Q. Are you the same Bruce W. Griswold that filed direct, rebuttal and surrebuttal testimony in this case?

A. Yes.

PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. I will be providing testimony on two subjects. The first is the line loss methodology that would be an adjustment to avoided cost prices from the Partial Displacement Differential Revenue Requirement (DRR) avoided cost methodology. The second subject is internet access to the GRID model.

LINE LOSSES

Q. What is your understanding of the PURPA regulations related to line losses?

A. PURPA regulations identify line losses as a PURPA factor that can be an adjustment to avoided cost prices. The adjustment, either plus or minus, is based on the premise that line loss costs or savings result from the QF delivering power to a load area in lieu of power that PacifiCorp would have supplied to that same load area (either generated or purchased).

Q. What impacts do QFs have on electrical system losses that the DRR Avoided Cost Methodology cannot capture?

A. The DRR model does not have the granularity to adequately capture the incremental losses associated with moving QF power from point "A" to a specified load area. For example, power from a generator located in a remote area and/or interconnected to a less robust transmission system may incur greater losses when being transmitted to a load area than the loss rate contained in

PacifiCorp's Open Access Transmission Tariff (OATT). This is particularly true of wind turbines because they typically are located at a windy site and interconnected to remote parts of the transmission system. Other generators, such as natural gas turbines, may provide a benefit if the generator is located close to a load area and/or interconnected to a robust transmission system. Under PURPA, the Company is obligated to purchase the net output of the generator metered at the point of interconnection. As a result, the Company bears the losses associated with delivering the energy from the point of interconnection to the load area. Therefore any loss credit or debit associated with the QF should be based on the difference between where the QF and the avoided resource are located in respect to the load center.

Q. Why do you conclude that a proximity-based approach be used in calculating the costs and benefits associated with losses?

A. PacifiCorp's OATT utilizes a single loss rate that is applied when transmission service is rendered. This type of approach is standard in the industry and is utilized due to the difficulties in calculating incremental/decremented losses on a case by case basis. The FERC filed loss rate serves as a reasonable proxy in lieu of performing individual calculations that are not expected to yield materially more precise results. Conducting a line loss study would add significant time to the complexity and the completion of each System Impact Study. It would be a snapshot at system peak conditions and to be accurate we would need to run a wide combination of studies, at minimum peak and off-peak for each of the four seasons of the year. To be even more accurate, the Company would need to run

separate studies for every hour over the term of five years. As can be seen, this quickly gets unmanageable. It is for this reason that the Company is proposing to use the loss rate in the OATT and the proximity of the individual QF to a load center and the proxy resource as a way to approximate the incremental/decremental losses associated with that resource relative to the avoided proxy resource.

Q. What is the basis for how QF projects should be credited or debited for transmission losses?

A. As previously stated, line losses are allowed adjustments under PURPA. However, it is the Company's position that transmission (and distribution if applicable) losses would be applied to predictable (such as thermal) QF projects based on the proximity of each individual QF relative to the Utah load area as compared to the proxy resource relative to the Utah load area. Unpredictable QF projects (such as wind) would receive no avoided cost adjustment for losses. Wind resources evaluated in PacifiCorp's renewable Request for Proposal (RFP) included no adjustment for losses to move the energy to load and are added as a system resource at the location where the developer has determined the wind characteristics (a forecast of the expected wind profile) are anticipated by the developer to be sufficient to operate a wind farm successfully. Output from unpredictable QFs requires that other resources can be quickly adjusted when the motive force (wind for example) is suddenly not available or suddenly becomes available. As a result, it is not possible to accurately predict, as in the case of a predictable QF, when other system resources will or will not be needed and,

therefore, it is not appropriate to deem that losses are higher or lower relative to the proxy resource.

Q. What is the Company's proposed methodology for line loss adjustment?

A. The Company proposes to make a line loss adjustment to the final DRR avoided cost price using the same fundamental methodology it has used with other Commission approved large QF projects under the May 2004 Stipulation in this Docket. The methodology is as follows:

1. The evaluation will be conducted for an individual QF on a project-by-project basis.
2. A proximity assessment would be completed as part of Schedule 38 when PacifiCorp prepares indicative prices for the QF. This preliminary assessment would be based on the physical proximity of the QF to both the proxy plant and the nearest load center, the type of power being delivered to PacifiCorp (i.e. firm dispatchable, non-firm, intermittent, etc.) and the voltage level at which the QF would be interconnected to PacifiCorp's system.
3. Under the assessment, a line loss adjustment is not applicable for the following resources:
    a. Non-firm resources (QF resources that have the right but no obligation to deliver to the Company). This includes non-scheduled or non-dispatched power that a firm thermal QF delivers to PacifiCorp.
    b. Intermittent resources (i.e. wind, run-of-the river hydro, etc. where

the QF has little or no control over the motive force)

4. Line loss adjustments (both as an increase (cost) or reduction (benefit)) are calculated for a firm thermal QF's scheduled and/or dispatched power and any replacement power the Company must acquire to replace the QF's scheduled but non-delivered power. Losses are not applicable to any non-scheduled or non-dispatched power that the firm thermal QF delivers to PacifiCorp because the non-scheduled / non-dispatched power is deemed to be non-firm. For example, if the Company dispatched the QF to run for the on-peak period of sixteen hours on a Tuesday then the off-peak hours would be considered non-firm and any power delivered by the QF to PacifiCorp in those off-peak hours would have no line loss adjustment.
5. For QF projects interconnected at the transmission level, the loss percentage factor would be applied per the then-current published PacifiCorp OATT rate at the QF interconnection transmission level. For those rare interconnections at the distribution level, the Company would use the distribution loss percentage factor from the OATT.
6. If the QF, or a portion of the QF output, has met the line loss applicability criteria described in number 3 above, then the Company would make a determination on whether the QF receives a credit or debit on its avoided costs for losses. The Company would evaluate if the proxy resource is geographically closer to the Wasatch front load center than the QF. If the proxy resource is closer to the load area then the QF delivery volume, net of any station service and load self-served, is reduced by the loss factor

because the Company incurs additional losses bringing the QF power to the load center in relationship to the proxy resource. If the QF is closer to the Wasatch load center in relationship to the proxy resource, the delivery volume by the QF that meets the applicability criteria described above, net of station service, is grossed up by the appropriate loss percentage factor.

Q Can the QF request an individual line loss study as part of its SIS?

A. Yes. If the QF prefers to have the Company prepare an individual line loss study as part of the QF's System Impact Study process, instead of using the proposed proximity method, the Company will include the loss study in the SIS. However, as already mentioned, including the line loss study will take significant incremental time to complete the SIS and the QF will incur additional cost to complete the SIS.

GRID INTERNET ACCESS PROJECT

Q. What is the status of the Company developing internet access to GRID?

A. The GRID internet access project is in the early stages of the Company's standard project lifecycle. The Company has completed initial sizing estimates and the project has been granted interim project funding. A design team has been assembled by the Company and the team, with past input from the DPU and other parties, is documenting project requirements and developing high-level design solutions. Once the high-level solutions have been determined, the team will move forward with technical design and construction of the solution. Exhibit UP&L___(BWG-1) shows the Company's Standard Project Lifecycle**.**

Q. What are some the project requirements being considered by the design team?

A. The team is considering such things as:

- Minimum intervener computer requirements (hardware and software)
- Company software that will need to be placed on the QF's computer
- Minimum interest access speeds (DSL versus dial-up)
- The requirement to transfer of local files to/from GRID
- Disk space requirements for storage of GRID runs
- Intervener project data retention requirements
- Company security issues (granting access but limiting access)
- Intervener security access (intervener GRID scenario confidentiality issues)
- Resource sharing (how will multiple QFs share limited computer resources)
- The amount and cost associated with supporting this state-specific regulatory requirement.

Q. Does the Company have a firm delivery date?

A. Yes. While the Company is still in the process of finalizing the solution to the providing internet access, we believe we will be able to deliver internet access to the GRID model by the end of July 2006 subject to certain conditions such as vendor delivery schedule. We are confident of the estimated schedule and will keep all parties informed on a regular basis as the project progresses.

Q. What is the Company doing in the interim period until GRID internet access is achieved?

A. The Company will continue to provide a stand-alone GRID computer to make independent studies. Because of the size of storage required for GRID runs to determine avoided costs, the Company designed and assembled a more powerful computer with hard drive storage space capable of doing 24 twenty year runs.

Q. Until the internet version is available, will the Company make available a stand-alone higher class computer when requested?

A. Yes. The Company currently has two stand-alone computers that are capable of doing avoided cost studies. One has already been delivered to the DPU and a second computer is being used for internal testing and support. If additional computers are required by interveners in this Docket based on a request for access, the Company can buy, assemble and deliver a DRR computer in about 30-days (depending upon hardware availability). Each computer currently costs between $8,000 and $10,000 for hardware and assembly.

Q. How much training will the Company make available?

A. The Company will provide training on an as needed basis so that the training coincides with the need to be able to run the model

Q. Will the Company provide additional support?

A. Yes. The Company will provide a contact name and phone number for hardware and software support that will be generally available during normal business hours.

Q. Does this conclude your testimony?

A. Yes, it does.