

Public Service Commission 2013 Annual Report

for the period July 1, 2012 - June 30, 2013



Electricity • Natural Gas
Telecommunications • Water

PSC 2013

STATE OF UTAH

Public Service Commission



Honorable Gary Herbert
Governor, State of Utah
Honorable Members of the Utah State Senate
Honorable Members of the Utah State House of Representatives

It is a pleasure to present to you the Annual Report for fiscal year 2013 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, 2013.

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,

Ron Allen, Commission Chairman

David Clark, Commissioner

Thad LeVar, Commissioner

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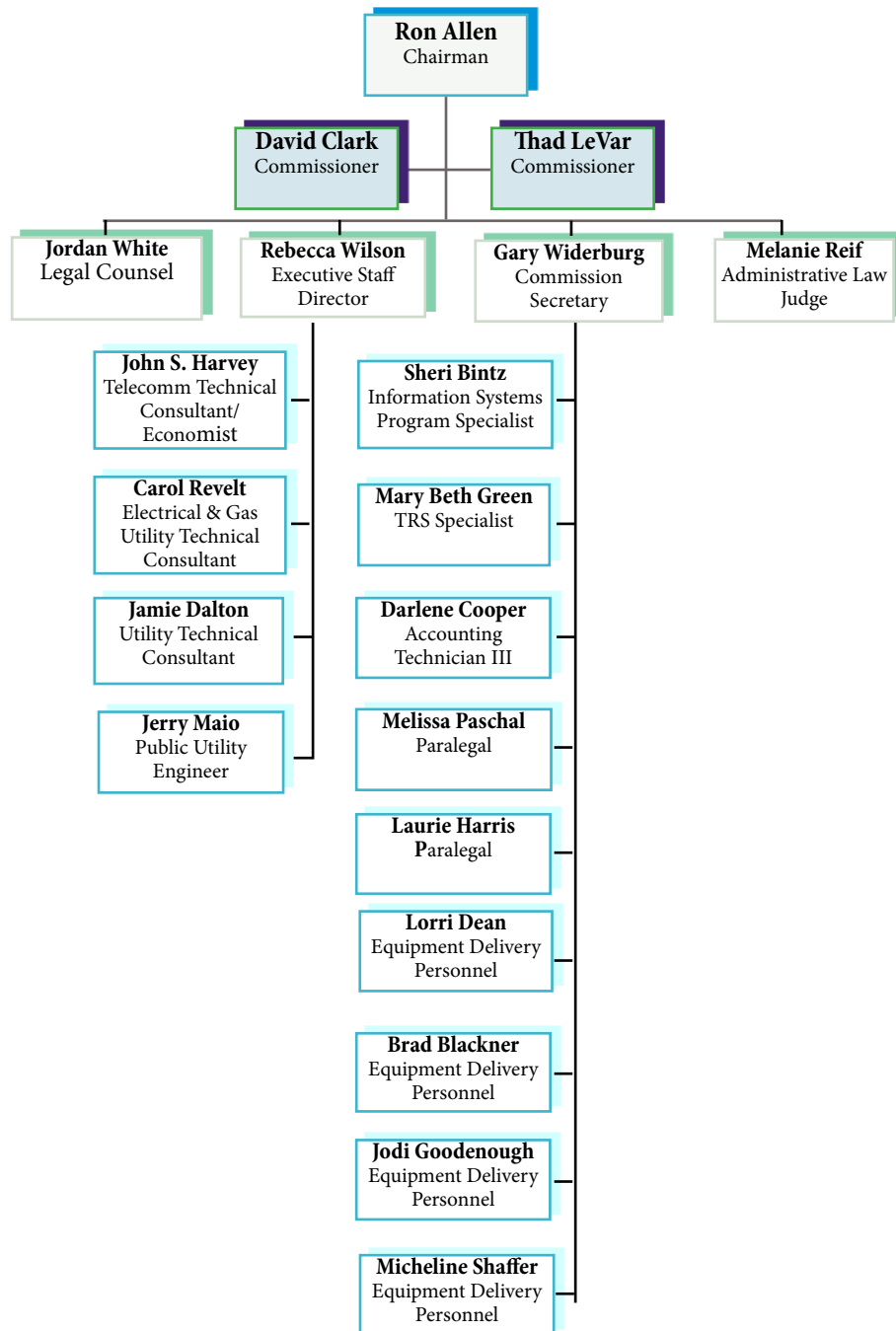


*Personnel

Chairman	Ron Allen
Commissioner	David Clark
Commissioner	Thad LeVar
Commission Secretary	Gary Widerburg
Executive Staff Director	Rebecca Wilson
Legal Counsel	Jordan White
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
Information Systems Program Support Specialist	Sheri Bintz
TRS Specialist	Mary Beth Green
Accounting Technician	Darlene Cooper
Paralegal	Laurie Harris
Paralegal	Melissa Paschal
Equipment Delivery Personnel	Lorri Dean
Equipment Delivery Personnel	Brad Blackner
Equipment Delivery Personnel	Jodi Goodenough
Equipment Delivery Personnel	Micheline Shaffer

* Personnel list as of October 1, 2013

*PSC Organization



* Organization as of October 1, 2013

COMMISSIONERS



Ron Allen - Chairman

Appointed as Chair: January 1, 2013

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. Commissioner Allen was appointed as Chair on January 1, 2013. 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. Chairman Allen 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. Chairman Allen currently serves on the Gas Committee with the National Association of Regulatory Utility Commissioners.

Chairman Allen 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. Chairman Allen has a B.S. degree in Accounting and an M.A. degree in Art History from the University of Utah.



David Clark

Appointed: January 1, 2013

David Clark was appointed to the Public Service Commission on January 1, 2013. At the time of his appointment, he had been serving as the Commission's legal counsel since 2010.

During a 22 year legal career in California, David represented energy and telecommunications utilities in administrative hearings, and practiced corporate law for a public utility holding company, serving as manager of the company's Legal Division. He began his law practice as a member of the United States Navy Judge Advocate General's Corps.

More recently, David founded a financial services business in the banking sector, serving clients in the western United States. He also spent three years in full-time, volunteer church service. David's other community activities have included service on the boards of the San Diego Urban League, the Poway Center for the Performing Arts Foundation, the San Diego Cystic Fibrosis Foundation, and the San Diego Chapter of the J. Reuben Clark Law Society. David received his undergraduate and law degrees from Brigham Young University.



Thad LeVar

Appointed: January 1, 2013

Thad LeVar was appointed to his first term as a Commissioner of the Public Service Commission of Utah by Governor Gary Herbert on January 1, 2013. He had been with the Utah Department of Commerce since 2004, and was the agency's deputy director.

His previous experience includes service as the director of the Division of Consumer Protection, administrative law judge at the Division, and associate general counsel for the Utah Office of Legislative Research and General Counsel. Before law school, Thad taught in secondary schools in Texas and Arkansas. He is a graduate of the J. Reuben Clark Law School at Brigham Young University.

HISTORY

ORIGINS OF THE PSC

Since its origin under 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 recent 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 seventeen full-time and three part-time employees.

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 thirty 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 (formerly the Committee of Consumer Services), the state agency advocate before the Commission for the interests of residential, small commercial, and agricultural customers. The Office, established by the legislature in 1977, consists of six citizens appointed by the Governor. It employs a director and a five-member clerical and technical staff including legal assistance provided by the Office of the Attorney General.

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, 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 2013, 418 cases were opened and docketed and 303 orders were sent out. Of these, 45 were resolved by written Commission order, following hearing and deliberation on the evidentiary record. Many of the remaining cases were handled informally. The more involved cases, whether for regulatory policy or financial implications, are highlighted in the following discussions of electricity, natural gas, telecommunications, and water. In Fiscal Year 2013, the Public Service Commission regulated 176 utility companies to include gas, electric, telephone, water, sewer, and railways with gross intrastate revenues of \$3.27 billion.



**Public Service Commission of Utah
Commissioners**

<u>Years of Service</u>	<u>Name</u>	<u>Home Town</u>
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
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
2001-2012	Richard M. Campbell	Riverton
2003-2012	Theodore Boyer	Salt Lake City
2005-Present	Ronald Allen	Stansbury
2013-Present	David Clark	Draper
2013-Present	Thad LeVar	Tooele

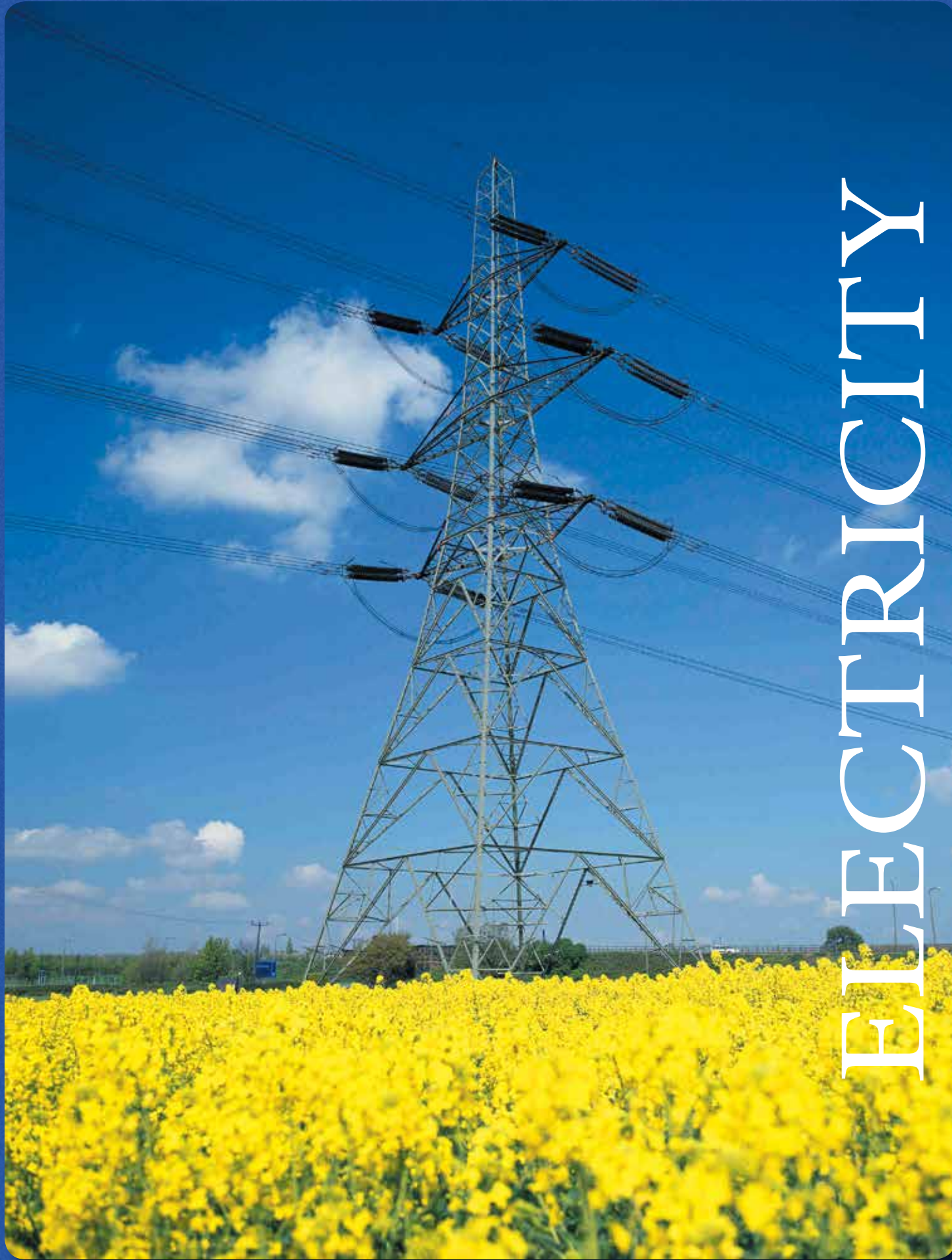
*Commissioner Pro Tempore

**Public Service Commission of Utah
Secretaries**

<u>Years of Service</u>	<u>Name</u>	<u>Home Town</u>
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

*Acting Secretary





ELECTRICITY

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 Annotated § 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 2013, the Commission approved five rate changes which resulted in an approximate 5.5 percent increase in the annual bill of a typical residential customer.

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, an approximate 9.7 percent increase in Utah revenues. The request was based on the forecast test period ending May 31, 2013, a thirteen-month average rate base with a historical base period and a return on equity of 10.2 percent. Capital investment in power plant emission controls and transmission and distribution infrastructure,

along with increases in power costs were listed as the driving factors behind the proposed increase.

In a September 19, 2012 Report and Order, the Commission approved a multi-year, uncontested settlement stipulation which resolved issues in the General Rate Case docket and two other dockets concerning deferred accounting of costs at PacifiCorp's Carbon and Naughton power plants. The stipulation addressed all components of the three dockets including revenue requirement, revenue spread to classes of customers, rate design, and certain deferred accounting treatment. The Commission authorized a 7.68 percent rate of return on rate base, based in part on an allowed 9.8 percent rate of return on common equity.



The rate increase was implemented in two steps. In Step 1, the Commission increased PacifiCorp's annual revenue requirement by \$100 million effective October 12, 2012. This represents a 5.64 percent increase in PacifiCorp's forecast of general business revenue in Utah and is an approximate 5.23 percent increase in a typical residential customer's annual bill. In Step 2, the Commission approved an increase of PacifiCorp's annual revenue requirement by \$54 million, conditionally effective September 1, 2013. This represents a 2.88 percent increase in PacifiCorp's forecast of general business revenue in Utah.

The Commission allocated approximately thirty-nine percent of the revenue increase to residential customers and sixty-one percent of the revenue increase to commercial and industrial customers. The Commission also implemented a new two-tier pricing structure for non-summer rates.

In this case, the Commission approved deferred accounting treatment for: (1) certain changes in depreciation expense, (2) costs related to the decommissioning of the Carbon coal-fired power plant, (3) certain changes to wheeling revenue, and (4) costs related to environmental air quality upgrades to the Naughton coal-fired power plant's Unit 3.

The Commission also approved the base levels of net power cost and wheeling revenue for energy balancing account measurement as well as renewable energy credit revenue contained in general rates. The Commission approved certain accounting treatment related to the amortization of future approved balancing account charges or refunds. The Commission also authorized the Company to retain ten percent of certain renewable energy credit revenue incremental to the approved base level.

Solar Incentive Program

In October 2012, the Commission approved a new Solar Incentive Program, providing financial support to those customers who purchase and install solar photovoltaic systems. The Commission found the program to be cost effective and determined it will yield net savings to customers over the program's life. The new program is based on a five-year pilot program originally approved in 2007.

The program's central feature is a rebate incentive payable to customers who successfully complete an approved PV project. The program will provide approximately \$50 million in rebate incentives to qualified applicants over the life of the program (calendar year 2013 through calendar year 2017). Potential program applicants are classified into three sectors: (1) residential for systems up to four kilowatts in capacity, (2) small non-residential for systems up to twenty-five kilowatts in capacity, and (3) large non-residential for systems ranging between 25-1,000 kilowatts.

PacifiCorp uses a lottery to select applications from each of the three sectors. If the available capacity for the year is over-subscribed, additional applicants will be placed on a waiting list in the order selected.

If available capacity for the year is not fully subscribed after the lottery, PacifiCorp will accept additional applications on a first come, first served basis.

Electric Energy Conservation

In 2003, the Commission approved Electric Service Schedule No. 193, the Demand Side Management ("DSM") Cost Adjustment, the funding source for cost effective energy efficiency and load management programs approved by the Commission and managed by PacifiCorp. In fiscal year 2013, PacifiCorp spent approximately \$44.8 million for sixteen 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 processes, encourage the purchase of energy-efficient appliances, and directly control air conditioners and irrigation pumps. During 2012, approximately 192 megawatts of power and approximately 236,000 megawatt hours of energy were saved through these programs.

On March 1, 2013, the Commission approved a rate decrease by changing the Electric Service Schedule No. 193 DSM Cost Adjustment Credit rate. Without this change, the DSM deferral account would have accumulated excessive year-end balances over collected funds. This adjustment resulted in a \$13 million refund which reduced a typical residential customer's annual bill by about .31 percent.

Energy Balancing Account

Also on March 1, 2013, the Commission approved a \$7.8 million rate increase to recover the October through December 2011 Energy Balancing Account deferred balance from customers. The increase, resulting from an uncontested settlement stipulation, will be recovered from customers over a two-year period, in the amount of \$3.9 million per year. This results in an approximate .22 percent increase in a residential customer's annual bill.

Renewable Energy Credit Balancing Account

In a May 29, 2013 Report and Order, the Commission approved an interim rate change by crediting the Electric Service Schedule No. 98 REC Revenues Credit Balancing Account by an amount of \$3,263,532, effective June 1, 2013. This resulted in a slight increase in customer rates since the prior credit was higher. This rate change resulted in a .01 percent increase in a typical residential customer's bill.

Planning for Least Cost and Reliable Power

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 twenty years. In April 2013, PacifiCorp filed its 2013 IRP.

Based on its assumptions of existing generation capacity, length of existing purchase power contracts, and transmission transfer capability, the 2013 IRP identified a deficiency between existing resources and peak system requirements plus a thirteen percent planning reserve of 824 megawatts beginning in 2013. This deficit will grow to 2,308 megawatts in 2022. Over the period 2013 to 2022, the system peak load is forecast to grow at a compounded annual rate of about 1.2 percent, prior to expected load reductions from energy efficiency.

In the 2013 IRP, PacifiCorp identified a twenty-year resource investment schedule, PacifiCorp’s “2013 Preferred Portfolio.” The 2013 Preferred Portfolio consists of cumulative supply additions, firm power purchases, and direct-control load management or energy efficiency programs to address system resource deficiency during the period 2013 through 2032. The Preferred Portfolio includes 7,159 megawatts of additional supply. Of this total, forty-five percent is thermal resource (primarily gas-fired generation), twenty-five percent is load management and energy efficiency, seventeen percent is unspecified annual firm power purchases, and thirteen percent is renewable resource (wind and solar).

According to PacifiCorp, reduced loads and favorable market conditions have led the company to rely increasingly on cost-effective energy efficiency and annual firm power purchases to meet its resource needs in the near term.

Large Electric Power Plant Environmental Upgrades

In August 2012, PacifiCorp filed with the Commission a voluntary request for

approval of a resource decision to construct selective catalytic reduction (“SCR”) emission reduction systems on units three and four of the Jim Bridger coal-fired steam electric plant located in Wyoming. PacifiCorp stated the proposed SCR systems are needed to comply with state and federal regional haze rules which call for reductions in nitrogen oxides emissions. According to PacifiCorp, the SCR systems must be completed on units three and four by year end 2015 and 2016, respectively, to meet compliance requirements.

This was the first voluntary request for approval of a resource decision filed with the Commission pursuant to part four of Utah’s Energy Resource Procurement Act, as found in Utah Code Annotated § 54-17-402. This statute authorizes the Commission to hear voluntary requests to approve all or part of a proposed resource decision by a public utility before the utility implements the resource decision.

On May 10, 2013, the Commission issued an order approving PacifiCorp’s voluntary request. In this order, the Commission conditioned its approval of authorized project costs upon review of PacifiCorp’s executed engineering, procurement, and construction contract for the project and upon the final levels of nitrogen oxide emissions required by the EPA.

Transmission Expansion-Certificates of Convenience and Necessity

In March 2013, the Commission granted PacifiCorp’s request for a Certificate of Public Convenience and Necessity to construct a new 345 kV transmission line between its existing Sigurd substation located in Sevier County, Utah, and the existing Red Butte substation in Washington County, Utah. The Commission based its decision on an uncontested settlement stipulation filed by intervening parties.



According to PacifiCorp, the project directly addresses its need to meet electric service obligations to customers by adding additional transmission facilities to its system, improving reliability of the interconnected transmission system, and increasing transmission capacity needed to serve growing electric demand in southwest Utah. PacifiCorp maintains the proposed line will also address Federal Energy Regulatory Commission, Western Electric Coordinating Council, and North American Electric Reliability Corporation reliability standards and criteria. In addition, the project will provide access to renewable and other generation sources as well as increased capacity for energy imports and exports into and out of Utah. The Company estimates the line will be in service by June 2015.

Electric Service Reliability

During FY 2013, the Commission completed rulemaking activities pertaining to electric service reliability. The new rule, Utah Administrative Code R746-313, Electric Service Reliability, was made effective in September 2012. The purpose of the new rule is to establish requirements for each electric corporation and distribution electrical cooperative that is also a public utility to have a program to ensure reliable electric service is provided to each electric service customer in accordance with Utah Code Annotated § 54-3-1.

The new rule requires each electric corporation and distribution electrical cooperative that is also a public utility to have a written electric service reliability program approved by its governing authority. The rule also requires these entities to provide annual reports on electric service reliability and major event reports to the Commission and/or the board of directors of the distribution electrical cooperative. The rule identifies the standards (The Institute of Electrical and Electronics Engineers (IEEE), Inc., Standard IEEE 1366 – 2003 Guide for Electric Power Distribution Reliability Indices and/or the United States Department of Agriculture Rural Utilities Service RUS Bulletin 1730A-119 Interruption Reporting and Service Continuity Objectives for Electric Distribution Systems) for which electric service reliability indices are to be calculated and provides requirements for addressing inquiries about electric service reliability.

Finally, the rule requires that within three months after the effective date of the rules, an electric company whose governing authority is the Commission must file for the Commission's approval of reliability performance baselines for System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) reliability indices.

Following the requirements of the new rule, in early January 2013, PacifiCorp filed its proposed SAIDI and SAIFI performance baselines for Commission approval. In May 2013, the Commission issued an order approving a SAIDI performance baseline of 201 minutes and a SAIFI performance baseline of 1.9 events for PacifiCorp and clarified the rule reporting requirements.

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. In September 2012, PacifiCorp informed the Commission there was no longer a need to pursue a generation resource in the 2016 time period due to reductions in forecasted loads. PacifiCorp therefore proposed terminating its request for proposal solicitation process for a generation resource previously planned for the 2016 time period. PacifiCorp based this decision upon an updated assessment of its needs, preliminary evaluation of bids, and third party evaluations and recommendations. On February 21, 2013, the Commission issued a Report and Order determining PacifiCorp adequately supported its decision to terminate its solicitation process for an All-Source Resource for the 2016 Time Period.



TECHNICAL CONFERENCES

The Commission sponsored the following technical conferences during fiscal year 2013:

- August 3, 2012, Docket No. 11-035-104, Technical Conference to discuss a cost effectiveness study prepared by the Cadmus Group on PacifiCorp's proposed Solar Incentive Program.
- October 25, 2012, Docket No. 11-035-73, Technical Conference for PacifiCorp to answer questions and explain to interested parties the facts and reasons behind the termination of the solicitation process for the All-Source Resource for the 2016 time period.
- October 25, 2012, Docket No. 12-035-97, Technical Conference to discuss PacifiCorp's proposal to construct a new 345 kV transmission line between its existing Sigurd substation located in Sevier County, Utah, and the existing Red Butte substation in Washington County, Utah.
- November 6, 2012, Docket No. 12-035-T10, Technical Conference for the Utah Division of Public Utilities to discuss its response to a Commission inquiry concerning resource acquisition timing pursuant to the Electric Service Schedule No. 37 method for avoided cost calculations.
- November 28, 2012, Docket No. 11-035-73, Technical Conference to address discovery responses prepared by PacifiCorp regarding the termination of the solicitation process for the All-Source Resource for the 2016 time period.
- February 20, 2013, Docket No. 13-035-02, Technical Conference to discuss PacifiCorp's proposal to change its depreciation rates.
- April 4, 2013, Docket No. 13-035-01, Technical Conference for PacifiCorp to review, clarify, and discuss the information and details supporting its proposed service quality performance baseline measures.
- June 11, 2013, Docket No. 13-035-T08, Technical Conference to allow the Company an opportunity to present its proposed changes to Electric Service Regulation No. 3, Electric Service Agreements, which provides proposed language to hold defaulting customers responsible for attorney fees and costs when those customers' accounts go unpaid. The Technical Conference also offered parties an opportunity for questions and answers.

ELECTRIC DOCKET S

General Cases

03-035-14 / 12-035-101

In the Matter of the Application of PacifiCorp for Approval of an IRP-based Avoided Cost Methodology for QF Projects Larger than One Megawatt/In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Tariff Schedule No. 38, Qualifying Facility Procedures:

In a March 21, 2013, Order on Tariff Modifications, the Commission approved PacifiCorp's proposed modifications to Electric Service Schedule No. 38.

The modifications were filed to comply with the Commission's October 31, 2005, Report and Order in Docket No. 03-035-14. In the application, PacifiCorp proposed additional language stating Qualifying Facilities ("QFs") which are 100 megawatts or greater in size and seeking a contract term of ten years or more must participate in PacifiCorp's competitive bidding process. The new language included a website link to information regarding PacifiCorp's competitive bidding processes as well as a website check list allowing QF developers to view the process for determining indicative pricing.

On June 10, 2013, the Commission issued an Order on Tariff Modifications approving PacifiCorp's revised Utah Schedule No. 38, Sheet No. 38.7, filed pursuant to the Commission's March 21, 2013, Order on Tariff Modifications.

Key:
Docket Number
Short Title
Status as of June 30, 2013

09-035-15

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

In an August 30, 2012, Order, the Commission modified the rate setting process in the Energy Balancing Account ("EBA") Pilot Program. Among other things, the Commission's Order established milestones for processing future EBA applications beginning in 2013. On October 16, 2012, the Commission issued an Order on Request for Rehearing. In this Order, the Commission clarified its August 30, 2012, Order in this docket.

09-035-20

In the Matter of the Application of US Magnesium LLC, for Determination of Rates and Conditions for Interruptible Service from and QF Sales to Rocky Mountain Power:

In a November 26, 2012, Report and Order, the Commission approved an amendment to an existing Electric Service Agreement ("ESA") between Rocky Mountain Power and US Magnesium, LLC ("US Mag"), originally approved by the Commission on December 23, 2009. The Office of Consumer Services argued US Mag should pay its share of EBA costs as part of the contract amendment, consistent with the Commission's Order in Docket No. 11-035-T10. The Commission determined the EBA issue will be addressed in Docket No. 12-035-67.

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:

The Commission issued an Order on December 19, 2012, acknowledging PacifiCorp's Third Annual Report on the Strategic Communications and Outreach Program as meeting the general requirements and guidelines of the Commission's June 11, 2009, Order in this Docket.

10-035-97

In the Matter of the Consolidated Applications of Rocky Mountain Power for Approval of Standard Reciprocal and Non-Reciprocal Pole Attachment Agreements:

In a November 21, 2012, Report and Order, the Commission approved a settlement stipulation and authorized changes to Electric Service Schedule No. 4, including the "Safe Harbor" pole attachment agreement previously approved in Docket No. 04-999-03.

11-035-73 / 11-2035-01

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

On February 21, 2013, the Commission determined PacifiCorp adequately supported its decision to terminate its

solicitation process for an All-Source Resource for the 2016 Time Period. The Commission also determined no further adjudicative proceedings were to be anticipated for the RFP or IRP dockets addressed in this Report and Order.

11-035-104

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

On October 1, 2012, the Commission issued a Report and Order approving a new Solar Incentive Program which provides financial support to those customers who purchase and install solar photovoltaic

11-035-200 / 12-035-79 / 12-035-80

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/In the Matter of the Application of Rocky Mountain Power for an Accounting Order to Defer the Costs Related to the Decommissioning of the Carbon Plant/In the Matter of the Application of Rocky Mountain Power for a Deferred Accounting Order Regarding Costs Incurred for Naughton Unit 3 Selective Catalytic Reduction System, Pulse Jet Fabric Filter System and Related Environmental Upgrades:

In a September 19, 2012, Report and Order, the Commission approved a multi-year, uncontested settlement

stipulation addressing components in this docket (referred to informally as the 2012 PacifiCorp General Rate Case), including revenue requirement, revenue spread to classes of customers, rate design, and certain deferred accounting treatment. The Commission's action also resolved PacifiCorp's Accounting Order applications in Docket No. 12-035-79 and Docket No. 12-035-80 to defer Carbon Power Plant decommissioning costs and Naughton Unit 3 Selective Catalytic Reduction System, Pulse Jet Fabric Filter System development costs.

12-028-01

In the Matter of the Application of Garkane Energy Cooperative, Inc. to Amend its Certificated Service Area:

In a December 11, 2012, Order Amending Service Area, the Commission approved the application of Garkane Energy Cooperative, Inc. to amend its certificated service area, effective January 15, 2013, in the absence of a timely protest or request for hearing.

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:

In an August 30, 2012, Order, the Commission modified the rate setting process in the Energy Balancing Account ("EBA") Pilot Program. Among other things, the Commission's Order established milestones for processing future EBA applications beginning in 2013.

On October 16, 2012, the Commission issued an Order on Request for Rehearing. In this Order, the Commission clarified its August 30, 2012, Order in this docket

In a February 27, 2013 Report and Order, the Commission approved an uncontested settlement stipulation and increased rates by \$7.8 million to recover the October through December 2011 EBA deferred balance from customers. The increase will be recovered from customers over a two-year period, in the amount of \$3.9 million per year. The Commission allocated approximately thirty-nine percent of the revenue increase to residential customers and sixty-one percent of the revenue increase to commercial and industrial customers. The Commission also approved a separate, uncontested stipulation resolving issues associated with the application of the EBA to a special contract customer.

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:

On November 9, 2012, the Commission issued an Order Establishing Final Rates. In this order, the Commission approved the audit report of the Utah Division of Public Utilities and designated as final a \$4.0 million revenue credit previously approved on an interim basis.

12-035-86

In the Matter of the Formal Complaint of Caithness Condominium HOA against Rocky Mountain Power:

The Commission's October 31, 2012, Order dismissed the Caithness Condominium HOA complaint against Rocky Mountain Power.

12-035-90

In the Matter of the Power Purchase Agreement between Cottonwood Hydro, LLC and PacifiCorp, dated December 14, 2011:

In an October 1, 2012, Order on Request for Agency Action, the Commission denied the request of Cottonwood Hydro, LLC for agency action that would unilaterally change the terms of power purchase agreements executed with PacifiCorp. The Commission's action denied Cottonwood Hydro's request that the agreements be amended to allow Cottonwood additional time to perform certain obligations specified within the agreements.

12-035-92

In the Matter of the Voluntary Request of Rocky Mountain Power for Approval of Resource Decision to Construct Selective Catalytic Reduction Systems on Jim Bridger Units 3 and 4:

In a May 10, 2013, Confidential Report and Order Pursuant to UAC 746-100-16, the Commission approved PacifiCorp's voluntary request for approval of a resource decision to construct selective catalytic reduction systems on Jim Bridger Units 3 and 4.

In a May 30, 2013 Order of Clarification, the Commission modified Ordering Paragraphs two and three of its May 10 Order. The Commission also modified the May 10 Order such that the discussion in that Order pertaining to final engineering, procurement, and construction contract costs was consistent with the May 30 Order of Clarification.

On June 26, 2013, the Commission issued an Order Denying Request for Review or Rehearing which denied Western Resource Advocate's request for review or rehearing

12-035-94 / 12-035-95 / 12-035-96

In the Matter of a New Electric Service Agreement between Rocky Mountain Power and Kennecott Utah Copper, LLC/ 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)/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 December 4, 2012, the Commission issued a Report and Order approving an energy service agreement and two purchase power agreements between PacifiCorp, doing business in Utah as Rocky Mountain Power, and Kennecott Utah Copper LLC. The energy service agreement will be in effect for two years, from January 1, 2013, through December 31, 2014. The purchase power agreements are one year in duration and will be effective for calendar year 2013.

12-035-97

In the Matter of the Application of Rocky Mountain Power for a Certificate of Public Convenience and Necessity Authorizing Construction of the Sigurd – Red Butte No. 2 345 kV Transmission Line:

In a March 15, 2013, Report and Order, the Commission approved an uncontested settlement stipulation and issued a certificate of public convenience and necessity authorizing construction of the Sigurd to Red Butte No. 2, 345 kV Transmission Line.

12-035-100

In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Renewable Avoided Cost Methodology for Qualifying Facilities Projects Larger than Three Megawatts:

On December 20, 2012, the Commission issued an Order on Motion to Stay Agency Action denying Rocky Mountain Power's motion to stay the current market proxy method for calculating avoided cost pricing for large wind qualifying facilities under Electric Service Schedule No. 38. The Commission also affirmed its intention to reexamine the current method in this docket.

Key:
Docket Number
Short Title
Status as of June 30, 2013

12-035-102

In the Matter of the Voluntary Request of Rocky Mountain Power for Approval of Re-source Decision to Acquire Natural Gas Resources:

In an April 19, 2013, Report and Order, the Commission approved an uncontested settlement stipulation resolving Rocky Mountain Power's voluntary request for approval of a resource decision to acquire natural gas resources.

12-035-103

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

On December 4, 2012, the Commission issued an Order Approving Power Purchase Agreement approving a one-year power purchase agreement between PacifiCorp, doing business in Utah as Rocky Mountain Power and Tesoro Refining and Marketing Company. The agreement will be in effect for twelve months, from January 1, 2013, to December 31, 2013.

12-035-114

In the Matter of the Application of Rocky Mountain Power for Approval of the Pole Attachment Agreement between Rocky Mountain Power and Zayo Group, LLC:

On January 9, 2013, the Commission issued an Order Approving Pole Attachment Agreement, Subject to Filing of Revised Electric Service Schedule No. 4.

After reviewing PacifiCorp's application and attachments as well as the Utah Division of Public Utility's recommendations, the Commission found approval of the application and the agreement to be just and reasonable, and in the public interest. The Commission therefore approved the application and the Agreement, subject to the rental rates and fees in the Agreement being consistent with Electric Service Schedule No. 4.

12-035-116

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

In a January 15, 2013 Order, the Commission approved PacifiCorp's Motion to permanently extend the annual filing date of PacifiCorp's Utah DSM Annual Report from March 31 to May 1.

12-035-117

In the Matter of Rocky Mountain Power's Annual Report Cost-Effectiveness Testing Requirements:

On January 15, 2013, the Commission issued an Order approving PacifiCorp's proposal to modify DSM benefit-cost analysis guidelines previously approved by the Commission in its October 7, 2009, Order in Docket No. 09-035-27. In this Order, the Commission directed PacifiCorp to perform the cost effectiveness tests based on PacifiCorp's expected avoided costs when a DSM program is initially approved.

The Company requested this requirement be modified such that PacifiCorp is required to perform cost effectiveness tests using initial avoided cost assumptions only for new programs through the first year of implementation or for existing programs that incur significant changes within a given program year.

12-035-119

In the Matter of the Application of Rocky Mountain Power for Approval of its Customer Service Agreement with the City of Enterprise, Utah:

In a January 29, 2013, Order Approving Customer Service Agreement, the Commission approved a Customer Service Agreement by and between Rocky Mountain Power, the City of Enterprise, Utah, and a local resident.

12-2557-01

In the Matter of Blue Mountain Power Partners, LLC's Request that the Public Service Commission of Utah Require PacifiCorp to Provide the Approved Price for Wind Power for the Blue Mountain Project:

On September 20, 2012, the Commission issued an Order on Request for Agency Action directing PacifiCorp to provide Blue Mountain indicative avoided cost pricing for the Blue Mountain Project based on the Schedule 38 market

price proxy method.



13-028-01

In the Matter of the Garkane Energy Cooperative, Inc's Construction of a 30 Mile 138 kV Transmission Line from Tropic, Utah to Hatch, Utah:

On February 6, 2013, the Commission issued an Order affirming Utah Code Annotated § 54-4-25(2)(c) applies to the thirty-mile transmission line from Tropic, Utah to Hatch, Utah, as that line is described by Garkane Energy in its January 4, 2013, letter filed with the Commission.

13-035-01

In the Matter of Rocky Mountain Power's Proposed Utah Service Reliability Performance Baselines:

On May 30, 2013, the Commission issued an Order on Performance Baselines regarding PacifiCorp's Proposed Utah Service Reliability Performance measurement process. In this Order, the Commission: (1) approved a SAIDI performance baseline of 201 minutes, (2) approved a SAIFI performance baseline of 1.9 events, (3) approved PacifiCorp's proposed method for the determination and use of a frozen customer count, (4) approved, with the exception of PacifiCorp's proposed notification requirements, other definitions, data, and methods presented in the Application, and (5) directed that PacifiCorp shall report to the Commission each time a reliability performance baseline is exceeded in accordance with R756-313-7(1), unless otherwise approved.

13-035-13

In the Matter of the Application of Rocky Mountain Power for Approval of a Promotional Program Pursuant to R746-404:

In an Order issued February 28, 2013, the Commission approved PacifiCorp's application to conduct a promotional program consisting of a video contest in connection with PacifiCorp's "Wattsmart" DSM Communications and Outreach campaign pursuant to UAC R746-404.

13-035-19

In the Matter of the Application of Rocky Mountain Power for Approval of its Customer Service Agreement with Spring City, Utah:

The Commission issued an Order Approving Customer Service Agreement with Spring City, Utah on June 18, 2013.

13-035-20

In the Matter of the Application of Rocky Mountain Power for Authority to Cancel Electric Service Schedule No. 96A Irrigation Load Control Tariff; Approve a New Demand Side Management Contract and Approve a Schedule No. 105 Irrigation Demand Response: In a March 15, 2013 Order, the Commission approved:

(1) PacifiCorp's request to cancel Electric Service Schedule No. 96A, the Dispatchable Irrigation Load Control Credit Rider Program, effective March 15, 2013, (2) PacifiCorp's DSM contract with a third party aggregator for delivery of the irrigation load control program,

and (3) PacifiCorp's proposal to implement Electric Service Schedule No. 105, Irrigation Load Control Program, effective March 15, 2013. The Commission also directed PacifiCorp to annually provide irrigation load control program data regarding loads available for curtailment, actual curtailment achieved, and capacity and energy reduction payments in its Utah DSM annual report.

13-035-22

In the Matter of the Formal Complaint of (Complainant) for Energy of Utah against Rocky Mountain Power:

Based on Energy of Utah's withdrawal of its formal complaint, and for other good cause appearing, on April 30, 2013, the Commission issued an Order dismissing Energy of Utah's formal complaint and cancelled a hearing scheduled for Tuesday, April 30, 2013.

13-035-33

In the Matter of the Application of Rocky Mountain Power for Authority to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account:

In a May 29, 2013, Report and Order, the Commission approved an interim rate change by crediting the Electric Service Schedule No. 98 balancing account revenue of \$3,263,532, effective June 1, 2013. The rate change is subject to the Commission's right to order a refund or surcharge following completion of the Utah Division of Public Utilities' audit.

13-035-58

In the Matter of the Application of Rocky Mountain Power for Approval of its Asset Transfer Agreement with the City of Blanding, Utah:

On June 12, 2013, the Commission issued an Order Approving Asset Transfer Agreement. The Agreement provides for the transfer of thirty-five PacifiCorp customers along with the related distribution facilities to the City of Blanding.

13-035-78

In the Matter of the Application of Rocky Mountain Power for Approval of its Customer Service Agreement with Spring City, Utah:

The Commission issued an Order Approving Customer Service Agreement with Spring City, Utah on June 18, 2013.

13-035-89

In the Matter of the Application of Rocky Mountain Power for Authority to Cancel Electric Service Schedules No. 115, 125, 126, and 192; Approve Schedule No. 140:

In a June 28, 2013 Order, the Commission canceled Electric Service Schedule No. 115 - Commercial and Industrial Energy Efficiency Incentives Optional for Qualifying Customers, Electric Service Schedule No. 125 - Commercial and Industrial Energy Services Optional for Qualifying Customers, Electric Service Schedule No. 126 - Utah Commercial and Industrial Re-Commissioning Program, and Electric Service Schedule No. 192 - Self-Direction Credit.

The Commission consolidated these programs into a new schedule, Electric Service Schedule No. 140 - Non-Residential Energy Efficiency and approved modifications to the tariff language in tariff sheets 140.2, 140.3, and 140.18, as contained in an Errata Filing provided by PacifiCorp with an effective date of July 1, 2013.

ELECTRIC Tariff Changes

11-035-T10

In the Matter of Rocky Mountain Power's Proposed Schedule 94, Energy Balancing Account Pilot Program Tariff:

In an August 30, 2012, Order, the Commission modified the rate setting process in the Energy Balancing Account ("EBA") Pilot Program. Among other things, the Commission's Order established milestones for processing future EBA applications beginning in 2013.

On October 16, 2012, the Commission issued an Order on Request for Rehearing. In this Order, the Commission clarified its August 30, 2012, Order in this docket.

12-028-T02

In the Matter of Garkane Energy Cooperative, Inc.'s Revisions to Rate Schedules No. 33 and No. 34:

On October 3, 2012, the Commission issued a Tariff Acknowledgment Letter acknowledging the proposed revisions.

Key:
Docket Number
Short Title
Status as of June 30, 2013

12-031-T04

In the Matter of Mt. Wheeler Power Inc.'s Revisions to Rule 1 Definitions and Rule 6 Discontinuance, Restoration, Idle Service and Refusal of Service:

On October 3, 2012, the Commission issued a Tariff Acknowledgment Letter acknowledging the proposed revisions.

12-031-T05

In the Matter of Mt. Wheeler Power Inc.'s Revisions to Rate Code R, H-2, H-1 (I), GS, GS-CH, NM, LGS AE, LGS-C, LGS-CH, LGS-OP, OLS, SL, I-KWH, I-OP, I, and H-I:

On October 24, 2012, the Commission issued a Tariff Acknowledgment Letter acknowledging the proposed revisions.

12-031-T06

In the Matter of Mt. Wheeler Power Inc.'s Revisions to Rule 1 Definitions:

On November 19, 2012, the Commission issued a Tariff Acknowledgment Letter acknowledging the proposed revisions.

12-035-T10

In the Matter of Rocky Mountain Power's Proposed Rate Changes to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities:

On November 28, 2012, the Commission issued a Clarification and Procedural Order directing PacifiCorp to refile its proposed Schedule 37 rates consistent with the type and timing of the next deferrable resource included in PacifiCorp's most recently filed IRP action plan.



In this Order, the Commission also directed PacifiCorp to file annual Schedule 37 proposed rates within thirty days of the filed date of its IRP or IRP update.

In a March 7, 2013, Order, the Commission did not approve PacifiCorp's proposed Schedule 37 rates filed December 18, 2012.

13-035-T01

In the Matter of Rocky Mountain Power's Schedule 194 Demand-side Management Cost Adjustment Credit:

On February 27, 2013, the Commission issued an Order approving PacifiCorp's proposed adjustment to the Electric Service Schedule No. 194 Demand Side Management Cost Adjustment Credit rate. This adjustment, effective March 1, 2013, resulted in a \$13 million customer refund.

13-035-T03

In the Matter of Rocky Mountain Power's Proposed Changes to Regulation No. 7 "Metering" and Schedule No. 300 "Regulation Charges" to Allow for Non-Standard Meters:

On March 21, 2013, the Commission issued an Order approving proposed changes to Electric Service Regulation No. 7, Metering, effective April 1, 2013. The Commission also approved changes to Electric Service Schedule No. 300, Regulation Charges, with the Office of Consumer Service's recommendations of adding a restocking fee, effective April 1, 2013. The Commission directed PacifiCorp to file updated tariff sheets reflecting this decision by April 15, 2013. The Order also directed PacifiCorp to file a report on the use of meter accommodation options in conjunction with the next general rate case.

13-035-T08

In the Matter of Rocky Mountain Power's Proposed Changes to Electric Service Regulation No. 3 to Indicate Customers are Responsible for Reasonable Court Costs, Attorneys Fees and/or Collection Agency Fees Incurred in the Collection of Unpaid Debt Following the Due Date of Their Closing Bill:

On May 3, 2013, the Commission issued an Order Suspending Proposed Changes to Electric Service Regulation No. 3 pending further proceedings and a final order of the Commission.

Key:
Docket Number
Short Title

Status as of June 30, 2013

ELECTRIC Utility Companies

Operating in the State of Utah under the
jurisdiction of the Public Service Commission

Bridger Valley Electric

40014 Business Loop I-80
PO Box 339
Mountain View, WY 82939-0399
Tel: (307) 786-2800
(800) 276-3481
Fax: (307) 786-4362
Web: www.bvea.net

Deseret Generation & Transmission Cooperative

10714 South Jordan Gateway,
Suite 300
South Jordan, UT 84095-3921
Tel: (801) 619-6500
(800) 756-3428
Fax: (801) 619-6599
Web: www.deseretgt.com

Dixie Escalante Rural Electric

71 E. Highway 56
HC 76 Box 95
Beryl, UT 84714-5197
Tel: (435) 439-5311
Fax: (435) 439-5352
Web: www.dixiepower.com

Empire Electric Association

801 N. Broadway
PO Box K
Cortez, CO 81321
Tel: (970) 565-4444
(800) 709-3726
Fax: (970) 564-4404
Web: www.eea.coop

Flowell Electric Association

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

Garkane Energy

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

188 W. 200 N.
PO Box 278
Roosevelt, UT 84066-0278
Tel: (435) 722-5428
Fax: (435) 722-5433
Web: www.mleainc.com

MT Wheeler Power

1600 Great Basin Blvd.
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 84140
Tel: (801) 220-2000
Fax: (801) 220-2798
Web: www.rockymtnpower.net

Raft River Rural Electric

250 N. Main St.
PO Box 617
Malta, ID 83342-0617
Tel: (208) 645-2211
(800) 342-7732
Fax: (208) 645-2300
Web: www.rrelectric.com

Ticaboo Electric Service District

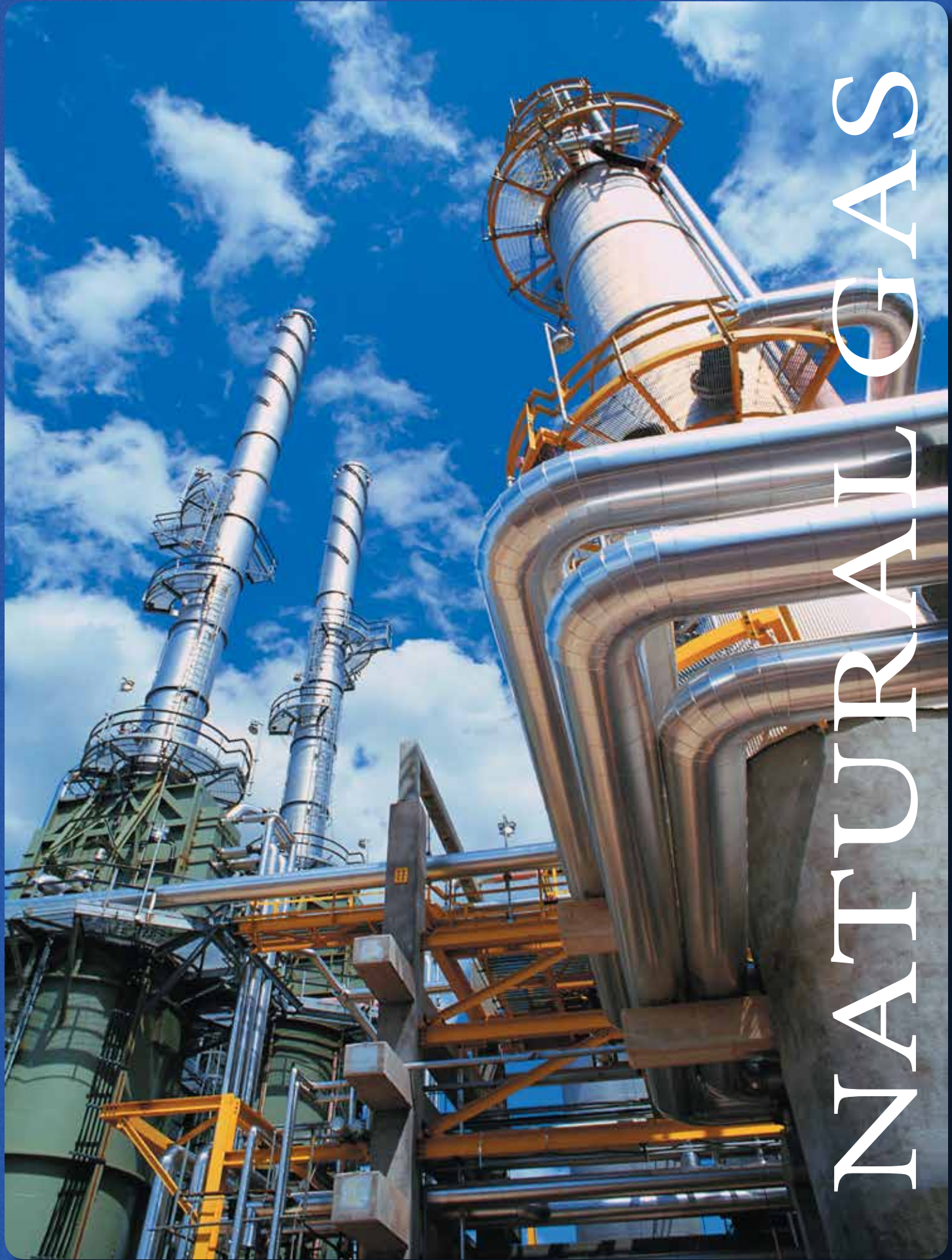
Highway 276
Ticaboo, UT 84533
Tel: (435) 788-2115

South Utah Valley Electric Service District

803 N. 500 E.
PO Box 349
Payson, UT 84651-0070
Tel: (801) 465-9273
Fax: (801) 465-4580
Web: www.sesdofutah.com

Wells Rural Electric Company

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



NATURAL GAS

NATURAL GAS UTILITIES OVERVIEW

Questar Gas Company (Questar Gas) 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 over 900,000 customers in Utah and, unlike other natural gas utilities, owns natural gas production resources which provide about sixty percent of the gas supply for its firm service customers. Questar Gas also provides other natural gas associated services such as the transportation of customer-acquired gas through its distribution system and the sale of compressed natural gas for use in natural gas vehicles (NGV).

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.

In late December 2012, Questar Gas filed with the Commission a notice of intent to file a general rate case on or after March 1, 2013.

At least twice annually 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). Most recently, in June 2013, Questar Gas’ pass-through filing reflected commodity and SNG costs of \$611 million, or an increase of \$61 million over the previous pass-through filing approved by the Commission effective September 1, 2012. This amount represents approximately sixty-five percent of the cost of providing natural gas service to customers in Utah. The application was approved by the Commission effective July 1, 2013. 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.

Since 2006, the Commission has approved the use of several other balancing accounts 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 (CET) which allows Questar Gas 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 pass-through proceedings. Most recently, in conjunction with Questar Gas’s 2009 general rate case, the Commission approved an Infrastructure Tracker Pilot Program which provides Questar Gas the ability to collect the costs associated with replacing aging pipeline infrastructure between general rate cases. The CET and DSM balancing accounts are only applicable to Questar Gas’ 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 rate schedules.

During fiscal year 2013, the Commission approved several changes to Questar Gas’ 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 eighty-two decatherms per year of natural gas. On September 1, 2012, a \$13.4 million (1.80 percent) rate decrease reflecting the following elements was implemented: (1) a \$5.72 million (.69 percent) decrease for the gas pass-through balancing account, (2) a \$.78 million (.10 percent) decrease associated with the Conservation Enabling Tariff account balance, (3) a \$9 million (1.27 percent) decrease associated with the demand side management/energy efficiency balancing account, (4) a \$.05 million (.01 percent) increase associated with the Low Income Assistance Program balancing account, and (5) a \$2.1 million (.25 percent) increase associated with the Infrastructure Tracker Pilot Program.

Effective December 1, 2012, a \$.45 million (.02 percent) decrease reflecting the following elements was implemented: (1) a \$5.15 million (.70 percent) increase associated with the Infrastructure Tracker Pilot Program, and (2) a \$5.6 million (.72 percent) decrease associated with the demand side management/energy efficiency balancing account.

Finally, on June 1, 2013, a \$61.4 million (7.08 percent) increase for the gas pass-through balancing account was authorized reflecting a projected increase in gas commodity costs offset by a slight decrease in SNG costs.

Wexpro II Agreement

For over thirty years, under the terms of the Wexpro Stipulation and Agreement (Wexpro I Agreement) approved by the Commission in 1981, Wexpro Gas (Wexpro) has managed and developed natural gas reserves within a defined set of properties for the benefit of Questar Gas' retail customers. Production from these reserves is delivered to Questar Gas at cost of service, which historically has averaged to be lower-priced than market-based resources. This arrangement has provided Questar Gas customers with a stable source of gas supply and long-term hedge against price volatility. With the implementation of new drilling and production methods, Wexpro has been able to develop and produce these defined properties far longer than parties to the Wexpro I Agreement originally anticipated.

In September 2012, Questar Gas filed an application requesting Commission approval of the Wexpro II Agreement entered into between Questar Gas, Wexpro Gas (Wexpro), the Utah Division of Public Utilities (Division), and the Wyoming Office of Consumer Advocate (OCA). Among other things, the Wexpro II Agreement set forth the procedures for Questar Gas to apply to the Commission for approval to include oil and gas properties under the Wexpro II properties. Upon approval, Wexpro II properties would be managed and developed in a manner similar to the properties included under the Wexpro I Agreement.

In March 2013, the Commission approved the Wexpro II Agreement as being in the public interest. Questar Gas did not file any requests for approval of properties under the Wexpro II Agreement in FY 2013.

Resource Planning

The Commission requires Questar Gas to prepare and file an annual integrated resource plan (IRP) which is used by Questar Gas as a guide for 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 the present and future customers of Questar Gas 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 twenty-year planning horizon, focusing on the immediate future. In August 2012, the Commission provided guidance to Questar Gas on its 2012 Integrated Resource Plan and future plans. In May 2013, Questar Gas filed its 2013 IRP representing the plan year of June 1, 2013 through May 31, 2014.

As part of the IRP process, Questar Gas evaluates data 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 2013 IRP Questar Gas identified a cost of service gas production level of eighty million decatherms and a balanced portfolio of thirty-five million decatherms of purchased gas to meet the gas supply requirements of its customers. Questar Gas also identified several potential future system upgrade and replacement projects to ensure safe, adequate service. Questar Gas concluded it should continue to monitor and manage producer imbalances and promote cost-effective energy efficiency measures. In addition, Questar Gas concluded there is no current need for any additional price stabilization measures for purchased gas contracts to mitigate the risk of volatility in the marketplace. Questar Gas will review this issue on an annual basis to determine whether such measures are appropriate in the future.

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. The 2013 IRP addresses Questar Gas' planned integrity management program activities and associated costs and indicates Questar Gas estimates it will spend over six million per year through 2015 on transmission and distribution integrity management activities.

In conjunction with Questar Gas' 2013 IRP process, pre-filing meetings were held addressing the performance of the high pressure and intermediate high pressure distribution systems and an update on the feeder line replacement program, Questar Gas' integrity management program and costs, a comparison of transportation alternatives, contract updates, the status of the litigation pertaining to Questar Gas' system-wide gathering agreement with QEP Field Service Company, cost of service gas drilling and production activities, gas modeling issues, and Questar Gas' efforts related to cyber security. A schedule for evaluation of Questar Gas' IRP was set in mid-June 2013 inviting parties to file comments in August and September.

Natural Gas Conservation and Energy Efficiency

The Commission reviews and approves Questar Gas' annual plan and budget for demand side management (DSM) activities. This plan is based on the efforts of Questar Gas, with input from a Commission-established DSM 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, appliances, and construction methods.

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 customers with the goal of decreasing energy consumption.



In December 2012, the Commission approved Questar Gas' estimated \$22.6 million budget for its 2013 demand side management programs and market transformation initiative, a twenty percent decrease from the 2012 approved budget. Questar Gas indicates the decrease is due in large part to Questar Gas' successful efforts in lowering administrative costs. In comparison, Questar Gas' 2012 budget for demand side management programs was \$28.3 million. Due to changes and refinements made to the 2012 programs, Questar Gas expects approximately 65,964 customers will participate in the programs, which is approximately thirty percent less than the estimated 2012 levels of participation numbers (91,787 participants).

According to Questar Gas, the estimated participation level is reflective of the 2012 actual participation levels which were below projections due to several factors, including reductions in funding from complementary programs (e.g., the American Recovery and Reinvestment Act, Federal tax credits and Utah State tax credits), reduced messaging from multiple government agencies, and continued price reductions for natural gas service. Questar Gas estimates its 2013 DSM programs will reduce natural gas consumption annually by 589,607 decatherms which is equivalent to the annual natural gas consumption of approximately 7,400 homes based on an annual average usage of eighty decatherms.

In December 2012, the Commission also approved a temporary waiver of Questar Gas' licensing requirements to become an authorized weatherization installation contractor for six state weatherization implementation agencies.

As required, during FY 2013, Questar Gas filed several reports and assessments pertaining to the status of its DSM activities. This information indicates Questar Gas' DSM program continues to be cost effective.

Infrastructure Tracker

In June 2010, as part of an overall general rate case settlement agreement among parties, the Commission approved Questar Gas' implementation of an Infrastructure Tracker Pilot Program which allows Questar Gas to track and recover costs that are directly associated with replacement of aging infrastructure between general rate cases. These costs are recovered through a surcharge included in Questar Gas' 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.

Since the inception of this pilot program through October 2012, Questar Gas reported a net investment of \$150 million for aging infrastructure replacement projects representing an increased revenue requirement of \$15.9 million. In December 2012, Questar Gas filed its 2013 Replacement Infrastructure Annual Plan and Budget indicating that in 2013, it plans to replace eight major feeder lines in Tooele, Salt Lake, Weber, Summit, and Davis Counties, at an estimated cost of \$55 million. Questar Gas also anticipates it will continue to spend \$55 million per year from 2013 through 2017 to replace aging infrastructure.

At the Commission's request, in June 2013, the Utah Division of Public Utilities filed a report which provided its review and evaluation of the results and impact of the Infrastructure Tracker Pilot Program. The program will be evaluated as part of Questar Gas' 2013 General Rate Case.

Legislative Changes to Title 54 - Senate Bill 275S

During the 2013 Legislative General Session the Utah Legislature passed Senate Bill 275S – Energy Amendments (SB 275) which was signed by Governor Herbert on March 28, 2013. SB 275 enacts provisions relating to facilitating the conversion to alternative fuel vehicles and the provision of facilities for alternative fuel vehicles. SB 275 directs the Commission to initiate and conduct proceedings to explore options and opportunities for advancing and promoting measures designed to result in cleaner air in the state and provides for a cost recovery mechanism for a gas corporation that pays for natural gas fueling stations and related facilities.

SB 275 also requires the Commission to report to the Governor, the Legislative Management Committee, and the Public Utilities and Technology Interim Committee the results of the Commission proceedings and recommendations for specific actions to implement mechanisms to provide funding for enhancing and expanding the infrastructure and facilities for alternative fuel vehicles.

As required by SB 275, on April 4, 2013, the Commission opened Docket No. 13-057-02, "In the Matter of the Investigation Required by S.B. 275, Energy Amendments, Addressing Cleaner Air through the Enhanced use of Alternative Fuel Vehicles," with the purpose of exploring and developing options and opportunities for advancing and promoting measures designed to result in cleaner air in the state through the enhanced use of alternative fuel vehicles. With input from interested parties, the Commission set a schedule for submission of comments and reply comments prior to conducting a hearing scheduled for early August 2013. In this docket, the Commission has requested comment on: (1) consideration of the role that gas corporations should play in the enhancement and expansion of the infrastructure and maintenance and other facilities for alternative fuel vehicles; (2) the potential funding options available to pay for the enhancement and expansion of infrastructure and facilities for alternative fuel vehicles; (3) the role local government, including any local government entity established for the purpose of facilitating conversion to alternative fuel vehicles and of promoting the enhancement and expansion of the infrastructure and facilities for those vehicles, can or should play; and (4) the most effective ways to overcome any obstacles to converting to alternative fuel vehicles and to enhancing and expanding the infrastructure and facilities for alternative fuel vehicles.

Subpoena Pertaining to Questar Gas Company's System-Wide Gathering Agreement

Questar Gas has been involved in litigation pertaining to a disagreement relating to the provisions of the agreement under which QEP Field Services Company gathers and delivers gas for Questar Gas. In April 2013, the Commission was subpoenaed for information pertaining to this litigation. The Commission compiled information from over fifty dockets and delivered it as required. Questar Gas is providing a quarterly update to the Commission on the status of this legal proceeding.

Rule Change Pertaining to Crossed Meter Billing Adjustments

At the request of Questar Gas, the Commission conducted a review of Utah Administrative Code R746-320-8 and 9 pertaining to crossed meter billing adjustments. A crossed meter condition arises generally when a multi-dwelling's fuel lines are not identified correctly for meter installation purposes. In these situations, the two or more customers affected will each be billed based upon another party's actual gas consumption.

Prior to the rule change, which became effective on January 7, 2013, once a crossed meter condition was

identified, UAC R746-320-8 and 9, respectively, limited the period covered by a back bill for which charges were not previously billed for service to six months and the period covered by an over bill for which a refund is due to twenty-four months. The revised rule provides for twenty-four months of back billing and twenty-four months of over billing for crossed meter conditions that are not the fault of the company. This change ensures that for crossed meters which are not

the fault of the natural gas utility, the amount the utility recovers from under billed customers is in parity with what is refunded to over billed customers. The change will also alleviate billing complications.



TECHNICAL CONFERENCES

During FY 2013, the Commission held technical conferences addressing the following matters:

- July 30, 2012, Docket No. 12-999-02, Technical Conference to review and discuss Questar Gas Company's 2011 Utah Results of Operations Report filed with the Commission on May 1, 2012.
- December 5, 2012, Docket No. 12-057-13, Technical Conference held during which Questar Gas presented information in support of its application for approval of the Wexpro II agreement and responded to related questions.
- May 2, 2013, Docket No. 12-057-13, Technical Conference held to further specify the materials, analyses, forecasts, cost estimates, and other data to be contained in all of Questar Gas's applications for approval to include proposed oil and gas properties under the Wexpro II Agreement.
- May 22, 2013, Docket No. 13-057-02, Technical Conference held during which Senate Bill 275 was discussed.
- June 21, 2013, Docket No. 13-057-04, Technical Conference held during which Questar Gas presented information in support of its 2012 Integrated Resource Plan and responded to related questions.

NATURAL GAS DOCKETS

General Cases

08-057-11

In the Matter of the Investigation and the Consolidation of Dockets of the Formal Complaints against Questar Gas Company Relating to Back-Billing:

An Order Granting Extension of Time was issued December 18, 2012. The Commission granted the Division of Public Utilities' request for an extension of the comment deadline to February 4, 2013.

A letter from the Commission was issued on April 4, 2013. The Commission concluded Questar Gas Company's Meter and Transponder Inspection Program Final Summary Report and the Division's associated review and audit satisfied the requirements specified in the Commission's December 3, 2008, Order Approving Settlement Stipulation with Modification in this docket.

09-057-16

In the Matter of the Application of Questar Gas Company to Increase Distribution Non-Gas Rates and Charges and Make Tariff Modifications:

An Order on Infrastructure Tracker Pilot Program Evaluation Plan was issued on March 11, 2013. The Commission requested the Division of Public Utilities to provide an evaluation of Questar Gas Company's Infrastructure Tracker Pilot Program since its inception through the 2013 heating season by June 1, 2013.

An Order Granting Extension was issued on May 29, 2013. The Commission granted the Division of Public Utilities' request for an extension to file its report by June 17, 2013.

10-057-18

In the Matter of the Application of Questar Gas Company to Amortize the Demand Side Management/Energy Efficiency Deferred Account Balance:

An Order Setting Final Rates was issued January 24, 2013. Based on the memorandum of the Division of Public Utilities providing the results of its audit, the Commission made final the rates and charges originally set as interim by previous order.

11-057-04

In the Matter of the Application of Questar Gas Company to Amortize the Demand Side Management/Energy Efficiency Deferred Account Balance:

An Order Setting Final Rates was issued January 24, 2013. Based on the memorandum of the Division of Public Utilities providing the results of its audit, the Commission made final the rates and charges originally set as interim by previous order.



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:

An Order Setting Final Rates was issued January 24, 2013. Based on the memorandum of the Division of Public Utilities providing the results of its audit, the Commission made final the rates and charges originally set as interim by previous order.

12-057-01

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

An Order Dismissing Complaint was issued December 21, 2012. The Commission dismissed with prejudice the complaint of the Complainant against Questar Gas Company.

12-057-06

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

An Order of Dismissal was issued August 30, 2012. The Commission granted Questar Gas Company's motion to dismiss.

12-057-07

In the Matter of Questar Gas Company's Integrated Resource Plan (IRP) for Plan Year: June 1, 2012 to May 31, 2013:

A Report and Order was issued August 6, 2012. The Commission determined Questar Gas Company's 2012 Integrated Resource Plan satisfies the requirements of the 2009 Standards and Guidelines.

12-057-08

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 10, 2012. The Commission approved the uncontested application of Questar Gas Company, on an interim basis, pending the completion of audits by the Division of Public Utilities.

12-057-09

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

A Report and Order was issued September 10, 2012. The Commission approved the uncontested application of Questar Gas Company on an interim basis, pending the completion of audits by the Division of Public Utilities.

Key:
Docket Number
Short Title

Status as of June 30, 2013

12-057-10

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

A Report and Order was issued September 10, 2012. The Commission approved the uncontested application of Questar Gas Company on an interim basis, pending the completion of audits by the Division of Public Utilities.

An Order Setting Final Rates was issued January 24, 2013. Based on the memorandum of the Division of Public Utilities providing the results of its audit, the Commission made final the rates and charges originally set as interim by previous order.

12-057-11

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 10, 2012. The Commission approved the uncontested application of Questar Gas Company on an interim basis, pending the completion of audits by the Division of Public Utilities.

12-057-12

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

A Report and Order was issued September 10, 2012. The Commission approved the uncontested application of Questar Gas Company on an interim basis, pending the completion of audits by the Division of Public Utilities.

12-057-13

In the Matter of the Application of Questar Gas Company for Approval of the Wexpro II Agreement:

A Scheduling Order was issued October 16, 2012. The Commission established a schedule for addressing the legal grounds for the Office of Consumer Services' opposition to Questar Gas Company's application.

A Scheduling Order and Notice of Technical Conference and Hearings was issued November 9, 2012. The Commission established the schedule and process for reviewing the Wexpro II Agreement.

An Order Granting Intervention was issued November 14, 2012. The Commission granted intervention in this proceeding to the Utah Association of Energy Users.

An Order Granting Intervention was issued December 20, 2012. The Commission granted intervention in this proceeding to Rocky Mountain Power.

A Notice of Recusal was issued on January 17, 2013. Commissioner Thad LeVar gave notice of his recusal in this proceeding due to his prior involvement in the matter related to his former duties as Deputy Director of Commerce for the State of Utah.

A Report and Order was issued March 28, 2013. The Commission approved the application of Questar Gas Company for approval of the Wexpro II Agreement which establishes terms and conditions for the potential future acquisition and development of certain oil and gas properties.

12-057-14

In the Matter of the Application of Questar Gas Company for Approval of the 2013 Year Budget for Energy Efficiency Programs and Market Transformation Initiative:

A Report and Order was issued January 9, 2013. The Commission approved Questar Gas Company's proposed 2013 Year Budget for Energy Efficiency Programs and Market Transformation Initiative with an effective date of January 1, 2013, and granted a temporary waiver for six governmental agencies currently not holding state-approved contractor's licenses from the tariff's licensing requirement for authorized weatherization installation contractors until July 1, 2013.

12-057-15

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

A Report and Order was issued December 13, 2012. The Commission approved the uncontested application of Questar Gas Company on an interim basis, pending the completion of audits by the Division of Public Utilities.

12-057-16

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

A Report and Order was issued December 13, 2012. The Commission approved the uncontested application of Questar Gas Company on an interim basis, pending the completion of audits by the Division of Public Utilities.

An Order Setting Final Rates was issued February 4, 2013. Based on the January 30, 2013, memorandum of the Division of Public Utilities, providing the results of its audit, the Commission made final the rates and charges originally set as interim by previous order.

12-057-17

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

An Order of Dismissal was issued February 1, 2013. The Commission granted Questar Gas Company's motion to dismiss.



12-057-18

In the Matter of Questar Gas Company's Replacement Infrastructure 2013 Annual Plan and Budget:

A letter from the Commission was issued December 18, 2012. The Commission acknowledged the 2013 Replacement Infrastructure Annual Plan and Budget as meeting the Commission's reporting requirements.

12-057-19

In the Matter of the Application of Questar Gas Company for Authority to File a Change in its Existing Tariff:

A Notice of Hearing and Procedural Order was issued January 14, 2013. The Commission established the schedule in this proceeding.

An Order Approving Tariff Modifications was issued February 12, 2013. The Commission approved Questar Gas Company's proposed changes to its Utah Natural Gas Tariff PSCU 400 with the Division of Public Utilities' modification and the Company's and Division's clarifications provided at hearing, effective January 25, 2013.

13-057-01

In the Matter of Questar Gas Company's Report on DSM Expenditures and Decath-erm (Dth) Savings to Date:

A Report and Order was issued February 28, 2013. The Commission approved the increased level of spending for Questar's 2012 Therm-Wise Builder Program as reported by Questar and reviewed by the Division of Public Utilities.

13-057-02

In the Matter of the Investigation Required by S.B. 275, Energy Amendments, Addressing Cleaner Air through the Enhanced use of Alternative Fuel Vehicles:

A Scheduling Order and Notice of Public Hearing was issued April 18, 2013. The Commission established the schedule for this proceeding.

A Notice of Pre-hearing Conference was issued May 22, 2013. The Commission issued a notice of a pre-hearing conference to be held on August 5, 2013.

13-057-03

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 June 17, 2013. The Commission approved the uncontested application of Questar Gas Company for an increase of \$61.4 million in its Utah natural gas rates on an interim basis, pending the completion of an audit by the Division of Public Utilities.

13-057-04

In the Matter of Questar Gas Company's Integrated Resource Plan (IRP) for Plan Year: June 1, 2013 to May 31, 2014:

A Scheduling Order was issued June 19, 2013. The Commission established the schedule for this proceeding.

GAS Tariff Changes

12-057-T03

This filing is to comply with the Commission order issued September 10, 2012 in Docket Nos. 12-057-08, Application of Questar Gas Company for an Adjustment in Rates and Charges for Natural Gas Service in Utah; 12-057-09, Application of Questar Gas Company to Amortize the Conservation Enabling Tariff Balancing Account; 12-057-10, Application of Questar Gas Company to Amortize the Energy Efficiency Deferred Account Balance; 12-057-11, Application of Questar Gas Company for a Tariff Change and Adjustment to the Low Income Assistance/Energy Assistance Rate; and 12-057-12, Application of Questar Gas Company to Include the Infrastructure Rate Adjustment:

A Tariff Approval Letter was issued on October 3, 2012. The Commission approved the proposed tariff changes with an effective date of September 1, 2012.

12-057-T04

This filing is to comply with Commission authorization issued November 21, 2012 in Docket Nos. 12-057-15, Application of Questar Gas Company to Include the Infrastructure Rate Adjustment; and 12-057-16, Application of Questar Gas Company to Amortize the Energy Efficiency Deferred Account Balance:

A Tariff Approval Letter was issued on January 3, 2013. The Commission approved the proposed tariff changes with an effective date of December 1, 2012.

13-057-T01

This filing is to comply with the order issued at the conclusion of the January 25, 2013 hearing in Docket No. 12-057-19, Application of Questar Gas Company for Authority to File a Change in its Existing Tariff:

A Tariff Approval Letter was issued on February 12, 2013. The Commission approved the proposed tariff changes with an effective date of January 25, 2013.

13-057-T02

This filing is to comply with the order issued on January 9, 2013 in Docket No. 12-057-14, Application of Questar Gas Company for Approval of the 2013 Year Budget for Energy Efficiency Programs and Market Transformation Initiative:

A Tariff Approval Letter was issued on March 27, 2013. The Commission approved the proposed tariff changes with an effective date of January 1, 2013.

RULE Changes

12-R320-01

In the Matter of Questar Gas Company's Petition for a Rule Change:

An Order Granting Extension of Time was issued on October 15, 2012. The Commission granted the Division of Public Utilities an extension of time until October 25, 2012, to file comments on Questar Gas Company's petition.

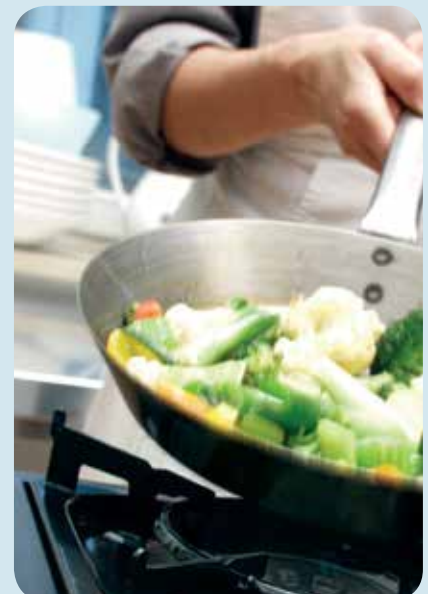
Changes to Utah Administrative Code R746-320-8 and 9 pertaining to crossed meters were made effective on January 7, 2013.

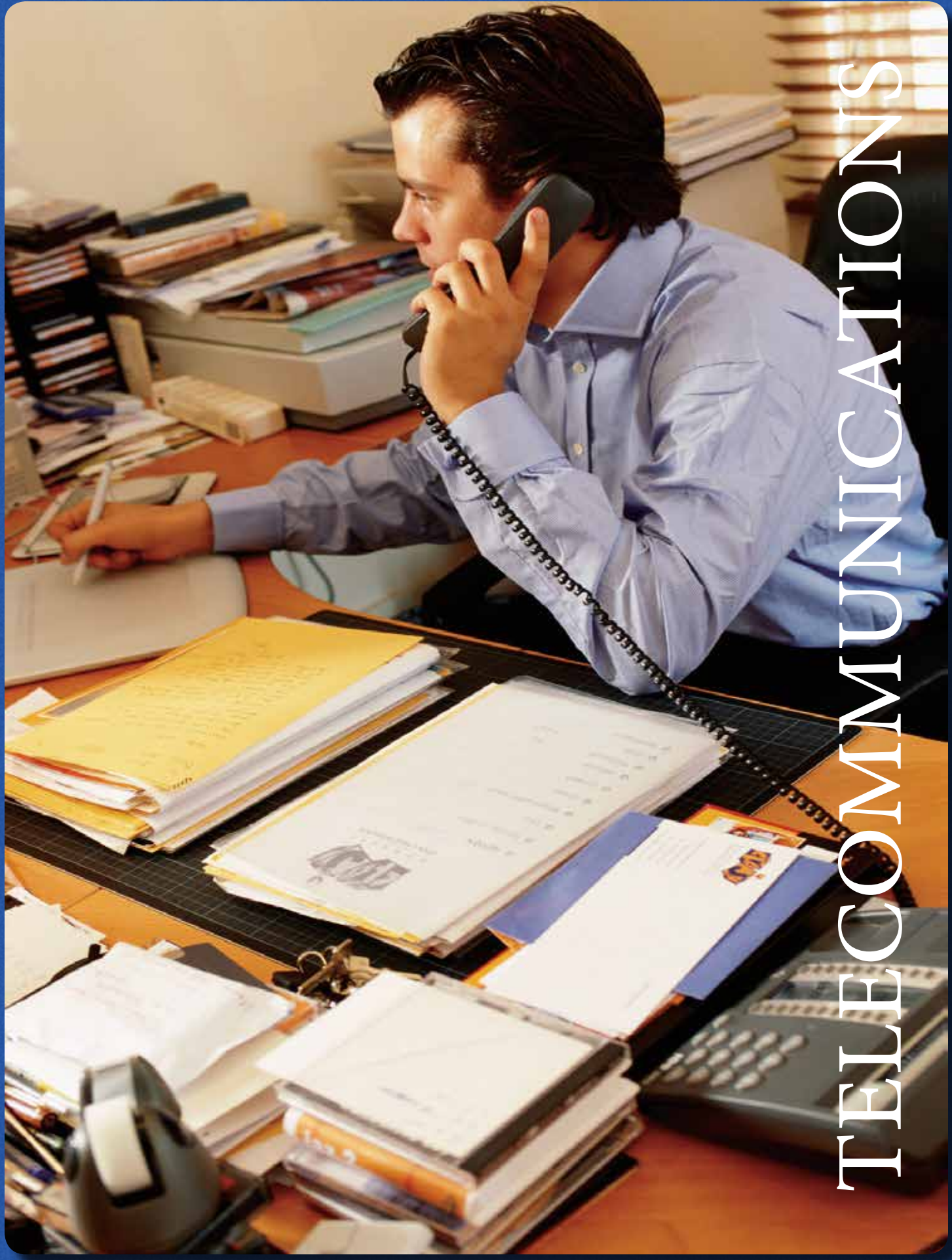
NATURAL GAS Utility Companies

Operating in the state of Utah under the jurisdiction of the public service commission

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TELECOMMUNICATIONS

TELECOMMUNICATIONS OVERVIEW

In fiscal year 2013, there were a little less than 900,000 traditional land line telephones, just over two million wireless phones, and an unknown, but (likely rapidly) increasing number of voice over internet protocol (VoIP) accounts within the state. Overall, the local exchange service 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 increased.

The regulation of telecommunications companies providing telephone service in Utah has changed significantly over the past fifteen 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 ninety percent of the state's population. CenturyLink operates under the same service quality regulations that all rate-of-return regulated local exchange companies and non-regulated competitive companies face.

Since 1995, there have been over 300 applications for Certificates of Public Convenience and Necessity (certificates) and the Commission has issued 252 certificates to competitive local exchange companies (CLECs), primarily in CenturyLink's service territory. In fiscal year 2013, there were 101 CLECs (certificate holders), fifty-seven 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 using some network elements of 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 seventeen 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 and 2013 fiscal years 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 the national Universal Service Fund (FUSF). 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 FUSF 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 FUSF 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 2013 fiscal year, Utah continued to see interest from potential competitors to CenturyLink. The Commission granted three 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 seven such carriers, four of which were approved during the 2013 fiscal year. These Federal ETCs do not receive any state-level Lifeline funding, but their on-going presence will require the state to do additional verification and eligibility determination work to ensure duplicate benefits are not being collected by the same person or household.

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. In addition to competing in the long distance market, CenturyLink is now competing "head-to-head" with various types of 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 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 than it did previously under the FCC's old rules. The competition comes 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 being contrary to the state and federal legislative intent to promote competition, it lacks the necessary legal authority to require access to easements and rights-of-way 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 2013, there were 101 authorized CLECs, fifty-seven of whom are actively serving customers in the state. In order to serve customers, a CLEC must interconnect 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 many telecommunications dockets the Commission addressed this year, most involved the interaction between CenturyLink (Qwest) and the other Competitive Local Exchange Carriers (CLECs), and the entry, exit, or reorganization of those same CLECs as the marketplace adjusted to and implemented 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 was one general rate case for a rural independent incumbent provider, which included setting universal service fund receipt levels.



QWEST / CENTURYLINK ORDERS

12-049-08

In the Matter of the Petition of Qwest Corporation d/b/a CenturyLink, to Permit Deviation from Commission Rules to Allow Charges to Certain Large Business Customers for Receipt of a Paper Bill:

On August 1, 2012, the Commission issued an Order Granting Exemption to Allow Paperless Billing. The Commission granted the exemption requested.

12-049-24 & 12-049-25

In the Matter of the Formal Complaint of Complainant against Qwest Corporation d/b/a CenturyLink QC:

On November 28, 2012, the Commission issued an Order of Dismissal. The Commission entered this Order granting CenturyLink’s motion to dismiss the above complaints.

Qwest / CenturyLink Orders contd.

13-049-13

In the Matter of the Petition of Qwest Corporation dba CenturyLink QC for Approval to Deviate from and/or Waive the End-User Service Quality Rules Only Applicable to CenturyLink:

On June 28, 2013, the Commission issued a Report and Order granting CenturyLink's petition to deviate from and/or waive the requirements of Utah Admin. Code R746-340-8 and R746-340-9.

Note: Since interconnection has become more standardized the need for the Commission to act as an arbitrator in these matters has decreased significantly. As a result the Commission now handles non-contested interconnection dockets through the issuance of an administrative acknowledgement/notice letter rather than an Order.

Key:
Docket Number
Short Title

Status as of June 30, 2013

Lifeline Program Administration Orders

10-2528-01

In the Matter of the Resolution of Certain Issues Related to the Designation of a Common Carrier as an Eligible Telecommunications Carrier:

On October 16, 2012, the Commission issued an Order Circulating Edited Lifeline (UTAP) Program Draft Business Proposal for Final Comments determining that circulating an edited draft for final comments would aid the Commission in issuing its order on the Lifeline (UTAP) Program business proposal, as well as provide clarity and consistency to the draft.

On October 18, 2012, the Commission issued an Amended Order Circulating Edited Lifeline (UTAP) Program Draft Business Proposal for Final Comments. In order to give due consideration to the comments filed, including those filed by URTA, the Commission circulated a revised edited draft for final comments.

Note: The Commission has been unable to reach an agreement with the Department of Workforce Services to administer this program on a going forward basis. While this Docket continues on into the 2013/2014 fiscal year, resolution of the underlying issues has not been reached.

Eligible Telecommunications Carrier Orders

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:

On March 26, 2013, the Commission issued an Order Dismissing Petition and Cancelling Order to Show Cause Hearing. Based on the Company's withdrawal, and for other good cause appearing, the Company's petition was dismissed, and the Order to Show Cause Hearing was cancelled.

12-2549-01

In the Matter of the Petition of Q Link Wireless LLC for Designation as an Eligible Telecommunications Carrier in the State of Utah:

On December 14, 2012, the Commission issued a Report and Order approving the petition of Q Link Wireless to be designated an Eligible Telecommunications Carrier in the State of Utah and to offer Lifeline universal service offerings pursuant to the terms of a settlement.

12-2551-01

In the Matter of the Application of Cricket Communications, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Utah:

On October 2, 2012, the Commission issued an Order Approving Settlement Stipulation. Accordingly, the Commission approved the Stipulation.

12-2553-01

In the Matter of the Petition of Telrite Corporation d/b/a Life Wireless for Limited Designation as an Eligible Telecommunications Carrier:

On July 30, 2012, the Commission issued an Order Suspending Docket. The Commission received the petition for limited designation as an eligible telecommunications carrier filed by Telrite Corporation, d/b/a Life Wireless ("Telrite") on June 20, 2012. On July 11, 2012, the Division of Public Utilities recommended suspension of this docket until the Federal Communications Commission ("FCC") approves the compliance plan for Telrite. If Telrite has received FCC approval of its compliance plan, it should submit evidence of that approval. This matter was suspended until Telrite submits written notification of FCC approval of its compliance plan.

The Commission issued an Order Approving Settlement Stipulation and Petition for Limited Designation as an Eligible Telecommunications Carrier. The Commission approved Telrite's petition for limited designation as an eligible telecommunications carrier, subject to the terms of the Stipulation.

12-2554-01

In the Matter of Budget PrePay, Inc. d/b/a Budget Mobile's Petition for Limited Designation as a Non-Rural Wireless Eligible Telecommunications Carrier:

On November 26, 2012, the Commission issued an Order Approving Settlement Stipulation finding approval of the Settlement Stipulation to be in the public interest. Accordingly, the Commission approved the Stipulation.

12-2555-01

In the Matter of the Petition of True Wireless, LLC for Designation as an Eligible Telecommunications Carrier Pursuant to 47 U.S.C. § 214(e):

On August 13, 2012, the Commission issued an Order Suspending Docket. The Commission received the petition for limited designation as an eligible telecommunications carrier filed by True Wireless, LLC ("True Wireless"), on July 16, 2012. On August 8, 2012, the Division of Public Utilities recommended suspension of this docket until the Federal Communications Commission ("FCC") approves the compliance plan for True Wireless. If True Wireless has received FCC approval of its compliance plan, it should submit evidence of that approval. This matter was suspended until True Wireless submits written notification of FCC approval of its compliance plan.

12-2559-01

In the Matter of the Petition of Blue Jay Wireless, LLC for Designation as an Eligible Telecommunications Carrier for the Purpose of Offering Lifeline Service on a Wireless Basis:

The Commission issued an Order Suspending Docket. The Commission received the petition for limited designation as an eligible telecommunications carrier filed by Blue Jay Wireless, LLC ("Blue Jay") on October 24, 2012. On November 21, 2012, the Division of Public Utilities recommended suspension of this docket until the Federal Communications Commission ("FCC") approves the compliance plan for Blue Jay. If Blue Jay has received FCC approval of its compliance plan, it should submit evidence of that approval. This matter was suspended until Blue Jay submits written notification of FCC approval of its compliance plan.

On May 20, 2013, the Commission issued an Order Approving Settlement Stipulation. The Commission approved the Stipulation.

12-2561-01

In the Matter of the Petition of Total Call Mobile, Inc. for Limited Designation as an Eligible Telecommunications Carrier:

On April 18, 2013, the Commission issued an Order Approving Settlement Stipulation. The Commission approved the Stipulation.

CLEC / Certification / Merger / Name Change / Cancellation Orders

12-087-01

In the Matter of the Application of the Joint Application of AT&T Communications of the Mountain States, Inc. and AT&T Corp. for a Certificate of Public Convenience and Necessity as a Competitive Local Exchange Carrier, and for Informal Adjudication of Merger:

On October 16, 2012, the Commission issued a Report and Order converting this matter to an informally adjudicated matter. The Commission approved the application of AT&T Corp. for a CPCN, authorizing the applicant to compete as a CLEC within Utah, and for informal adjudication of a merger of AT&T Communications of the Mountain States, Inc. into AT&T Corp.

12-094-01

In the Matter of the Application of Sprint Communications Company L.P. for Informal Adjudication of Indirect Transfer of Control:

On February 15, 2013, the Commission issued an Order Approving Indirect Transfer of Control. The Commission approved the indirect transfer of control of Sprint Communications Company L.P. to Starburst II, Inc.

12-2277-01

In the Matter of the Notification of Name Change from DIECA Communications, Inc. d/b/a Covad Communications Company to MegaPath Corporation:

On January 8, 2013, the Commission issued an Order Approving Name Change. The name change from DIECA COMMUNICATIONS, INC., d/b/a COVAD COMMUNICATIONS COMPANY to MegaPath Corporation was approved. Additionally, CPCN 99-2277-01, previously issued to DIECA COMMUNICATIONS, INC., d/b/a COVAD COMMUNICATIONS COMPANY, was changed to MegaPath Corporation.

12-2289-01, 12-2353-01 and 12-2536-02

In the Matter of the Joint Application of 360networks (USA) inc., American Fiber Systems, Inc., and Zayo Group, LLC for Approval of Certain Pro Forma Intra-Corporate Transactions:

On January 29, 2013, the Commission issued a Report and Order approving the pro forma intra-company transactions that resulted in the assets and customers of 360networks (USA) inc. and American Fiber Systems, Inc. moving to Zayo Group, LLC.

12-2289-01

In the Matter of the Joint Application of 360networks (USA) inc., American Fiber Systems, Inc. and Zayo Group, LLC for Approval of Certain Pro Forma Intra-Corporate Transactions:

On May 8, 2013, the Commission issued an Order Canceling Certificate of Public Convenience and Necessity. Certificate No. 2289, issued June 26, 2000 was canceled.

12-2320-01

In the Matter of the Name Change from dPi Teleconnect, LLC to Unity Telecom, LLC:

The Commission issued an Order Approving Name Change on January 8, 2013. The Commission approved the name change from DPI-TELECONNECT, L.L.C. to Unity Telecom, LLC. Additionally, CPCN 00-2320-01, previously issued to DPI-TELECONNECT, L.L.C., was changed to Unity Telecom, LLC.

12-2324-02

In the Matter of the Application of AboveNet of Utah L.L.C. to Voluntarily Surrender its Certificate of Public Convenience and Necessity:

The Commission issued an Order Canceling Certificate of Public Convenience and Necessity on December 14, 2012. Certificate No. 2324, issued September 5, 2000, was cancelled.

12-2353-01

In the Matter of the Joint Application of 360networks (USA) inc., American Fiber Systems, Inc. and Zayo Group, LLC for Approval of Certain Pro Forma Intra-Corporate Transactions:

On May 8, 2013, the Commission issued an Order Canceling Certificate of Public Convenience and Necessity. Certificate No. 2353, issued February 23, 2001, was canceled.

12-2442-01

In the Matter of the Name Change of UCN, Inc. to inContact, Inc.:

On September 4, 2012, the Commission issued an Order Approving Name Change. Based on the information received, the name change was approved from UCN, Inc. to inContact, Inc. Additionally, CPCN 04-2442-01, previously issued to UCN, Inc. was changed to inContact, Inc.

12-2453-01

In the Matter of the Request of Chase Com to Cancel its Certificate of Public Convenience and Necessity No. 2453:

On September 4, 2012, the Commission issued an Order Canceling Certificate of Public Convenience and Necessity. Certificate No. 2453, issued July 2005, was cancelled.

12-2514-01

In the Matter of the Application of Broadview Networks, Inc. for Approval of an Indirect Transfer of Control:

On October 16, 2012, the Commission issued a Report and Order approving the transfer of indirect control of Broadview Networks, Inc. to Broadview Networks Holdings, Inc.

12-2545-01

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:

On September 7, 2012, the Commission issued a Report and Order converting this matter to an informally adjudicated matter. Additionally, the Commission approved the application of Wholesale Carrier Services, Inc. for a Certificate of Public Convenience and Necessity authorizing applicant to compete as a Competitive Local Exchange Carrier within Utah.

12-2552-01

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

The Commission issued an Order Cancelling Application for CPCN on August 28, 2012. Based on the Division's recommendation and other good cause appearing, Peerless' application for a CPCN was cancelled.

12-2558-01

In the Matter of the Joint Application of TCG Utah and Teleport Communications America, LLC for Certificate of Public Convenience and Necessity as a Competitive Local Exchange Carrier, and for Informal Adjudication of Merger:

On November 26, 2012, the Commission issued a Report and Order converting this matter to an informally adjudicated matter. The Commission approved the application of Teleport Communications America, LLC for a CPCN, authorizing applicant to compete as a CLEC within Utah, and for informal adjudication of a merger of TCG Utah into Teleport Communications America, LLC.

12-2560-01

In the Matter of the Petition of Airespring, Inc. for Authority to Compete as a Telecommunications Corporation and to offer Public Local Exchange Telecommunications Services:

On November 29, 2012, the Commission issued a Report and Order converting this application to an informally adjudicated matter. Additionally, the Commission approved the application of Airespring, Inc. for a Certificate of Public Convenience and Necessity authorizing applicant to provide public telecommunications services within Utah.

Key:
Docket Number
Short Title

Status as of June 30, 2013

13-2452-01 and 13-2474-01

In the Matter of the Joint Application of AmericaTel Corporation, Matrix Telecom, Inc., and Impact Telecom, Inc. for Approval of the Transfer of Control of AmericaTel Corporation and Matrix Telecom, Inc. to Impact Telecom, Inc.:

On April 22, 2013, the Commission issued an Order Approving Transfer of Control. The Commission approved the transfer of control of AmericaTel Corporation and Matrix Telecom, Inc. to Impact Telecom, Inc.

13-2476-01

In the Matter of the Application of Bresnan Broadband of Utah, LLC for Informal Adjudication of Indirect Transfer of Control:

On May 3, 2013, the Commission issued an Order Approving Indirect Transfer of Control. The Commission approved the indirect transfer of control of Bresnan Broadband of Utah, LLC to Charter Communications, Inc.



13-2562-01

In the Matter of the Application of YipTel, L.L.C. for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange, Access, and Inter-exchange Telecommunications Services in the State of Utah:

On January 25, 2013, the Commission issued a Report and Order converting this matter to an informally adjudicated matter. Additionally, the Commission approved the application of YipTel, L.L.C. for a Certificate of Public Convenience and Necessity authorizing applicant to compete as a Competitive Local Exchange Carrier within Utah.

13-2563-01

In the Matter of the Application of Ionex Communications North, Inc. dba Birch Communications for Certificate of Public Convenience and Necessity to Provide Telecommunications Services in the State of Utah:

On April 5, 2013, the Commission issued a Report and Order converting this matter to an informally adjudicated matter. Additionally, the Commission approved the application of Ionex Communications North, Inc. dba Birch Communications for a Certificate of Public Convenience and Necessity authorizing applicant to compete as a Competitive Local Exchange Carrier within Utah.

Rural Rate-of-Return Carriers

08-046-01

In the Matter of the Application for the Increase of Rates and Charges by Manti Telephone Company:

On December 28, 2012, the Commission issued a Confidential Report and Order approving an annual Utah Universal Public Telecommunications Service Support Fund subsidy of \$41,561 for Manti Telephone Company. Pursuant to the terms of the stipulations approved on February 2, 2009 and April 21, 2011, the Commission ordered Manti Telephone Company to refund the excess of interim UUSF subsidies based on the final amount determined to be just and reasonable and in the public interest in this Order.

On January 2, 2013, the Commission issued an Erratum Confidential Report and Order. This Erratum Confidential Report and Order was retroactive to the date of issuance of the previous Order, December 28, 2012.

On February 15, 2013, the Commission issued an Order Granting Limited Review and Notice of Scheduling Conference. By this Order, the Commission found no legal error but granted, in part, Manti Telephone Company's Motion for Review solely to address the UUSF repayment schedule.

On June 17, 2013, the Commission issued an Order Approving Settlement Stipulation. The Commission found approval of the Settlement Stipulation to be in the public interest. Accordingly, the Commission approved the Stipulation.

12-2302-01

In the Matter of the Request for Agency Action of Carbon/Emery Telcom, Inc., v. 8x8, Inc.:

On November 27, 2012, the Commission issued an Order of Dismissal for Lack of Jurisdiction. By this order the PSC dismissed the request for agency action for lack of jurisdiction.

13-040-T01

In the Matter of Central Utah Telephone, Inc. filing to revise its Emergency Line Service tariff provision:

On May 30, 2013, the Commission issued an Order Suspending Proposed Changes to "Emergency Line Service" Tariff Provisions, Notice of Hearing, and Order. The Companies' proposed changes to emergency line service were suspended pending further proceedings and a final order of the Commission.

On June 14, 2013, the Commission issued an Order Suspending Proposed Tariff Changes to "Emergency Line Service" Tariff Provisions, Notice of Hearing, and Order. The Companies' revised proposed tariff changes to emergency line service were suspended pending further proceedings and a final order of the Commission.

13-2201-T01

In the Matter of Bear Lake Communications, Inc. filing to revise its Emergency Line Service tariff provision:

On May 30, 2013, the Commission issued an Order Suspending Proposed Changes to “Emergency Line Service” Tariff Provisions, Notice of Hearing, and Order. The Companies’ proposed changes to emergency line service were suspended pending further proceedings and a final order of the Commission.

On June 14, 2013, the Commission issued an Order Suspending Proposed Tariff Changes to “Emergency Line Service” Tariff Provisions, Notice of Hearing, and Order. The Companies’ revised proposed tariff changes to emergency line service were suspended pending further proceedings and a final order of the Commission.

13-576-T01

In the Matter of Skyline Telecom filing to revise its Emergency Line Service tariff provision:

On May 30, 2013, the Commission issued an Order Suspending Proposed Changes to “Emergency Line Service” Tariff Provisions, Notice of Hearing, and Order. The Companies’ proposed changes to emergency line service were suspended pending further proceedings and a final order of the Commission.

On June 14, 2013, the Commission issued an Order Suspending Proposed Tariff Changes to Emergency Line Service Tariff Provisions, Notice of Hearing, and Order. The Companies’ revised proposed tariff changes to emergency line service were suspended pending further proceedings and a final order of the Commission.



Key:
Docket Number
Short Title

Status as of June 30, 2013



Telecommunications Relay Service & Equipment Distribution Program

Notable Achievements for Fiscal Year 2013:

- The Utah Public Service 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 8 years.
- Three equipment testing centers are available at the Relay Utah office in West Valley City, the Robert G. Sander-son Community Center, as well as a satellite office in St. George.



Twenty-five years ago, the Utah Public Service Commission became one of the first states to begin providing relay services. Prior to this service, people who were deaf relied upon children, family members, or neighbors who could hear in order to make a telephone call. When relay services were initiated, a person who was deaf had the independence and freedom to use a text telephone (TTY) and Telecommunications Relay Service (TRS). Census numbers from 2010 indicate approximately 276,000 Utahns are deaf or hard of hearing. With all of the technological advances, a person with hearing or speech disabilities now has multiple service and equipment options available: video relay service, internet protocol relay, wireless pagers, captioned telephones, application software, and amplified cellular and landline telephones.

Relay services have expanded over the years to include Spanish language, Speech-to-Speech, Voice Carry Over (VCO) Captioned Telephone (CapTel), and Hearing Carry Over (HCO). The Commission has witnessed enormous growth in the program over the last few years while educating the public with public service announcements and public relations targeted towards people who have difficulty speaking and hearing on the phone. The number of applicants, customers, and users of the programs and services continues to grow as residents become aware of PSC programs. Specialists predict more people will experience hearing loss as baby boomers age with enhanced medical care leading to longer life expectancy.

The State of Utah is in its fourth year of contracting with Hamilton Relay Service for its TRS and captioned telephone (CapTel) relay service. Currently there two representatives publicizing services available in Utah, a Commission equipment specialist and a Hamilton Relay in-state outreach coordinator. Equipment distribution is handled by one full-time equipment specialist assisted by three part-time contractors who distribute and train qualified applicants for the appropriate amplified, text, wireless, and captioned telephone equipment. A fourth part-time contractor will soon round out the distribution program.



Funding

Funding for Relay Utah and its programs derives from a monthly surcharge on Utah residential and business telephone landlines. Cellular lines were added as a funding source in August, 2011. The mandated maximum was not to exceed \$.25 per month per telephone line, but that cap was changed in the bill to \$.20 per line. This rate is set by the Public Service Commission, and the current surcharge was recently lowered from \$.10 to \$.06 per line per month for FY2013. The rate for FY2014 will be reduced to \$.05 per line (effective July 1, 2013). With the growth of mobile devices as well as Utah's healthy economy, revenue has grown faster than predicted. The Commission's goal is to match and balance annual revenues with annual expenses.

During Fiscal Year 2013, the total amount received was \$2,110,337. This surcharge covers Relay Utah services, finances the equipment distribution programs, pays for outreach and education, supports an interpreter training program, and covers the related administrative costs. During FY2013 the Commission spent \$949,651.

There still remains a potential mandate whereby the FCC may delegate fiscal liability to each state for the provision of alternative relay services such as VRS and/or IP Relay for the state. These services have been funded by the National Exchange Carrier Association rather than supported by state entities. The Legislature has ensured stability of services through the wireless surcharge for future FCC mandates.

Fiscal Year	Surcharge Amount Collected by PSC
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	\$1,970,807
2013	\$2,110,337

Outreach

The Commission has been collaborating with Penna Powers Brian & Haynes (PPBH) for more than a decade now, recently signing a new contract. PPBH assists with education, outreach, public relations, and grassroots activities for relay services and equipment distribution. Each year PPBH and the PSC utilize print, television, and radio to raise awareness of all that Relay Utah offers.

FY2013 was a creative year in the production of a new commercial for the Jitterbug amplified cell phone entitled “Clarinet” that aired 2,000 times. It was the second year that PPBH and the Commission used search engine marketing through Google Search, and the most popular keywords were “Relay Utah” and “cell phone for seniors.” Print advertisements ran in the Shakespearean Festival Playbill, the Stage Arts Playbill, the Senior Blue Book and Utah’s Senior Review. The playbills run for the entire season for the Opera, Symphony, Ballet, and plays. On television, Relay Utah was featured on KJZZ, KSL, KUTV, KSTU, KTVS, and annual sponsorships of KBYU and KUED, and a live interview was held on “Good Things Utah” (KTVX).

Through grassroots efforts, many potential consumers were reached through participation in forty-four senior health fairs and expositions, power point presentations at senior centers, senior housing facilities and area agencies on aging for distribution of 434 applications and 780 brochures.



Equipment Distribution

Relay Utah employs one full-time Commission staff member and three part-time employees to provide the necessary equipment distribution and training. One part-time employee is located in Southern Utah in order to be responsive to the demand in that part of the state. The four equipment specialists travel the entire state and provide individualized training to each consumer. Over the past eight years, more than 7,000 devices have been provided for consumers who have received the necessary training to use the equipment.

Fiscal Year	Pieces of Equipment Distributed
2006	515
2007	674
2008	641
2009	865
2010	1,016
2011	1,521
2012	1,350
2013	698
Total	7,053

American Sign Language Interpreter Training Program

The Public Service Commission currently contracts with the ICAN Program, provided through the Division of Services for the Deaf and Hard of Hearing to provide interpreter training classes, on-the-job training, and/or mentoring. The Commission contracted with as many as three interpreter training programs to meet a shortage in the industry of certified American Sign Language interpreters. The other programs were Salt Lake Community College (SLCC) and Utah Valley University. The Commission scaled back its interpreter training program assistance due to dwindling funds, so the ICAN program has contracted with the Commission due to its unique mentoring program.

Fiscal Year	Number of Professional Certifications
2005	74
2008	107
2009	126
2010	137
2011	152
2012	167
2013	168

According to the Utah Interpreter Program (UIP), the entity overseeing the testing and certification of interpreters, the number of professionally certified sign language interpreters is 168 for FY2013. UIP also reports that currently there are seventy-eight novice level interpreters and thirteen master level interpreters. The number of professionally certified interpreters had remained flat for many years until the PSC initiated the procurement process to address the shortage. The following table shows the number of professional certifications for ASL interpreters has more than doubled in the past eight years:



Relay Utah

Over 69,000 CapTel calls were handled by Relay Utah in FY2013 while another 34,000 TRS calls were made including traditional TTY, VCO, HCO, and Speech to Speech.

The highest month of TRS traffic was March 2013 with 17,900 session minutes, and the highest month of CapTel traffic took place in July 2012 with 21,339 session minutes. The past year's information is as follows:

Month/Year	HCO	Spanish	STS	TTY	VCO	Voice	CapTel	Total
July 2012	65	4	54	1,389	448	594	7,343	9,897
August 2012	44	5	83	1,423	402	548	6,740	9,245
September 2012	57	5	108	1,249	423	496	6,124	8,462
October 2012	53	7	106	1,625	469	598	6,843	9,701
November 2012	65	7	144	1,302	563	602	5,798	8,481
December 2012	108	7	113	1,347	567	717	5,803	8,662
January 2013	97	7	105	1,881	642	568	5,663	8,963
February 2013	70	12	82	1,831	460	586	4,882	7,923
March 2013	32	10	61	2,461	487	705	5,282	9,038
April 2013	52	9	59	1,888	522	632	4,993	8,155
May 2013	34	1	50	1,542	463	662	5,083	7,835
June 2013	55	11	40	1,363	451	589	4,662	7,171
FY Total	732	85	1,005	19,301	5,897	7,297	69,216	103,533

Hamilton Relay has been able to add new enhancement features to its platform while also providing round-the-clock customer service for Captioned Telephone Services. More advances are being made regarding Mobile CapTel, 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 CapTel for Smartphones, PC or Mac and Tablets, equal access for all individuals is becoming a reality no matter what the 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 businesses such as Priority Loan Lending, Bridgewalk Financial Group, Encompass, Bank of American Fork, and Hospice for Utah for the Relay Friendly Business Program (RFBP). Hamilton will continue to focus on the RFBP 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. Ann Lovell received the 2013 Better Hearing and Speech Community Award and Brooklyn Moore was the recipient of the Hamilton Relay Scholarship.

National Deaf Blind Education Distribution Program

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 at minimum a two year pilot project which started July, 2012. The FCC certified one entity per state, providing all services on its own or contracting some services, or to a collaboration/partnership.

NDBEDP requirements include 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, advanced communication services such as instant messaging and e-mail.

The NDBEDP pilot program follows different financial guidelines from Relay Utah's equipment distribution program. The FCC reimburses the Commission for equipment for consumers who are deaf-blind at 400% of poverty level as opposed to Utah's guidelines which are set at 200%. Utah's yearly allocation of the \$10 million program is set at approximately \$111,000. Administrative costs of up to 15% of the funding can be used for running the program, while the remaining 85% is for assessment, equipment, installation, training, and related travel costs.

The Public Service Commission received notice July 2, 2012 that it was awarded the NDBEDP grant. After due diligence with procurement and state permission, the Commission was able to launch the program and serve its first consumer. The number of participants will increase in the coming fiscal year. To learn more about this pilot program, visit the following websites: www.iCanConnect.org or www.fcc.gov/NDBEDP.

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 the organizations serving them in the design and implementation of the program." In order to comply with this rule, in FY2013, the Public Service 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 individuals who use the services provided by the Commission.

RUCC meetings are currently held in conjunction with Hamilton Relay in order for members to 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.

Relay Utah Updates

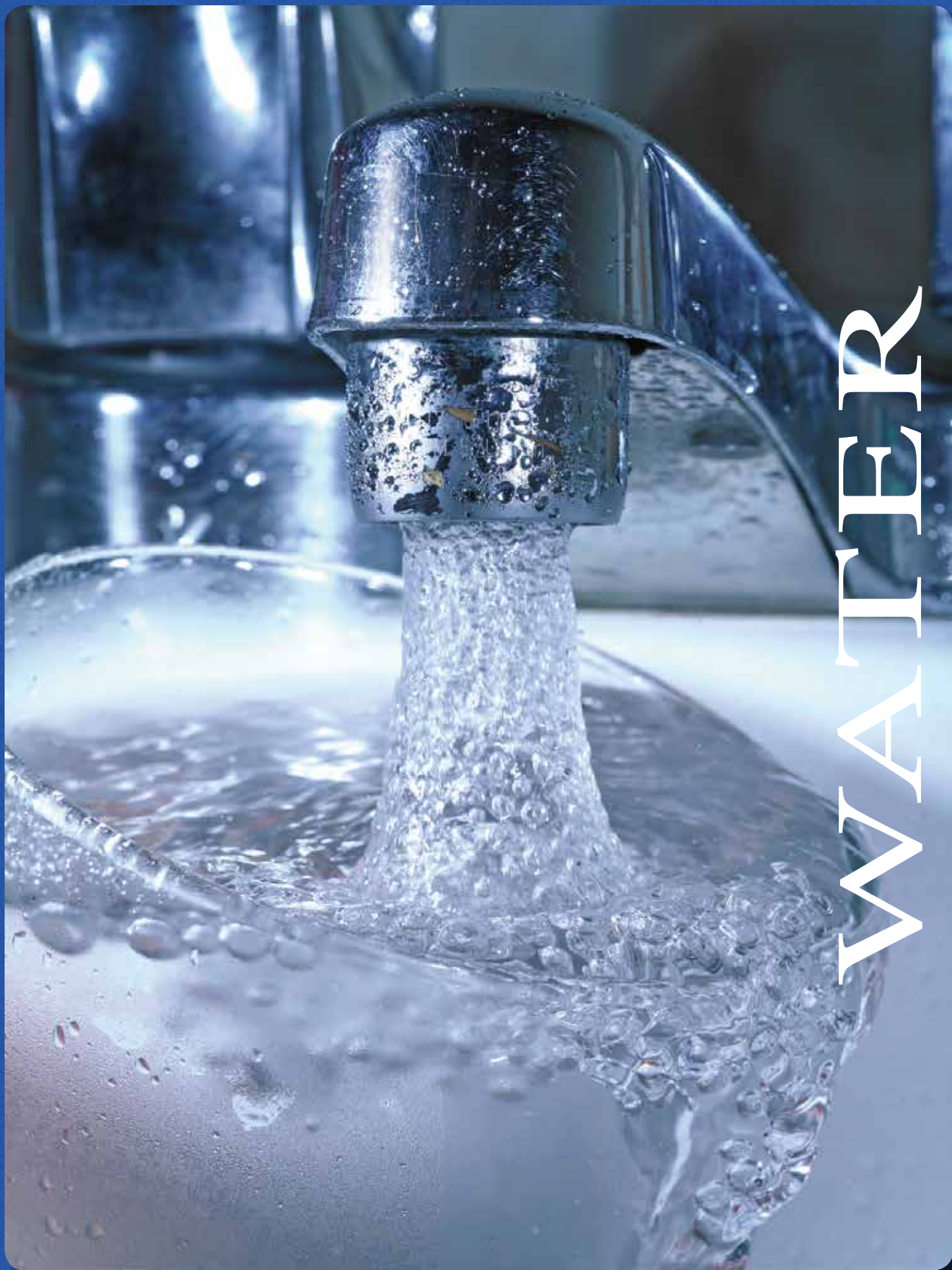
The Relay Utah office, handling equipment distribution and training, is located at 168 North 1950 West in Salt Lake City. This is beneficial for coordination with the Hamilton Relay Outreach Coordinator while also housing equipment testing centers for consumers to view and try out potential equipment options. Testing rooms are also available at the Robert G. Sanderson Community Center and its satellite office in St. George.

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. The Commission looks forward to future technological developments and innovations, continued high quality customer service, and providing equal access to Utah residents.



When every word
is important

RELAY UTAH
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WATER UTILITIES OVERVIEW

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. It does not 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 25 investor-owned private water utilities and 7 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 2013, the Commission issued no letters of exemption, ruled on a rate increase requested by a water utility, investigations concerning certificates 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.



WATER DOCKETS

11-097-01 and 11-097-03
In the Matter of the Formal Complaint of Complainants vs. Mountain Sewer Corporation, AND In the Matter of the Application of Mountain Sewer Corporation for a General Rate Increase:

The Commission dismissed the complaint and authorized an increase in rates on October 30, 2012.

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. The Commission approved the transfer of ownership on October 30, 2012.

12-2195-01 and 13-2195-02
In the Matter of Hi-Country Estates Homeowners Association's Notice of Intent to File a General Rate Case, AND In the Matter of the Application of Hi-Country Estates Homeowners Association for Approval of its Proposed Water Rate Schedules and Water Service Regulations:

The matters are still pending.

12-2443-01
In the Matter of the Application of WaterPro Inc. for Culinary Water Rate Case:

The Commission approved the rate increase and fire service user fee on February 22, 2013, and June 13, 2013, respectively.

13-2195-01
In the Matter of the Formal Complaint of Complainant against Hi-Country Estates Homeowners Association:

This matter is still pending.

13-2423-01
In the Matter of the Application of Cedar Ridge Distribution Company for an Increase in Rates for Water Usage Over 12,000 Gallons per Month to .50 per 1,000 Gallons:

This matter is still pending.

13-2506-01
In the Matter of the Application of Willow Creek Water Company for a General Rate Increase:

The Commission granted an interim rate increase on April 1, 2013. This matter is still pending.

13-2565-01
In the Matter of the Application of Allard Ranch Water Company for an Exemption from Public Service Commission Regulation:

This matter is still pending.

COMPLAINTS

Monopolies

If a privately owned company is a monopoly, it is in a position to exploit customers. Because 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, local call, or 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 ask the Office of Consumer Services (Office) for assistance and help. 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 of this might be changes in late payment arrangements to assist low-income customers or others having difficulty paying their bills.

Key:
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Status as of June 30, 2013

The Role of the Commission

Oftentimes, customers contact the Commission to converse directly with a Commissioner, the administrative secretary or a member of the technical staff. Whether or not the complaint is resolved in this way, this has the dual benefit of giving the customer direct contact with either an expert or a decision-maker, while it keeps the Commission aware of circumstances of utility service current in the community. However, in cases where informal processes do not satisfy the customer, he or she is free to pursue formal action with the Commission.

Formal Complaints

In cases involving factual disputes over which the Commission has jurisdiction, the Commission may resolve a formal complaint through hearing before an Administrative Law Judge, who establishes the facts on the record and renders a recommended decision.

Docketed complaint cases resolved by the Commission through formal processes during the fiscal year are listed below. By far, most customer complaints are resolved in the informal ways mentioned.

The following table shows the number of informal complaints processed by the Division of Public Utilities in FY 2013. Of these, six became formal complaints before the Commission during FY 2013, requiring a hearing by an Administrative Law Judge.

Type of Utility Complaint	FY 2013
Electric	130
Natural Gas	105
Telecom - ILEC*	117
Telecom - CLEC*	40
Telecom - Long Distance	16
Water and Sewer	7
TOTAL	415

* ILEC – Incumbent Local Exchange Carrier

* CLEC – Competitive Local Exchange Carrier



PUBLIC SERVICE COMMISSION OF UTAH

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