
BRYCE FREEMAN
ADMINISTRATOR
DENISE PARRISH
DEPUTY ADMINISTRATOR



DAVE
FREUDENTHAL
GOVERNOR

Office of Consumer Advocate

2515 Warren Ave., Suite 304

Cheyenne, Wyoming 82002

Telephone 307-777-7427

FAX 307-777-5748

FOR IMMEDIATE RELEASE – January 30, 2004
FOR MORE INFORMATION CONTACT:

Bryce Freeman @ 777-5742
Chris Petrie @ 777-5763

Office of Consumer Advocate Says PSC PacifiCorp Order Balanced

CHEYENNE, WY – In open meeting action today, the Wyoming Public Service Commission approved tariffs implementing increased revenues for PacifiCorp which it authorized as a result of the Company's recent rate case application. PacifiCorp had originally sought Commission approval to increase its Wyoming revenues by nearly \$42 million. In its order the PSC approved a revenue increase of approximately \$22.9 million.

“Of course, we are rarely anxious to see utility rate increases, and while we are disappointed that the Commission chose not to adopt all of the recommendations we made in the rate case proceeding, we are pleased that the Commission agreed with us on many of the most important issues,” said Bryce Freeman, Administrator of the OCA. The OCA recommended several changes to the Company's proposal, including a reduction in PacifiCorp's allowed rate of return from 10.75% to 10.0%, reductions in various categories of operating expenses, and reductions to the rate base investment claimed by the Company. In its application the Company proposed an 11.5% rate of return on equity.

PacifiCorp is the state's largest provider of retail electric service, providing service to approximately 70% of the state, including several large industrial and commercial customers. According to the OCA's analysis of the Company's revised tariffs, residential customers in the Company's Wyoming west division would see an average increase of fifteen cents per month, or less than one-half of one percent. Residential customers in the Company's Wyoming east division would see an average monthly increase of \$1.39, or 3.57%. The average revenue increase for all customers under the Company's original proposal would have amounted to 13.11%, and the increase for residential customers would have averaged 9.36% for Wyoming east and Wyoming west customers on a combined basis. The west division includes the area once served by Utah Power & Light, including the towns of Evanston, Green River and Rock Springs. The east division includes the parts of the state historically served by Pacific Power & Light, including the towns of Riverton, Lander, Laramie and Casper.

“We believe the Commission’s order in this case strikes a fair balance between the interests of the Company and its customers,” Freeman said. He added, “we believe that the Company, given the revenue increase authorized by the Commission, should be able to continue to provide safe, adequate and reliable service to its Wyoming customers.”