

1 **Q. Please state your name, business address and position with PacifiCorp dba Utah**
2 **Power & Light Company (the Company).**

3 A. My name is Glenn Brooks. My business address is 825 NE Multnomah Street, Suite
4 1800, Portland, Oregon. I am Manager of the Company's Corporate Credit
5 Department.

6 **Qualifications**

7 **Q. Please briefly describe your education and business experience.**

8 A. I hold a Bachelor of Science degree from Oregon State University and have 35 years
9 of commercial, industrial, and utility credit experience. I have worked in credit with
10 the Company and its affiliates for 19 years.

11 **Q. Have you previously appeared in any regulatory proceedings?**

12 A. I have not.

13 **Purpose of Testimony**

14 **Q. What is the purpose of your testimony?**

15 A. I will establish the basis for the Company's claim that US Magnesium LLC (US Mag)
16 owes the Company approximately \$479,000 for electrical service provided by the
17 Company to US Mag and its predecessor Magnesium Corporation of America
18 (Magcorp).

19 **Discussion of Amounts Owed by US Mag**

20 **Q. In its Request for Agency Action, the Company claims that US Mag owes**
21 **\$431,469.43, plus \$4,361.46 for each month since and including February 2004**
22 **and continuing through December 2004. What is the basis for the claim that US**
23 **Mag owes \$4,361.46 per month for February through December 2004?**

1 A. The \$4,361.46 per month for February through December 2004 is simply a monthly
2 amortization of \$47,976.01, which is the amount underpaid for power provided to
3 Magcorp during the period of May 1, 2002 through June 24, 2002. Pursuant to the
4 terms of its purchase agreement with Magcorp, US Mag is responsible for this
5 underpayment.

6 Specifically, total billings for May 1, 2002 through May 31, 2002 equaled
7 \$791,149.97. Payment received was \$485,000. Total billings less payment received,
8 plus a credit balance of \$127,644.54 from April 30, 2002, left an account balance on
9 May 31, 2002 of \$178,505.43. Total billings from May 31, 2002 through June 24,
10 2002 equaled \$721,602.93. Total payments received were \$852,132.35, received as
11 follows: 6/5/02 \$485,000.00; 6/17/02 \$208,979.96; and 7/16/02 \$158,152.39. Total
12 billings added to the May 31, 2002 account balance, less payments received, left an
13 account balance of \$47,976.01. US Mag has never paid this outstanding balance.
14 The billing information providing support for the Company's claim in this regard is
15 provided as Confidential Exhibit 1.

16 The eleven-month amortization period reflects the fact that PacifiCorp
17 identified the \$47,976.01 amount owing, and demanded the same from US Mag, in
18 February 2004. The monthly payment of \$4,361.46 would allow US Mag to pay the
19 balance of the \$47,976.01 over the remaining term of the May 15, 2003 Electric
20 Service Agreement, which expires in December 2004. This straight-line amortization
21 is consistent with the Commission's November 13, 2003 order in Docket No. 01-035-
22 38.

1 **Q. What is the basis for the Company's claim in its Request for Agency Action that**
2 **US Mag owes an additional \$431,469.43?**

3 **A.** The \$431,469.43 identified in the Company's request reflects the amount US Mag
4 underpaid for electrical service provided to US Mag (not Magcorp) from June 25,
5 2002 through July 31, 2002. During this period US Mag applied credits from the
6 period January 1, 2002 through June 24, 2002 that would have existed had the rate of
7 \$18 MWh applied, rather than the proper rate of \$21 MWh. When the proper \$21
8 MWh rate is applied to the prior period, after properly applying all credits, US Mag
9 had an outstanding balance of \$431,469.43 for the electrical service PacifiCorp
10 provided.

11 Specifically, total billings for June 25, 2002 through June 30, 2002 equaled
12 \$186,475.24. The Company received no payments for this invoice. When a deposit
13 of \$485,000 previously provided by Magcorp was moved from the Magcorp account
14 to the US Mag account a credit of \$11,162.00 was created for interest. \$1,484.92 of
15 the credit was applied to the June period, leaving an account balance of \$184,990.32.
16 Total billings for June 30, 2002 through July 31, 2002 equaled \$1,206,545.19.
17 Payment of \$485,000.00 was received on 7/9/02. Appropriate credits to the account
18 were the balance of the deposit interest credit (\$9,677.08), QF Energy Purchase for
19 June 2002 (\$200,422.15), and QF Energy Purchase for July 2002 (\$264,966.77).
20 Total billing, less payment and credits, left an unpaid balance for July
21 2002 of \$246,479.19.

22 The unpaid balance for June 2002 plus the unpaid balance for July 2002
23 equals \$431,469.51. US Mag has never paid this outstanding balance. The billing

1 information providing support for the Company's claim in this regard is provided as
2 Confidential Exhibit 2. Just as with the \$47,976.01, the Company believes it
3 appropriate to amortize the \$431,469.51 over the remaining term of the May 15, 2003
4 Electric Service Agreement.

5 **Q. So what is the total dollar amount that US Mag has underpaid for electrical**
6 **service provided by the Company in 2002?**

7 A. \$479,445.44.

8 **Q. Does this conclude your testimony?**

9 A. Yes it does.