Q. Please state your name, business address and present position with Rocky Mountain Power Company (the Company), a division of PacifiCorp.

A. My name is Douglas N. Bennion. My business address is 1407 West North Temple, Suite 270, Salt Lake City, Utah 84116. I am the Managing Director of Network Reliability and Investment Delivery for Rocky Mountain Power.

Q. Please describe your educational background and work experience.

A. I received a Bachelor of Science Degree in Electrical Engineering from the University of Utah, and I am a registered professional engineer in the state of Utah. In addition to formal education, I have attended various educational, professional and electric industry seminars. I joined the Company in 1978, and during the 29 years since then I have held various engineering positions of increasing responsibility providing extensive experience working across the Company's service territory prior to assuming my current position.

Q. What are your responsibilities as Managing Director of Network Reliability and Investment Delivery?

A. I am responsible for Rocky Mountain Power's transmission and distribution (T&D) network investment planning and to assure that the Company can provide safe, economic, and reliable energy delivery to our customers. This includes prioritizing investments to manage risk and planning future T&D investments to meet customer energy needs as well as industry reliability and operation standards.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to explain the T&D capital expenditures included

in the general rate case, including adjustments for major planned investments through June 2009. My testimony includes an explanation of the Company's T&D capital investment plan and some challenges Rocky Mountain Power faces with respect to its T&D projects. I also explain what the Company is doing to minimize the impact of rising costs during a robust construction period.

Q. Please describe Rocky Mountain Power's T&D assets in Utah.

A. The Company owns and operates over 360 substations in Utah plus over 6,500 miles of transmission lines and 20,200 miles of distribution lines. About 68 percent of the T&D lines are overhead conductors. The overhead transmission lines in Utah are supported by approximately 86,100 transmission poles, and the distribution lines are supported by over 483,800 distribution poles. Over 1000 distribution feeder lines originate from Utah substations that serve approximately 760,000 Utah customers with over 108,800 overhead distribution transformers and 71,450 pad-mount distribution transformers.

Q. Please describe the major T&D investments that are being added to rate base in this filing.

A. As explained in Company witness Mr. Steven R. McDougal's testimony detailing the revenue requirement calculation, the Company is including investments through June 2009 in the forecasted test year. In my testimony I will highlight a few individual T&D capital projects with project costs in excess of $5.0 million each and show the benefits customers will receive from them. As shown on Page 8.7 of Exhibit RMP___(SRM-1) to Mr. McDougal's testimony, the Company will place into service $343.8 million of transmission investment and $318.3 million of

Utah distribution projects through June 2009. A few of the more significant projects include:

- $64 million for interconnection and transmission of power from the Lake Side generation project. This transmission project was placed in-service September 2007.
- $24 million for transmission line between Camp Williams and Mona for the Currant Creek generation project. This transmission project was placed in-service October 2007.
- $43 million for the implementation of an automated meter reading system along the Wasatch Front in Utah. This project is well under way and will be placed in-service June 2008.
- $6 million for the Business Depot of Ogden (BDO) distribution substation near Ogden, Utah. This project was placed in-service December 2007.

Q. What benefits will customers derive from the four new capital investment projects named above?

A. Each of these projects is unique, but all have the common customer benefit of improving service quality, reliability, and the delivery of power to meet customer load requirements. For example, the Lake Side project consists of rebuilding approximately 36 miles of 138 kilovolt single and double circuit transmission lines, and modifying 6 to 8 substations, all of which are needed to interconnect and integrate the 548 (average ambient temperature rated) megawatts of power generated at Lake Side near Vineyard, Utah, as a network resource for the Company. Reinforcing the 138 kilovolt transmission system at this location

provides additional south to north transfer capability that will improve high voltage delivery capability, reliability and service quality.

The Camp Williams-Mona 345 kilovolt project consists of installing approximately 42 miles of a new wire on the vacant side of existing double circuit structures, and the construction of six miles of new structures from the southern boundary of the Camp Williams Utah Army National Guard facility to the Camp Williams substation in Utah. This project is required to deliver the 525 megawatts of power generated at Currant Creek near Mona, Utah and provide additional south to north transfer capability that will improve high voltage delivery capability, reliability and service quality.

The mobile automated meter reading project is a new initiative to install approximately 600,000 meters along the Wasatch Front in Utah. The project, which eliminates the need for a meter reader to physically visit each residence, will reduce meter reading costs, reduce estimated meter reads, and increase billing accuracy.

The BDO substation is a new 138 kilovolt to 12.5 kilovolt substation installed in the Business Depot of Ogden area in Ogden, Utah. The substation consists of one 30 MVA transformer. The project will provide additional capacity to serve the rapidly growing load in the area.

Q. Are all of the new T&D capital investment projects included in this filing necessary to provide a reliable system in Utah, even though some of the projects are not located in Utah?

A. Yes, transmission facilities 46 kilovolt and greater are considered integrated or

networked across the Company's six-state system. History has revealed that a transmission interruption in certain locations, times and other circumstances can disrupt power delivery several states away. It is therefore essential that the Company complete the transmission projects included in this filing in order to provide adequate and reliable service to our Utah customers. The physical location of transmission facilities does not limit the efficiency and reliability benefits that all customers realize through an integrated, system-wide, high-voltage transmission system.

Q. Please describe the Company's T&D capital investment plan.

A. Rocky Mountain Power's T&D capital investment plan includes provisions for transmission access, system reinforcement and replacement, compliance, reliability replacements, and new customer connections.

Q. Please describe the transmission access investment reason portion of the capital investment plan.

A. Rocky Mountain Power must invest in transmission assets to move Company-owned generation to substations and load centers. The Company must also build transmission facilities to move power generated by others (i.e. independent power producers) to substations and load centers. In addition, the Company must build facilities that interconnect with other transmission and generation providers as it enters into contracts with customers, generators and shippers that require transmission access. This transmission infrastructure is essential to enhance efficiencies as daily and seasonal loads fluctuate.

Q. Please describe the system reinforcement and replacement portion investment reason of the capital investment plan.

A. Utah continues to grow both in the number of customers and in capacity requirements. Upgrading or replacing transformers and distribution feeders is required when circuit loading exceeds 100 percent of design guidelines. Capital investment is necessary to replace aging assets prior to failure and to upgrade the system in specific areas in order to sustain or improve existing reliability levels. As with many western utilities, a large portion of the Company's existing asset base was installed in the 1950's, 60's, and 70's, and due to the normal aging processes, these assets are nearing the point of replacement, which may be preceded by increased failures and higher maintenance costs. Assets that are targeted for replacement include obsolete oil-type circuit breakers, station transformers, electromechanical station meters and relays, sub-transmission lines, distribution lines, poles and cross-arms, switchgears, and underground cables. As Rocky Mountain Power's system ages and demand increases, these factors place additional requirements on the Company's system, and it is imperative that the Company keep pace with the service requirements that customers expect.

Q. Please describe the system compliance portion of the capital investment plan.

A. T&D compliance investments are those required by state and federal regulations or codes. Examples include environmental programs to mitigate bird and raptor mortality, overhead relocations or overhead to underground conversions for road construction and public works projects, Federal Communications Commission wideband mobile radio conversion to narrow band operation by 2012, and Federal

Energy Regulatory Commission substation security initiatives.

Q. Please describe the reliability portion of the capital investment plan.

A. Reliability is measured in the electric industry with metrics such as System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI). In our Service Standards Program and transaction commitments through March, 31, 2008, Rocky Mountain Power has committed to no more than 189 minutes of average customer interruption (SAIDI) and no more than 1.94 average interruptions per year (SAIFI), and the Company has committed to further improve reliability through 2011. To meet these reliability objectives and to ensure reliability to customers the Company must continue its T&D asset replacement (replace aging and deteriorated assets) and reinforcement capital investment program, through a planned asset replacement and reinforcement program. Beginning in 2007, the Company implemented a targeted reliability improvement program. Essentially, by incorporating the outage history of individual customers and circuits, we are targeting our resources towards "customers experiencing multiple interruptions" (CEMI). This allows us to more efficiently use our resources and make improvements to the pockets on circuits that have shown the worst reliability.

Q. Please describe the new connection portion of the capital investment plan.

A. New customer connections include residential, commercial, industrial, irrigation, other utilities, and street lighting, but residential and commercial customers typically account for the majority of the new connection costs. During 2006, Rocky Mountain Power connected about 28,000 new customers of which about

22,600 were in Utah. During 2007 (January thru October), we connected about 18,900 new customers in Utah, which exceeds the trend in 2006.

Q. Please explain the load growth impact on the T&D system when you connect this many customers annually?

A. Each year the Company completes an analysis of its system performance to understand the impacts that load growth have had on the transmission and distribution system. For purpose of this testimony I will use the Wasatch Front in Utah as an example. An important feature of the Wasatch Front is the impact that temperature plays as a variable with the peak demand. Area planning forecast studies suggest that the impact of extreme temperatures for extended days can cause a 200 megawatt increase in peak demand along the Wasatch Front, Utah. Most recently, between the summer of 2005 and 2007, the Wasatch Front peak load increased 462 megawatts, or close to the size of the new Lake Side plant over a two year timeframe. Thus, this type of growth means system utilization of assets continues to increase, that is, substation transformers and distribution feeders loading is approaching nameplate rating and thermal rating. Therefore, continued investment in system reinforcement is necessary to accommodate the new connections and load growth.

Q. Please explain how Rocky Mountain Power determines the amount and timing of T&D capital investment that is necessary to meet customer needs.

A. The Company begins with customer service requests and load growth projections to carefully prepare budgets for T&D investments. Layered on top of these investment requests are reliability initiatives and asset replacement programs.

Initial project estimates are developed using estimating software tools to approximate project costs. Once a budget is developed and a need is formally recognized, the process to complete detailed planning, design engineering, and project scheduling to achieve the required in-service date is initiated. This process determines the final project amount and timing to make the investment. When a project moves to the construction phase, internal business controls are used to measure and monitor the progress to ensure projects are delivered within scope and budget. These activities are directed at providing quality and reliability at the lowest long-term cost, meeting industry service standards, and meeting the needs of our customers.

Q. What are the primary challenges that Rocky Mountain Power faces with respect to T&D capital projects?

A. The two primary issues facing the Company are: 1) global industrial construction and 2) commodity price increases. Rocky Mountain Power is one of the many electric utilities in the United States facing aging plant and customer growth. Global development is contributing to the demand for materials and supplies, which results in cost increases and delivery pressure for Rocky Mountain Power projects.

Examples of significant cost increases that have been experienced by the Company for all its major service components are abundant. In the mid-1990s a typical substation may have cost $3 million, but today is about twice that amount. This increase is primarily due to the cost of metals, material and property. In the year 2000, steel, a major component of substations and transmission structures,

cost approximately $425 per ton. In 2006 steel cost $893 per ton, a 110 percent increase over 2000 levels. Between 2002 and 2007, the Company experienced a 275 percent increase in the cost of commonly used 138-12.5 kV transformers, an 83 percent increase in 230 kV capacitor bank costs, and a 79 percent increase in the cost of conductors.

Q. What is Rocky Mountain Power doing to minimize the impact of rising costs during the current growth and construction cycle?

A. The Company and the electric utility industry in general are in a construction boom cycle. Notwithstanding, the Company is actively managing the project lifecycle costs within the investment planning processes by ensuring availability of project material at competitive prices and selecting the appropriate delivery strategy for the construction phase. For instance, the Company uses a multi-year planning process that rigorously adheres to strict policies and procedures in the areas of project definition and/or project scope development, project detail design, creation of a suitable project schedule, and the use of project managers during the implementation phase. The procurement department competitively bids common material agreements with vendors that include aggressive terms and conditions designed to share risk through price controls. Procurement is also engaged in securing sourcing from international markets for transmission and distribution commodities, aggregating like material items from the ten-year business plans into larger market offerings to vendors to obtain discount pricing for volume orders, going to foreign markets for information technology developments when prudent to do so, combining like orders within the MidAmerican Energy Holdings

Company group of companies to achieve larger market offerings while strictly adhering to affiliate transaction commitments and requirements. A competitive bid procurement process is also used to identify construction firms that provide the best value in constructing each project and the Company continues to attract new construction resources (i.e. lineman and technicians) into our service territory, which improves the competition and pricing among construction businesses. Finally, the delivery strategy for each project is evaluated against both in-house resources and other engineering-procurement-construct (EPC) vendor agreements to ensure our efforts toward improving service quality and reliability bring the best value to our customers.

Q. Does this conclude your direct testimony?

A. Yes.