ln
Apple Valley, UT 84737
Tel: (435) 877-1182

Boulder King Ranch Estates Water

30 E Center
Kanab, UT 84741
Tel: (435) 335-7441
Fax: (928) 645-3354

Bridge Hollow Water Association

600 Bridge Hollow Drive
Wanship, UT 84017
Tel: (801) 969-3481
Fax: (801) 967-8127

Bridgerland Water Company, Inc.

Bridgerland Village
Garden City, UT 84028
Tel: (435) 757-6840
Fax: (435) 755-3009

Canaan Springs Water Company

3659 Canaan Ranch Rd
Apple Valley, UT 84737
Tel: (435) 877-1409

Cedar Point Water Company

850 W 20 S, Ste 1
Hurricane, UT 84737
Tel: (435) 635-3394
Fax: (435) 635-0264

Cedar Ridge Distribution Company

12435 North Hillcrest Drive
Deweyville, UT 84309
Tel: (435) 257-7152

Community Water Company, LLC c/o The Canyons

4000 The Canyons Resort Drive
Park City, UT 84098
Tel: (435) 649-2045
Fax: (435) 649-2045

Coyotes-N-Cowboys Linecamp Subdivision, LLC

1770 S SR 22
Antimony, UT 84712
Tel: (435) 624-3216
Fax: (435) 624-3211

Dammeron Valley Water Works, LLC

1 Dammeron Valley Dr. East
Dammeron Valley, UT 84783
Tel: (435) 574-2295
Fax: (435) 656-0504

Eagle's Landing Water Company, LLC

1094 North Ridge Way
Spanish Fork, UT 84660
Tel: (801) 794-9559
Fax: (801) 794-9669

Elk Ridge Estates Water Company

PO Box 723
Cedar City, UT 84721
Tel: (435) 648-2464
Fax: (800) 299-6201

Falcon Crest Water Company c/o Lonepeak Realty & Mgt.

4115 S. 430 E., #201
Salt Lake City, UT 84107
Tel: (801) 268-1087
Fax: (801) 262-7937

Grand Staircase Water Company, LLC c/o Canyon Equity, LLC

101 Larkspur Landing Circle, #310
Larkspur, CA 94939
Tel: (415) 925-8000

Harmony Heights Water Company

722 E. 200 S.
New Harmony, UT 84757
Tel: (435) 586-9208
Fax: (435) 586-9208

Harmony Mountain Ranch Water Company

2116 N. Canyon Greens Dr.
Washington, UT 84780
Tel: (435) 531-1717
Fax: (435) 627-9383

Hidden Creek Water Company

5225 S. Alvera Circle
Salt Lake City, UT 84117
Tel: (801) 272-3525
Fax: (801) 277-6691

Highlands' Water Company, Inc.

5880 N Highland Drive
Mountain Green, UT 84050
Tel: (801) 876-2510
Fax: (801) 876-2510

Horseshoe Mountain Ranch Estates

Owners Assoc., Inc.
10160 Roseboro Road
Sandy, UT 84092
Tel: (801) 572-4728
Fax: (801) 572-7456

Kayenta Water Users, Inc. d/b/a KWU, Inc.

800 N. Kayenta Pkwy.
Ivins, UT 84738
Tel: (435) 628-7732
Fax: (435) 628-7707

Lake Front Estates Water Users Association

3215 West 13800 South
Bluffdale, UT 84065
Tel: (801) 561-1752
Fax: (801) 561-6083

Lakeview Water Corporation/Valley Utility Company, LLC

932 South 6525 East
Huntsville, UT 84317
Tel: (801) 745-2639

Legacy Sweetwater, Inc. 1036 East Canyon Rd.

Ephriam, UT 84627
Tel: (435) 283-3424

Mountain Sewer Corporation Valley Utility Company, LLC

932 S. 6525 E.
Huntsville, UT 84317
Tel: (801) 745-2639

North Creek Ranch HOA

314 West 1425 North
Beaver, UT 84713
Tel: (435) 438-6308

North Fork Water Company**Zion Mt. Resort**

9065 W. Hwy 9
Mt. Carmel, UT 84755
Tel: (435) 632-6310
(866) 648-2555

Pine Valley Irrigation Company

316 W Diagonal Street
St. George, UT 84770
Tel: (435) 673-3435

Pineview West Water Company

828 Radford Lane
Eden, UT 84310
Tel: (801) 675-1711

Sherwood Water Company

3140 N. 2000 W.
Delta, UT 84624
Tel: (435) 864-2896
Fax: (435) 864-4947

South Duchesne Culinary**Water, Inc.**

59 West Main Street
Duchesne, UT 84021
Tel: (435) 738-6400
Fax: (435) 738-6403

Storm Haven Water**Company, Inc.**

4782 S. Cove Lane
Heber City, UT 84032
Tel: (435) 654-3119

Wanship Cottage**Water Company**

320 Old Farm Road
Coalville, UT 84017
Tel: (435) 336-5584
Fax: (435) 336-2380

WaterPro, Inc.

12421 S. 800 E.
PO Box 156
Draper, UT 84020
Tel: (801) 571-2232
Fax: (801) 571-8054
Web: www.waterpro.net

White Hills Water Company, Inc.

1099 West South Jordan Pkwy.
South Jordan, UT 84095
Tel: (801) 995-0158
Fax: (801) 495-3415

Willow Creek Water**Company, Inc.**

14015 North 400 West
Beaver Dam, UT 84306
Tel: (435) 458-3429

Complaints

MONOPOLIES

If a privately owned company is a monopoly, it is in a position to exploit customers. Since the company will be the sole source of a good or service, customers who are dissatisfied have no options to acquire the monopolized service or product at a better price or quality. The customer takes what the monopoly offers or does without.

This picture changes in the case of services provided by regulated public utility companies, as it should, because public utility services are necessities of modern life. Households and businesses cannot do without these services. The Commission is the intermediary between public utility monopolies and customers.

THE ROLE OF THE DIVISION OF PUBLIC UTILITIES

A dissatisfied customer who cannot resolve service problems through contact with the utility can seek assistance from state regulators for help. A walk-in, visit, a local call, or a toll-free 800 number connects the customer with the staff of the Division of Public Utilities (Division). Division staff construct a factual statement, through discussions with both the complainant and the utility regarding the problem. Often, this is enough to resolve the difficulty.

In other instances, after Division contact, the utility itself takes action to correct the problem. At times, a customer facing service difficulty may request help from the Office of Consumer Services (Office) for assistance. Though following the same sort of process the Division does, if the Office learns that other customers face similar problems, it may petition the Commission for action in a manner having wider applicability. An example might be changes in late payment arrangements to assist low-income customers or others having difficulty paying their bills.

FORMAL COMPLAINTS

In cases involving factual disputes over which the Commission has jurisdiction, the Commission may resolve a formal complaint by hearing before an Administrative Law Judge, who establishes the facts on the record and renders a recommended decision. However, most customer complaints are resolved through the informal complaint process.

The Following table shows the number of informal complaints processed by the Division of Public Utilities in FY 2012. Of these, five became formal complaints before the Commission during FY 2012, requiring a hearing by an Administrative Law Judge.

Type of Utility Complaint FY 2012

Electric	169
Natural Gas	145
Telecom – ILEC*	149
Telecom – CLEC*	51
Telecom – Long Distance	30
Water and Sewer	8
TOTAL	552

* ILEC – Incumbent Local Exchange Carrier

* CLEC – Competitive Local Exchange Carrier



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