

1 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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4 In the Matter of the)
 Application of PACIFICORP)
 for Approval of its) Docket No.
 5 Proposed Electric Service) 06-03-021
 Schedules & Electric)
 6 Service Regulations)

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10 BEFORE: COMMISSIONER CAMPBELL
 11 COMMISSIONER ALLEN
 12 COMMISSIONER BOYER

13

14 February 10, 2006 * 9:30 a.m.

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18 Location: Heber Wells Building
 19 160 East 300 South, #400
 20 Salt Lake City, Utah 84111

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24 Reporter: Diana Kent, CSR, RPR, CRR
 25 Notary Public in and for the State of Utah

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A P P E A R A N C E S

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1 P R O C E E D I N G S

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3 THE COURT: On the record. Docket Number
4 06-035-21 in the matter of the application of
5 PacifiCorp for approval of its proposed electric
6 service schedules and electric service regulations.
7 And let's take appearances for the record, please.

8 MS. MARTIN: Jennifer Martin from Stoel
9 Rives for PacifiCorp.

10 MR. GINSBERG: Michael Ginsberg for the
11 Division of Public Utilities.

12 MR. PROCTOR: Paul Proctor on behalf of
13 the Committee of Consumer Services.

14 COMMISSIONER CAMPBELL: All right. Thank
15 you. Ms. Martin?

16 MS. MARTIN: We would like to present the
17 testimony of David Taylor in support of the
18 stipulation.

19 COMMISSIONER CAMPBELL: How did you intend
20 to proceed today? Are we going to take witnesses one
21 at a time, or a panel?

22 MR. GINSBERG: We actually were intending
23 only to make Dr. Compton available for questions if
24 you had some. He had nothing particular to add that
25 Mr. Taylor wasn't going to present. And you could

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1 swear in Dr. Compton if you had any questions. That
2 was our plan.

3 COMMISSIONER CAMPBELL: All right. Same
4 with Ms. Murray?

5 MR. PROCTOR: Yes.

6 COMMISSIONER CAMPBELL: Why don't we go
7 ahead and swear in all three witnesses now just in
8 case.

9 WITNESSES DAVID L. TAYLOR, CHERYL MURRAY,
10 AND GEORGE COMPTON,
11 called as witnesses, being first sworn, were examined
12 and testified as follows:

13 COMMISSIONER CAMPBELL: Ms. Martin.

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15 EXAMINATION

16 BY MS. MARTIN:

17 Q. Please state your name and spell it for
18 the record.

19 A. My name is David L. Taylor. That's
20 T-A-Y-L-O-R, last name.

21 Q. And you are employed by PacifiCorp?

22 A. Yes. I've been employed by PacifiCorp for
23 over 26 years, and more than twenty of those years
24 have been in the regulation area of the company.

25 Q. What's your current position?

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1 A. I'm a manager in the regulation
2 department.

3 Q. And what are your responsibilities in that
4 position?

5 A. My current responsibilities are to
6 coordinate the company's regulatory activity in the
7 state of Utah. And as part of those
8 responsibilities, I have the responsibility to manage
9 the preparation and filing of the general rate case
10 that's to be filed here shortly and as discussed in
11 this stipulation.

12 Q. Are you familiar with the terms and
13 conditions of the stipulation on filing requirements,
14 discovery, and timing of test period hearings
15 previously filed with this Commission in this
16 proceeding on January 30, 2006?

17 A. Yes, I am. I was involved in many of the
18 task force meetings that led to the development of
19 this stipulation, and I was directly involved in the
20 development of the stipulation itself, and
21 particularly involved in the agreement on just what
22 information would be supplied for which test periods
23 information was requested.

24 Q. And the stipulation consists of eight
25 pages with five attachments; is that correct?

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1 A. That's correct.

2 MS. MARTIN: Can we have the stipulation
3 and five attachments marked joint Exhibit 1.

4 COMMISSIONER CAMPBELL: Yes.

5 Q. (By Ms. Martin) Could you briefly
6 highlight the key terms and conditions of the
7 stipulation?

8 A. Sure. First, let me give you the
9 background and some purpose for why this stipulation
10 was presented to the Commission. In the last rate
11 case that was Docket 04-035-42, there was a test
12 period stipulation that created a final requirements
13 task force to study what information should be
14 provided to the Commission as part of a general rate
15 case finding, particularly if that finding was to use
16 a forward-looking test period. That information was
17 contained in Paragraph 7 of that stipulation.

18 It laid out -- it asked the group to
19 provide a consensus report back to the Commission by
20 April 1 of 2005 if such a consensus could be reached,
21 and that was not done. There was not a consensus
22 reached by that date and, in fact, the report from
23 that task force wasn't submitted until December 14 of
24 last year, and that report itself didn't have any
25 consensus agreements to it.

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1 Paragraph 8 of that same stipulation
2 indicated that in the absence of a directive by this
3 Commission or Commission rules laying out what the
4 final requirements would be, that the parties would
5 meet and come to an agreement on what information
6 would be filed as part of our next rate case filing.
7 We met and that was accomplished, and that's what the
8 purpose of this stipulation is; to lay out what those
9 agreements were.

10 Task force has met over the last several
11 months on numerous occasions. PacifiCorp has met
12 with the DPU, the Committee of Consumer Services,
13 other interested parties, and including a UAE who had
14 a strong interest in this. Through those discussions
15 we reached agreement on what would be filed in this
16 next rate case only, but not agreement on what would
17 be ongoing obligations and requirements for cases
18 after that.

19 Again, while no agreement was reached
20 there was a general agreement that this information
21 provided in this case would prove useful, would be a
22 very educational experience, and also the experience
23 gained from that process would allow us to complete
24 some of the unfinished work from particularly the
25 discovery task force which left some items yet to be
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1 resolved.

2 Also, it will serve to help us know and
3 learn whether or not this information that's being
4 provided as a part of this finding will serve for the
5 intended purpose for which we hoped, and those
6 include a couple of primary purposes. One, was it
7 useful in providing relevant and useful information
8 in a timely manner to all the participants in the
9 case; and second, was it useful in minimizing the
10 burden on the utility that comes through the
11 discovery process; and more importantly, by providing
12 a more timely and orderly process to the discovery
13 process.

14 And second, help the company avoid
15 answering multiple data requests that are requesting
16 similar information just asked a little different
17 way. So by laying out a set of common data requests
18 that we would provide up front, we will see whether
19 or not that helps in this process in managing and
20 controlling the discovery process.

21 The parties all agree that this
22 stipulation and this agreement that was reached fully
23 satisfied the requirements of Paragraph 8 of the test
24 period stipulation from the last case. And again,
25 while it draws from the work of the task force over
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1 the last several months, and while it's going to
2 provide a very useful and meaningful learning
3 experience for all of us, the agreement does only
4 apply to this next general rate case only. It does
5 not apply to cases beyond that time.

6 And now I have lost my notes. Here we
7 are.

8 Let me now talk about some of the high-
9 lights of the stipulation itself. Paragraphs 5
10 through 7 of the stipulation talk about information
11 that would be filed concurrent with or as part of
12 this general rate case application. It talks about
13 information that will be filed as part of the revenue
14 requirement, part of the case that will be filed
15 right with the GRC application, and information that
16 would be supplied as part of the cost of service and
17 pricing filing which will be filed sometime later.

18 It also, in Paragraphs 8, 9, and 10,
19 discusses a set of pre-specified data requests that
20 the company will respond to; some of those at the
21 time of the finding either with the revenue
22 requirement or the GRC application, and some as part
23 of the cost of service finding will be a little
24 later, and then another pre-specified set of data
25 requests that will be supplied 30 days after the

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1 finding. And again, in those paragraphs it lays out
2 the time lines and the requirements of the company
3 and the provisions under which all of that data will
4 be provided.

5 Paragraph 11 of the stipulation talks
6 about the commitment that the company has to provide
7 information to any person who has requested
8 intervention in the rate case. That intervention
9 does not have to be granted. They just have to
10 request intervention and we will provide that
11 information to them.

12 And then in Paragraph 13, it lays out the
13 time line for the Commission and the parties to
14 resolve test period issues. It obligates the company
15 to file and provide data on certain time frames, and
16 obligates the parties in the case to request the test
17 period hearing early in the process, and it requires
18 a request that the Commission -- I guess I should say
19 requests the Commission to hold a test period hearing
20 and issue and order within the specified time frame
21 of those requests.

22 Specifically, depending on how the final
23 resolution of the MEHC transaction resolves in the
24 most-favored states process, we ask that that test
25 period hearing would be held on May 5 of 2006 if the

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1 commitment U23 to the MEHC transaction is eliminated,
2 meaning that there's no suspension in the effective
3 dates of the rates to come from this proceeding; ask
4 for that, in that case, the test period hearing on
5 May 5. And in the case that U23 remains, which
6 indicates that there will be a suspension of the
7 effective date to December 11, that that test period
8 hearing be held on May 25.

9 Paragraph 14 of the stipulation explains
10 the requirements for viewing and receiving
11 confidential information; the requirement of signing,
12 of getting a confidentiality order, effective order,
13 and signing that order. And then Paragraph 15 just
14 covers how voluminous and burdensome documents will
15 be made available to intervening parties, and
16 parameters under which that will be done.

17 And then the remaining paragraphs are
18 standard paragraphs, stipulations that lay out the
19 obligations of the parties and the precedential value
20 of this and so forth.

21 Two final points. As I previously
22 mentioned, this stipulation and the agreements that
23 the company has made to provide the specified
24 information here applies, as I have said a couple
25 times, to this case only. It does not obligate the

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1 company or other parties to cases beyond this current
2 case to be filed. And second, because of the
3 timeliness of this information and the obligation it
4 places on parties to do certain things at certain
5 points in time, we would request that the Commission
6 issue an order approving the stipulation on or about
7 the 21st of February of this year. And I believe
8 that reviews the significant points in the
9 stipulation.

10 Q. Does that conclude your testimony, Mr.
11 Taylor?

12 A. Yes, it does.

13 MS. MARTIN: I can either move the
14 admission of Joint Exhibit 1 now or after you have
15 had a chance to talk to the other witnesses.

16 COMMISSIONER CAMPBELL: I believe -- why
17 don't you move it now, because I believe the other
18 witnesses are just here to answer questions.

19 MS. MARTIN: I move the admission of Joint
20 Exhibit 1.

21 COMMISSIONER CAMPBELL: Are there any
22 objections?

23 MR. PROCTOR: None.

24 COMMISSIONER CAMPBELL: All right. We
25 will admit it.

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1 MS. MARTIN: Mr. Taylor is available for
2 questions.

3 COMMISSIONER ALLEN: Thank you, Mr.
4 Taylor. Just a quick question. You've got a fairly
5 extensive list of data requests that you will be
6 managing, up to five different attachments. Are you
7 going to be able to handle these in the context of
8 existing resources, or are they going to predicate
9 new overhead or system requirements?

10 MR. TAYLOR: They will obviously be
11 burdensome to the company, but we are geared up to
12 handle them.

13 COMMISSIONER ALLEN: Within your existing
14 expense items?

15 MR. TAYLOR: We are using current company
16 resources to do that.

17 COMMISSIONER ALLEN: Great. Thank you.

18 COMMISSIONER CAMPBELL: I guess my only
19 question relates to Paragraph 13, number 2, where it
20 says, "A hearing on the test period will be set for
21 May 5." The Commission typically does not like
22 parties to try to bind the Commission in any sort of
23 stipulation. So we will perhaps, in the future,
24 suggest that you "recommend" rather than try to bind
25 the Commission. But I guess that wasn't a question.

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1 That was probably a statement.

2 We will take a short recess.

3 (A break was taken.)

4 COMMISSIONER CAMPBELL: All right. Let's
5 go back on the record.

6 We decided to approve the stipulation with
7 the caveat or with the exception that anywhere within
8 the stipulation where it mandates the Commission to
9 do a certain date, we do not accept those. But we
10 will look to schedule those as close to those dates
11 as possible that might agree with our calendar. And
12 I guess we will follow that up with a written order.
13 Any other questions?

14 MS. MARTIN: No. Thank you.

15 MR. PROCTOR: Thank you.

16 COMMISSIONER CAMPBELL: We will adjourn.

17 (Proceeding concluded at 9:48 a.m.)

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REPORTER'S CERTIFICATE

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

I, Diana Kent, Registered Professional Reporter and Notary Public in and for the State of Utah, do hereby certify:

That prior to being examined, the witnesses were duly sworn to tell the truth, the whole truth, and nothing but the truth;

That said proceeding was taken down by me in stenotype on February 10, 2006, at the place therein named, and was thereafter transcribed, and that a true and correct transcription of said testimony is set forth in the preceding pages;

I further certify that I am not kin or otherwise associated with any of the parties to said cause of action and that I am not interested in the outcome thereof.

WITNESS MY HAND AND OFFICIAL SEAL this 25th day of February, 2006.

Diana Kent, RPR, CRR
Notary Public
Residing in Salt Lake County