

Rocky Mountain Power  
Exhibit RMP\_\_ (EDW-1R-RR)  
Docket No. 07-035-93  
Witness: Erich D. Wilson

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

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Exhibit Accompanying Rebuttal Testimony of Erich D. Wilson  
2008 Goals – First Quarter Progress Analysis

May 2008



**PROGRESS AGAINST 2008 GOALS  
1ST QUARTER 2008**

**RICHARD WALJE  
PRESIDENT**

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- 
- 1. Support all company-wide goals. Collaborate with the presidents of Pacific Power, PacifiCorp Energy, MidAmerican Energy Company and MidAmerican Energy Holdings Company to ensure the efficient use of resources, leverage best of practices and consistent external communications.**

This goal is being met. Rocky Mountain Power continues to support all companywide goals through a collaborative effort with PacifiCorp Energy and Pacific Power.

**Safety**

- 2. Develop and implement the 2008 safety improvement plan, and improve Rocky Mountain Power's safety performance by reducing near misses to no more than 18, the recordable incident rate to no more than 2.19, the lost-time accident rate to no more than 0.17, restricted duty cases to no more than 12, medical treatment cases to no more than 28, preventable vehicle accidents to no more than 53, and hearing threshold shifts to no more than one. In addition, achieve a vehicle accident rate of no more than 1.98 per million miles driven, and comply with all mandated health and safety training requirements.**

This goal is being met, with the exception of the lost time accident rate, which is 0.19 year to date.

	Current Month	Year-to-Date (First Quarter)	2008 Goal
Near Misses	0	1	18
Recordable Incident Rate	0	0.76	2.19
Lost-Time Accident Rate	0	0.19	0.17
Restricted Duty Incidents	0	0	12
Medical Treatment Cases	0	3	28
Preventable Vehicle Accidents	1	15	53
Standard Threshold Shift	0	0	1

## **Environmental**

- 3. Correct all noncompliance findings at manned operation facilities within 90 days of identification.**

Rocky Mountain Power is on target to meet this goal. No new noncompliance findings have been identified to date in 2008.

- 4. Reduce newly identified preventable spill incidents to less than 36. Note: Weeping transformers will be tracked as a separate line item until the historical spills have all been identified and remediated.**

Rocky Mountain Power is on track to meet this goal. For the first quarter, there were two reported preventable spills.

- 5. Perform 18 environmental management system facilities audits (12 service center audits and 6 substation audits).**

The environmental department at Rocky Mountain Power is currently compiling a detailed schedule for the performance of the environmental management system facilities audits. These facility audits will be completed by the end of 2008. Remote or snowbound facilities are on schedule to be completed by the end of the third quarter of 2008.

- 6. Meet U.S. Fish and Wildlife Service requirements for avian and raptor protection. This is accomplished by reporting all eagle mortalities to the U.S. Fish and Wildlife Service within 48 hours, remediating poles within 30 days and correcting all line facilities within 90 days where protected birds have been killed.**

All eagle mortalities have been reported to the Fish and Wildlife Service within 48 hours. All pending remedial actions are being completed in accordance with government requirements.

- 7. Complete the first year of a three-year plan to review, edit and modify the spill prevention control and countermeasure plans.**

The spill prevention control and countermeasure plans project has been changed from three years to two years. The plan reviews will begin June 1, 2008, and will be completed July 1, 2009.

- 8. Complete the first year of a three-year plan to remediate oil weeping or leaking substation equipment.**

Fifteen weeping transformer repair orders have been closed in SAP in 2008.

Verification is being performed to ensure that all the repairs required remediation.

9. **Deliver the sulfur hexafluoride (SF<sub>6</sub>) gas emission reduction target per the Environmental Protection Agency partnership agreement.**

The emission reductions are on target per the agreement.

10. **Establish a plan and comply with storm water discharge permits and underground injection requirements.**

State-by-state review of underground injection wells will be completed in 2008.

11. **Further integrate the environmental services organization within Rocky Mountain Power's construction and operations activities.**

An environmental manager was hired. Integration into operations has been very successful, and several key issues have been successfully resolved.

12. **Increase Blue Sky participation in 2008 by 15 percent for both residential and industrial customers. Goal requires 4,050 new enrollments for Rocky Mountain Power and 5,080 new enrollments for Pacific Power.**

A total of 1,153 Rocky Mountain Power customers enrolled in Blue Sky during the first quarter, which exceeded the quarter goal of 890 new enrollments and is consistent with achieving the year-end goal.

13. **Deliver demand-side management targets of 200 megawatts of class one schedule firm and/or dispatchable resource as measured at the generator.**

Rocky Mountain Power is on target to meet this goal.

14. **Deliver demand-side management targets for class two of 20.21 average megawatts at the generator.**

Rocky Mountain Power is on target to meet this goal.

15. **Support the development and filing of a revised demand-side management program for consideration in the state of Wyoming, and gain approval from the commission by June 1, 2008. Implement the outcome of the commission decision by Sept. 1, 2008.**

Rocky Mountain Power filed a revised demand-side management program application with the Wyoming Public Service Commission Dec. 19, 2007, as scheduled. The Wyoming Public Service has finalized a procedural schedule, which sets an open exchange public meeting for May 21, 2008, followed by a formal public hearing May 27-30, 2008.

16. **Appropriately adjust the Idaho demand-side management surcharge tariff by April 1, 2008.**

On Feb. 14, 2008, the company filed its application to adjust the Idaho demand-side management surcharge from 1.5 percent to 3.7 percent of base revenue. The Idaho Public Service Commission staff determined the changes could not be made effective by April 1, 2008. Consequently, the company revised its requested effective date to May 1, 2008.

17. **Achieve green e-certification for the Blue Sky program by February 2008.**

This goal has been met. The company received notice Feb. 13, 2008, that the Blue Sky program application was accepted, and Green-e Energy certification was granted by the Center for Resource Solutions

18. **Develop a modified net metering approach implementation plan which supports both Pacific Power and Rocky Mountain Power by March 2008.**

The high-level net metering implementation plan to support Rocky Mountain Power and Pacific Power was completed on schedule.

**Customer and Community Satisfaction**

19. **Update and implement a strategic communications plan focused on PacifiCorp Energy's and Rocky Mountain Power's operations, regulations and community relations.**

Communications plans supporting the general rate case filings in Wyoming and Utah and PacifiCorp Energy's resource procurement efforts continue to be implemented and revised as necessary.

20. **Continue to implement customer service improvement plans.**

Updates on customer service improvement plans are included under the J.D. Power residential and business and TQS customer survey results. (See updates to goals 22, 23 and 24.)

21. **Increase visibility and improve relations with industrial customers and consumer associations.**

Rocky Mountain Power is on target to meet this goal.

22. **Improve J.D. Power residential customer survey results from second quartile rating to first quartile rating in the Western region.**

J.D. Power will deliver survey results to Rocky Mountain Power and other utilities July 15, 2008. To raise customer satisfaction, the call centers continue to implement a new customer service model based on a friendly, conversational, easy-to-do business-with approach and an improved automated outage call back program. Enhanced customer self-service Web applications and improved automated customer correspondence templates are also under development.

23. **Improve J.D. Power business customer survey results for Rocky Mountain Power from third quartile rating to second quartile rating in the Western region.**

Rocky Mountain Power improved by 14 points to 693 on overall customer satisfaction. This marks the fourth consecutive year the company's overall satisfaction score has improved. However, the higher score did not translate into a higher West region ranking. Rocky Mountain Power placed 9th in overall satisfaction among 13 West region utilities – identical to 2004, 2006 and 2007. This goal was not achieved as a result of the third-quartile ranking.

24. **Achieve TQS customer survey score ranking of number two nationally.**

Rocky Mountain Power earned “very satisfied” ratings (scores of 8, 9 or 10 on a 10 point satisfaction scale) from 90.1 percent of customers on overall company satisfaction, an increase from the 88.2 percent achieved in 2007. This represents the second highest overall satisfaction score achieved by Rocky Mountain Power. The final national rankings will be announced in August 2008.

25. **Reduce the commission complaint rate by 5 percent from 282 to 268.**

The first quarter goal was achieved, with 54 commission complaints received against a target of 67. These results are consistent with achieving the year-end goal.

26. **Reduce customer guarantee failures by 5 percent from 240 to 228.**

Rocky Mountain Power is on target to meet this goal.

27. **Achieve telephone service levels of 83 percent answered in 30 seconds in support of reaching a 90 percent service level by 2010.**

First quarter results are favorable to goal, with 84.6 percent answered in 30 seconds compared to goal of 83 percent.

28. **Achieve billing accuracy at or above 99.0 percent.**

The first quarter 2008 target was achieved with 99.8 percent billing accuracy, putting Rocky Mountain Power on target to achieve the 2008 year-end goal.

29. **Achieve meter reading accuracy at or above 99.88 percent.**

The first quarter 2008 target was achieved with 99.94 percent meter reading accuracy, putting Rocky Mountain Power on target to achieve the 2008 year-end goal.

30. **Complete 125 community relations plans for each of the primary communities Rocky Mountain Power serves.**

A total of 51 plans were completed during the first quarter of 2008, which exceeded the quarter goal of 40 and is consistent with achieving the year-end goal.

**Financial Performance**

31. **Achieve targeted Rocky Mountain Power net income.**

Rocky Mountain Power results are unfavorable to target for this goal.

32. **Achieve targeted operations, maintenance, administrative and general budget.**

Operations, maintenance, administrative and general expenses for the first quarter are consistent with the budget.

33. **Achieve targeted capital expenditure investment program.**

Capital expenditures for the first quarter are consistent with the capital expenditure budget.

34. **Deliver bad debt net write-offs of less than \$11.7 million (0.35 percent of revenue) for Rocky Mountain Power and Pacific Power combined (\$5.8 million or 0.28 percent of billed revenue for Rocky Mountain Power).**

Net write-offs are favorable to target for Rocky Mountain Power

35. **Implement governance improvements in capital approvals and capital project monitoring to include budgeted contingency on all multi-year projects over \$10 million. Compliance will be measured by the audit of all projects in this category.**

Rocky Mountain Power is working with PacifiCorp's chief financial officer on several improvements in the capital approval process. One improvement is to do additional engineering and right-of-way work on projects to better define the scope and customer benefits before forwarding the project for full approval. The

other improvement is to simplify the approval process for generation interconnect projects that are unlikely to be built.

**36. Continue to refine the Rocky Mountain Power asset investment plan to assure optimal use of capital.**

The priorities established for the 2008 asset investment plan remain the same today as when the plan was approved. The priorities include connecting new customers, mandated programs such as road widening, capacity increases to serve existing customers and storm repairs.

**37. Identify three output measures to gauge the effectiveness of capital investments. Establish a baseline for these measures to support future year planning.**

Five potential output metrics have been identified. They are:

1. System peak / installed distribution substation capacity;
2. Percent of total local transmission that has N-1 capability;
3. Total customers interrupted / total customer minutes lost;
4. Revenue generated capital \$ spent / total capital \$ spent; and
5. Total capital \$ spent / megawatt hour connected.

On further evaluation, item three was expanded and changed from total customers interrupted / total customer minutes lost to:

- Measure 1) Controllable distribution system average interruption duration index / distribution reliability capital
- Measure 2) Transmission system average interruption duration index / transmission reliability capital
- Measure 3) Controllable distribution system average interruption frequency index / distribution reliability capital
- Measure 4) Transmission system average interruption frequency index / transmission reliability capital

**38. Identify and deliver ongoing operational efficiencies.**

Rocky Mountain Power continues to deliver operational efficiencies through the line service agreement program. Line service agreements provide cost savings on small- to mid-size construction jobs.

**39. Conduct five annual capital budget meetings in the region/district offices to identify capital investment needs based upon engineering studies, load growth, reliability and condition of assets.**

Network investment will conduct at least five annual capital budget meetings in the region/district offices during 2008. Targeted locations and times are:

- Wyoming region – September 2008
- Southern Utah region – September through December 2008
- Central Utah region – September through December 2008
- Northern Utah/Idaho region – September through October 2008
- Tooele – March 2008

40. **Provide supporting documentation for all system distribution projects over \$500,000 and all substation and local transmission projects over \$1.0 million for calendar years 2009 thru 2013 by Sept, 15, 2008.**

Rocky Mountain Power is on track to meet this goal. Every project within this framework is required to be accompanied by an investment appraisal document. The documents are reviewed internally for justification, accuracy and correctness. The projects are also compared to the existing 10-year plan, and modifications are made as needed.

41. **Continue to develop the business such that it is positioned to achieve 2009 net income and capital expenditures consistent with the 10-year plan established in the fall of 2007.**

Planning meetings with corporate finance were held in March 2008 to start the 2009 business plan.

### **Operational Performance**

42. **Deliver the capital investment and maintenance plans within budget.**

Rocky Mountain Power is on target to meet this goal.

43. **Restore 80 percent of customer outages within three hours in Utah, Wyoming and Idaho.**

Rocky Mountain Power is on target to meet this goal, with 88 percent of the customer outages restored within three hours during the first quarter.

44. **Implement the compliance and scheduling center initiative in the remaining 26 service center locations in 2008.**

The implementation of the centralized scheduling work creation and scheduling processes and tools occurred in the Tooele, Utah, and Pinedale and Evanston, Wyo., districts. Twelve locations have been implemented year to date with implementation scheduled for the 14 remaining locations.

45. **Ensure the average age of “A conditions” do not exceed 90 days for conditions identified.**

Rocky Mountain Power is on track to meet this goal. As of March 21, 2008, the average age of “A conditions” is 47 days.

46. **Create and deliver reliability work plans to meet “Fuse It or Lose It” and “Saving System Average Interruption Duration Index” projects in Utah, Wyoming and Idaho.**

The operations group currently has 206 reliability work plans ready to be implemented. Year-to-date, 102 new reliability work plans have been created.

47. **Improve system average interruption duration index per customer from 196 to 179 (9 percent improvement).**

During the first quarter, the year-to-date reliability statistics were over the desired plan. Through March 20, 2008, the year-to-date system average interruption duration index was 39.96 minutes compared to the goal of 23.47 minutes.

48. **Improve system average interruption frequency index per customer from 1.866 to 1.829 (2 percent improvement).**

During the first quarter, the year-to-date reliability statistics were over the desired plan. Through March 20, 2008, the year-to-date system average interruption frequency index was 0.417 interruptions compared to a target goal of 0.205 interruptions.

49. **Improve customer average interruption duration index per customer from 105 to 98 (6.7 percent improvement).**

During the first quarter, the year-to-date reliability statistics were under the desired plan. Through March 20, 2008, the company’s customer average interruption duration index was 96 minutes compared to 99 minutes.

50. **Create reliability work plans for the 15 underperforming circuits in Rocky Mountain Power’s territory.**

Reliability work plans have been created for the 15 underperforming circuits in Rocky Mountain Power’s service area (five in each state).

51. **Measure the targeted reliability improvement focused maintenance plan and baseline improvements for future planning purposes. Specifically target customers experiencing multiple outages.**

In the last month, 780 customers have experienced more than five interruptions, and within the last 12 months 192,642 customers have experienced more than 12 interruptions.

Through March 20, 2008, the system average interruption during index for East Millcreek was 0.42 minutes compared to a 2006 baseline of 0.72 minutes and 2007 baseline of 1.50 minutes. The system average interruption frequency index was 0.007 events compared to a 2006 baseline of 0.044 events, and 2007 baseline of 0.001 events.

52. **Identify all federal, state and tribal permits or easements for Rocky Mountain Power 230 kilovolt or larger transmission lines, which expire in the next five years. Annually develop and execute plans to renegotiate all such permits or easements expiring in a three-year time frame, and obtain or renew all that expire in 2008.**

Seven permits identified for renewal in 2007 are still in progress. To date, four 230-kilovolt or above permits have been identified as having termination dates in 2008. Permits not currently logged in the database are being reviewed to determine voltage class and expiration dates.

53. **Complete all Western Electricity Coordinating Council-mandated substation maintenance requirements.**

There are 1,118 Western Electricity Coordinating Council transmission and distribution maintenance activities scheduled to be completed in calendar year 2008, with 370 completed during the first quarter.

54. **Refine the existing Rocky Mountain Power infrastructure plan to ensure consistency and to enable effective project scope and design in support of capital efficiency, engineering, competitive procurement and construction requirements**

The paper "Infrastructure Planning Necessary to Meet Future Load Growth Requirements" that was presented in 2007 will be reviewed again by June 30, 2008, to ascertain that the processes presented remain valid and applicable for developing the asset investment plan and capital budgets.

55. **Complete all distribution planning studies scheduled for calendar year 2008: 23 by Sept. 30, 2008, and 11 more by Dec. 31, 2008.**

Through March 24, 2008, field engineering has completed four studies and completed 35 percent of the total study work for the year against a goal of 25 percent. A completed study consists of four milestones: model update, load forecast, engineering analysis and the final documentation.

56. **Complete all local transmission area planning studies scheduled for calendar year 2008, a total of eight by Dec. 31, 2008.**

Through March 25, 2008, area planning has completed two five-year transmission

studies against a goal of two studies. Area planning has completed 85 percent of the total study work for the next five-year transmission study that will be completed in April 2008. Two additional studies have also been started and are expected to be completed in late summer 2008.

**57. Complete Wasatch Front 2008 summer post-peak report by Oct. 31, 2008.**

Beginning in early June 2008, a daily Wasatch Front peak report will be published. Development of the Wasatch Front 2008 post-peak report will start in August 2008.

**58. Audit, update and train disaster response and recovery command center staff on disaster response.**

A disaster response and recovery table-top exercise with core operations incident command center staff was held Feb. 15, 2008. The exercise focused on review of the current disaster response and recovery plan with select operations personnel and yielded identification of areas for improvement and updates to the existing plan. Future table-top exercises and mock drills will be conducted throughout 2008 and will include a broader selection of operations and non-operations personnel.

Review sessions with Rocky Mountain Power executive team and operations management personnel will be conducted throughout the month of May 2008 and will focus on the roles and responsibilities of the command center personnel and communications procedures. Scenarios related to summer loading issues and potential curtailment actions will be presented and discussed.

**59. Complete work plan associated with the development of Rocky Mountain Power's disaster contingency plan.**

Work continues on refinement of the Rocky Mountain Power incident response and recovery plan and business continuity plan. The plans will be distributed to the executive team and operations management in April 2008 with review sessions to be conducted in May 2008 focusing on the roles and responsibilities of the command center personnel and communications procedures.

**60. Deliver the 2008 risk management plan with satisfactory or better results from any MidAmerican Energy Holdings Company audit.**

The Rocky Mountain Power quarterly risk management plan review was held Feb. 26, 2008. No outstanding issues were identified during the review, and all items are on track for completion.

**Major Project Delivery**

61. **Deliver the Utah load growth (Wasatch Front) capital plan in time to meet the June 1, 2008, in-service date for 118 megavolt-amperes of additional capacity.**

Seven projects have been identified to be completed in 2008 – four projects by June 1, 2008, for a total of 82-megavolt-amperes, and the remainder by December 2008.

62. **Deliver the non-Wasatch Front capital plan to add 102 megavolt-amperes of additional capacity.**

Four projects have been identified to be completed in 2008 – three projects by June 1, 2008, for a total of 82-megavolt-amperes, and the remainder by December 2008.

63. **Deliver the 2008 portion of the mobile radio replacement project.**

PacifiCorp's initial 217-megahertz propagation study has been completed. The information regarding coverage areas and potential gaps has been reviewed by PacifiCorp Energy, Rocky Mountain Power and Pacific Power.

Additional studies are under development, and it is anticipated that this phase of the project will be completed for the east side of PacifiCorp by April 30, 2008.

64. **Deliver the interactive voice response/automated agent routing technology replacement for the customer call centers by August 2008.**

This project met the first quarter targets, and results are consistent with achieving the year-end goal.

65. **Deliver major customer transmission interconnections to large Wyoming loads on time and within 10 percent of the budget estimates provided to customers. Four transmission interconnection projects are scheduled in Wyoming for 2008.**

Construction was completed on the substation service for Sinclair Pathfinder within budget and was ready for customer connection Feb. 28, 2008.

Other transmission interconnection projects underway include Sinclair oil refinery, Seven Mile Hill, Medicine Bow and Greenwing wind facilities, Chappel Creek service to Cimarex, and Upper Green River. Distribution work continues between the Paradise tap and the Anticline tap.

66. **Complete the automated meter reading project along the Wasatch Front by November 2008.**

The 2008 Wasatch Front automated meter reading project met the first quarter targets and will be completed in December to achieve the 2008 year-end goal. A total of 505,590 meters have been exchanged through March 23, 2008. Route acceptance testing is complete for 760 meter reading routes.

67. **Complete an automated meter reading/advanced metering infrastructure strategy for Pacific Power by June 2008. Include an assessment of existing and evolving technologies, changing regulatory environment, high level cost/benefit analysis, and timing and technology recommendations.**

The automated meter reading/advanced metering infrastructure strategy project for Pacific Power is on track to achieve the June goal.

68. **Deliver the 2008 phase of the Three Mile Knoll project.**

Rocky Mountain Power is on track to meet this goal. Construction of all foundation work is 85 percent complete. In addition, all breaker pads are complete. The substation steel construction is 90 percent complete. Easements have been purchased from three of four landowners. Construction in the Idaho Power yard is on schedule.

69. **Deliver the secure Web login for customer payment history, account balance and usage history by July 2008.**

The secure Web login project met the first quarter targets. This project for online bill payment, payment history, account balance and usage history will achieve the 2008 goal with a July 2008 delivery date.

70. **Deliver the online customer bill statement view by November 2008.**

The Web stakeholder team approved a revised delivery date of December 2008 for the customer online statement view project. The revised delivery date is a result of efficiencies that will be gained by having the same timeline as the new Web redesign project that will be completed in December 2008. This project is scheduled to begin July 2008.

71. **Deliver the new customer services Web look and feel by December 2008.**

The Web look and feel redesign project met the first quarter targets. This project, along with the replacement of the obsolete Rhythmyx content management system, will be completed by December to achieve the 2008 goal.

72. **Comply with each transaction commitment.**

The company is in compliance with all transaction commitments.

## **Organizational Planning and Development**

73. **Educate all managers on how the company succeeds financially as a regulated utility.**

A presentation was made to the Rocky Mountain Power senior management team Feb. 1, 2008, to explain how the company succeeds financially in a regulated environment. An additional follow-up presentation will be made at a summer meeting of this group.

74. **Continue to provide support and resources to assist employees in continuing their professional development.**

Training and professional development plans were included in exempt employees' goals. Training will occur throughout 2008.

75. **Evaluate training and development programs to ensure they are effective in supporting employees' ability to deliver company objectives.**

Rocky Mountain Power executive management will review training and development programs to provide feedback to human resources to assess the effectiveness of the programs in supporting Rocky Mountain Power's employee development goals.

76. **Review apprentice programs and develop improvement plans to assure they are effective and cost efficient.**

The apprentice climbing instruction and evaluation program has been reconfigured from a 12-day program to a five-day program. The extended training and craft skills will be conducted at the worksite by assigned crews and qualified journeymen. This approach is being closely monitored and measured. All other apprenticeship programs are currently under review.

77. **Evaluate the workforce to identify high potential leaders in 2008 and deliver succession plans.**

The 2008 succession plans for senior team members have been completed.

78. **Cascade the key information and learnings from the MidAmerican Energy Holdings Company leadership conference to all managers and supervisors.**

During the first quarter, 896 Rocky Mountain Power employees viewed the MidAmerican Energy Holdings Company leadership conference materials.

79. **Re-assess management's span of control and implement findings.**

Rocky Mountain Power's span of control study will be completed during the second quarter of 2008.

80. **Identify and develop plans to address long-term labor issues and opportunities to improve operational and resourcing flexibility to address customer and business needs.**

Based on staffing and funding support from Rocky Mountain Power, the University of Utah has raised sufficient funds to reestablish a power engineering program within the department of electrical engineering. In addition to this effort, Rocky Mountain Power supported the electrical engineering department's clinic initiative. Students participating in the Rocky Mountain Power clinic project presented the results of their research at a recent university-sponsored event.

81. **Develop a resource strategy for internal workforce and contractors and incorporate in the business plan.**

Implementation of the internal resource strategy of maximizing the pre-apprentice and apprentice position continues to progress.

82. **Update labor contingency plans, and develop a labor relations negotiations strategy in preparation for the 2009 labor negotiations.**

Rocky Mountain Power is on track to meet this goal.

83. **Initiate and conduct a monthly business issues meeting with management staff.**

The decision was made to conduct the business issues meetings on a quarterly basis. The first meeting was held Feb. 1, 2008.

#### **Quality of Service and Regulatory Commitments**

84. **Deliver all commitments and associated filings and meetings on time, and communicate to commissions and other parties as appropriate.**

All commitments and regulatory filings were completed on time. All appropriate communications regarding these commitments and filings were addressed.

85. **Deliver performance standards by state (Performance Standards 1 through 4).**

The present performance standards expire March 31, 2008. These standards will be renegotiated and extended through 2011 as required by the MidAmerican Energy Holdings Company acquisition of PacifiCorp. The current program performance standard one (interruption duration) was met in Utah, Idaho and

Wyoming. Performance standard two (interruption frequency) was met in Utah, Idaho and Wyoming. Performance standard three (the worst-performing feeder program) is currently on track to meet the standard. Performance standard four requires the company to restore 80 percent of customers within three hours of experiencing an outage. The three-year average ranges from 86 to 89 percent in all three states.

The new performance standards to be considered through 2011 were presented and internally accepted at the March 18, 2008, presidents' meeting.

**86. Prepare a status report outlining the distribution of PacifiCorp employees.**

This project will be initiated in July 2008 to ensure completion. The information is available for filing with the appropriate public service commissions by Sept. 1, 2008.

**Regulatory and Legislative**

**87. Execute, evaluate and adjust as necessary the five-year regulatory and public policy agenda for Rocky Mountain Power.**

The five-year regulatory plan is under review for the Rocky Mountain Power states to determine if any adjustments are needed.

**88. Implement, evaluate and adjust the regulatory and legislative plans to strengthen relationships with all levels at the Utah, Wyoming and Idaho commissions and legislative bodies to increase the company's ability to achieve its reliability, customer service and financial goals.**

The Idaho Public Service Commission update meeting was held March 28, 2008.

The next Wyoming Public Service Commission update meeting is scheduled for June 9, 2008.

The Utah Public Service Commission update meeting was held March 27, 2008.

**89. Provide legislative, legal and regulatory support to prevent any Utah, Idaho, Wyoming or Montana energy legislation from having a significant adverse affect upon PacifiCorp and its customers.**

Rocky Mountain Power actively worked with the Utah rural electric utilities and Salt Lake County on proposed changes to Utah's net metering statute. The company supported the bill, which increases the maximum size eligibility from 25 kilowatts to two megawatts and expands the definitions of eligible resources, but does not provide more generous compensation to net metering customers. The bill passed unanimously in both houses.

90. **Identify opportunities to position the Rocky Mountain Power president and other PacifiCorp leadership in front of key members of staff of the legislative and executive branches of government in each state that Rocky Mountain Power serves.**

Government affairs staff members facilitated various meetings for Rocky Mountain Power's president to meet with key legislators, governors and staff in Utah, Wyoming and Idaho.

91. **Effectively administer the approved legislative agendas for each state to assure successful outcomes to the companies' legislative strategy. Prevent passage of legislation detrimental to PacifiCorp.**
- **Support and assure successful passage of "carbon reduction" legislation in Utah that complies with company renewable energy objectives.**
  - **Support and assure successful passage of "Third Party Damages" legislation in Utah, developed to enhance enforcement and assess penalties for willful or negligent "dig ins" to underground lines and facilities.**
  - **Assure that proposed service territory legislation is resolved acceptably for the company.**

The Utah state legislature approved and the governor signed the state's first carbon reduction legislation. The legislation establishes a renewable energy target of 20 percent of adjusted energy sales by 2025 and amends existing law to permit construction of wind projects smaller than 300 megawatts outside the Senate Bill 26 process adopted a few years ago.

Utah House Bill 341, Damage to Underground Utility Facilities Amendments, passed unanimously in the Senate and was signed into law March 18, 2008, by Utah Governor Jon Huntsman, Jr. The new third party damages provide an enforcement process and enhanced penalties for violation of Blue Stakes requirements causing damage to underground facilities.

Legislation enhancing enforcement and assessing penalties for willful or negligent "dig ins" to underground lines and facilities was passed by the Utah legislature and signed into law by the governor.

The Utah legislature reinforced language in the state statute regarding service territory; reversing a change made during the 2006 session.

92. **Develop utility and business coalitions to create consensus legislation and prevent efforts by advocates to legislate an uneconomic renewable portfolio standard for customers.**

The Utah legislature approved and the governor signed a carbon reduction

initiative in March 2008. The initiative reduces the barriers to renewable development created by the utility procurement rules in the state of Utah, provides PacifiCorp the opportunity to recover costs associated with establishment of a benchmark resource and pursuit of renewable resources in the event these resources are not constructed, and establishes a 20% target for renewable resources after consideration of other zero-carbon emitting resources. The legislation was a result of five months of negotiations and discussions between Utah's electric utilities, consumer advocates, consumers, renewable energy developers, state agencies and environmental and renewable energy advocates.

93. **Provide support for the transmission department's plans.**

Rocky Mountain Power's communications, customer services and government affairs departments have been communicating and providing company messaging to appropriate legislators regarding proposed transmission routing through their respective districts.

94. **Conduct a lessons-learned session on the Idaho rate case by Jan. 30, 2008, with the business units, witnesses and corporate finance to assess and improve the rate case preparation and litigation process.**

This session was conducted Jan. 14, 2008, and suggested improvements will be incorporated in preparation of future cases.

95. **Successfully complete the litigation of the Utah general rate case by Aug. 31, 2008, and resolve issues related to the strategic pricing proposals in line with assumptions included in the 10-year plan.**

The Utah general rate case was filed Dec. 17, 2007. Test period settlement discussions did not result in a satisfactory outcome, so the test period issues were litigated before the Utah Public Service Commission, which issued its test period order Feb. 14, 2008, directing the company to re-file the case using a forecast test period ending Dec. 31, 2008.

96. **Assess the need for an Idaho rate case filing prior to June 2009 by July 31, 2008.**

Preparation of results of operations reports is underway to determine the regulatory earnings for Idaho based on December 2007 data. Indicative data will be available in April 2008 to determine whether a rate case is needed.

97. **Successfully complete the litigation of the Wyoming general rate case with the associated new resource mechanism and strategic pricing proposals in line with assumptions included in the 10-year plan by May 1, 2008.**

The Wyoming 2007 general rate case stipulation was approved by the Wyoming

Public Service Commission with one minor tariff modification. The commission has requested a draft order be provided to them by April 7, 2008. Rates will become effective with service on and after May 1, 2008.

98. **Develop and gain acceptance of energy assistance legislation in Utah that mitigates rate design exposure in rate cases.**

Based on the lack of support from low-income advocates, consumer advocates and other key stakeholders, the company made the decision at the end of December 2007 not to pursue this item this year.

99. **Work with Idaho investor-owned utilities to develop the ability to file forecast test periods or other innovative mechanisms to support investment and cost recovery.**

Rocky Mountain Power initiated discussions with Idaho Power and informal discussions have been held with Idaho Public Service Commission staff members to create a forum for discussions with all utilities on the issue.

100. **Support the adoption of the company's clean-energy portfolio standard legislation in Utah.**

See updates to goals 91 and 92.

101. **Determine whether the company will actively participate in the development of utility impact fees for new customers in the state of Idaho by Jan. 15, 2008.**

This goal has been completed. The company and other Idaho investor-owned utilities decided not to pursue imposing utility impact fees for new customers and will not introduce proposed legislation in 2008.

102. **Meet with key legislative leaders and state decision makers during 2008 to explain current rate case in each state and to receive support or commitment of neutrality in their respective public and private communications regarding the proceedings.**

Rocky Mountain Power tours have tentatively been scheduled across the service territory to discuss key issues, including rate cases and pricing issues, with local stakeholders and politicians. Regulation and government affairs will participate in these meetings as appropriate.

### **Legal and Risk Management**

103. **Maintain cost-effective management of legal representation in Rocky Mountain Power states for regulatory and operational matters by continuing**

**the high utilization of in-house counsel while meeting operating budgets.**

For the first quarter of 2008, Rocky Mountain Power's legal budget reflects more limited savings arriving from increased use of outside counsel in the wake of many regulatory proceedings.

104. **Provide legal support, guidance and preparation to settle or litigate the 2007 Wyoming and Utah rate cases on fair terms in 2008.**

Rocky Mountain Power legal department is on track to meet this goal.

105. **Protect legal rights to company property located within proposed Mountain View corridor, and successfully protect the lower court decision on the OCI Wyoming damage claim or settle on terms fair to Rocky Mountain Power.**

Rocky Mountain Power is on target to achieve this goal.

106. **Effectively plan, budget and manage litigation efforts to deliver timely rights of way for new \$4 billion transmission projects located within Rocky Mountain Power states.**

Rocky Mountain Power legal is on track to meet this goal, providing support for various segments of the transmission expansion plan as needed.

107. **Conclude the 2012 request for proposals on fair terms leading to issuance of the final request for proposal approved by the Utah Public Service Commission in the second quarter of 2008.**

Rocky Mountain Power legal filed the 2008 all source request for proposal Feb. 15, 2008, and attended the first bidder and stakeholder conference March 12, 2008. Commercial and trading provided an overview of the process and the Web site that will be used to administer the request for proposal. Rocky Mountain Power filed a final draft March 28, 2008, with the Public Service Commission of Utah, Oregon Public Utility Commission and Washington Utilities and Transportation Commission.

108. **Maintain and implement policies for Utah, Wyoming and Idaho related to service territory retention and expansion, including required changes in tariffs.**

Rocky Mountain Power is on track to achieve this goal. Training related to service territory rules, policies and processing of issues and requests was provided to a group of Rocky Mountain Power estimators. Additional training has been scheduled throughout the year.

109. **Renew 12 of 12 expiring franchise agreements in 2008 or any which**

**previously expired by Dec. 31, 2008.**

Six franchise agreements have been completed with Utah cities, which is consistent with the first quarter and year-end 2008 goals. Contact has been made with all other cities requiring a franchise agreement renewal in 2008.

**110. Proactively and satisfactorily resolve legal disputes.**

Rocky Mountain Power is on track to meet this goal.

**111. Implement a legal document management system across PacifiCorp legal departments to allow individual platform general counsel to efficiently track and monitor all cases under their supervision.**

Rocky Mountain Power legal is using CT Summation for Utah and Wyoming rate case file management. The program is designed to effectively manage voluminous files. Rocky Mountain Power legal continues to await a decision from information technology to upgrade the legal and regulatory information system before implementing across the PacifiCorp legal departments.

**112. Develop and implement a risk management plan for Rocky Mountain Power. Deliver the first phase by Feb. 28, 2008, and the second phase by Dec. 31, 2008.**

The first phase of the risk management plan development was completed by the Feb. 28, 2008, target completion date. Recommendations from the transmission and substation audits have been compiled and are being reviewed for incorporation into the final Rocky Mountain Power risk management plan.

**Compliance with Financial, Legal, Regulatory and Environmental Requirements**

**113. Ensure all internal and external audits and related Sarbanes-Oxley and Securities and Exchange Commission requirements are satisfied.**

Sarbanes-Oxley self-assessments are being monitored, and controls have been completed as expected. Rocky Mountain Power management has developed action plans to address the issues identified in audits.

**114. Ensure adherence to standards of business conduct, including fraud and whistle-blower statutes.**

Rocky Mountain Power legal completed a memorandum summarizing reporting obligations and restrictions for providing gifts or hospitality to public officials in the Rocky Mountain Power states.

**115. Meet all Federal Energy Regulatory Commission standards of conduct.**

Quarterly regulatory and environmental certifications were submitted with a current Rocky Mountain Power table of responsibility by the Jan. 30, 2008, deadline. Rocky Mountain Power legal will submit the same certifications for the first quarter of 2008 due April 30, 2008.

116. **Maintain strict compliance with all applicable companywide, state and local environmental requirements, including the Environmental RESPECT Policy.**

Environmental RESPECT status reports are provided monthly to MidAmerican Energy Holdings Company. The most recent update reported that Rocky Mountain Power is developing long-term objectives and targets for environmental program performance. The objectives will initially focus on regulatory compliance, program modifications and updates as well as the cleanup of historical weeping transformers. Rocky Mountain Power is evaluating the status of its avian protection program to ensure that proactive and remedial efforts are adequate and within budget.

117. **Maintain and monitor compliance plans from Rocky Mountain Power key business leaders resulting in compliance certificates or exception reports to the business unit president and general counsel by Dec. 31, 2008.**

Rocky Mountain Power compliance plans for 2008 are being monitored, with exceptions noted by each plan owner through the coming year as appropriate.

118. **Develop and implement a plan to ensure the real estate department properly records the company mortgage against all real property interests in all PacifiCorp states.**

Language to reflect the company mortgage interest was used in all real property acquisitions during the first quarter of 2008.

119. **Review and issue timely legal opinions for all PacifiCorp financing requirements in 2008.**

No activity in the first quarter of 2008.

120. **Enhance the site review program to include Rocky Mountain Power support departments in the review of compliance with travel and entertainment, purchase card and other expenditure policies.**

The Rocky Mountain Power site review program will include reviews of the construction services, safety, and customer and community manager departments. The construction services review is scheduled for April 24, 2008, and the other reviews are schedule for July and November 2008, respectively.