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# State of Utah

## PUBLIC SERVICE COMMISSION OF UTAH

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### Press Release

#### For Immediate Release

February 25, 2005

#### Contact: Julie Orchard

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#### Public Service Commission Approves PacifiCorp Rate Increase Stipulation

The Public Service Commission issued its order today in the PacifiCorp (the "Company") rate case. The Commission approved the settlement agreement (the "Stipulation") of interested parties and advocates, including PacifiCorp, the Utah Division of Public Utilities, the Utah Committee of Consumer Services, the Utah Industrial Energy Consumers, AARP, Federal Executive Agencies, and the Kroger Company. The Stipulation permits the Company to increase electrical rates by \$51 million per year, effective March 1, 2005. The Commission adopted the Stipulation as a fair compromise of diverse interests that results in just and reasonable rates for customers.

In its petition for a rate increase, the Company cited a need for substantially increased investment to serve the growth in demand for electricity. The need to maintain adequate supply has required the Company to make large investments in new electric generation and to expand and upgrade its Utah distribution system. The construction of larger homes in Utah as well as the replacement of more energy efficient evaporative coolers with central air conditioning contributes to the need for new generation. The Company has committed to build two new electric generation plants and associated transmission and distribution facilities. Additionally, the Company has expended millions of dollars in the last year or two to improve the reliability of its distribution system and has committed to spend more on activities such as maintenance and tree trimming to avoid power outages like the one experienced in December of 2004.

The average Utah rate increase is estimated at 4.7% but residential and small commercial customers will likely see increases of 3.8%. It is expected that the impact on the average residential customer using 730 kwh per month will be approximately \$2.11 per month. The Stipulation provides that the Company may not ask for another rate increase for at least one year, which means these new rates will remain unchanged for almost two years.

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