

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Request of ROCKY  
MOUNTAIN POWER for Approval of  
Significant Energy Resource Decision  
Resulting from 2012 Request for Proposals

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Docket No. 08-035-95

**TESTIMONY OF**  
**BRUCE N. WILLIAMS**  
**FOR**  
**ROCKY MOUNTAIN POWER**

**EXHIBIT RMP 3**

**December 3, 2008**

1 **Q. Please state your name, business address and job title.**

2 A. My name is Bruce N. Williams. My business address is 825 NE Multnomah,  
3 Suite 1900, Portland, Oregon 97232. I am Vice President and Treasurer of  
4 PacifiCorp. Rocky Mountain Power is a division of PacifiCorp (“Company”).

5 **Q. What are your responsibilities in your current position?**

6 A. I am responsible for the Company’s treasury, credit risk management, pension  
7 and other investment management activities.

8 **Q. Please describe your business and educational background.**

9 A. I have been employed by the Company for 23 years. My business experience has  
10 included financing of the Company’s electric operations and non-utility activities,  
11 investment management, and investor relations. I received a Bachelor of Science  
12 degree in Business Administration with a concentration in Finance from Oregon  
13 State University in June 1980. I also received the Chartered Financial Analyst  
14 designation upon passing the examination in September 1986.

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

16 A. My testimony supports the “Verified Application of Rocky Mountain Power for  
17 Approval of Significant Energy Resource Decision and for Certificate of Public  
18 Convenience and Necessity” (“Application”) with respect to the Company’s  
19 construction and operation of Lake Side 2, a combined cycle combustion turbine  
20 (“CCCT”) generating plant, to be developed by Summit Vineyard, LLC  
21 (“Summit”), as developer, with CH2M Hill E&C, Inc. (“CH2M Hill”), as  
22 engineering, procurement, and construction contractor (“EPC”). As explained in

23 the Application, the Company has entered into the Master Development,  
24 Engineering, Procurement and Construction Agreement (“Agreement”) with  
25 Summit and CH2M Hill and the Managed Long Term Gas Turbine Parts and  
26 Services Contract for Lake Side Block 2 (“Long Term Program” or “LTP”) with  
27 Siemens Power Generation Inc. (“Siemens”) for maintenance of Siemens  
28 equipment. The Application seeks approval of the construction and operation of  
29 Lake Side 2, including approval of the Agreement, the LTP and the total projected  
30 costs for Lake Side 2, including the cost to integrate the resource into the  
31 PacifiCorp system. The Application also seeks a certificate of public convenience  
32 and necessity for Lake Side 2. The terms and conditions of the Agreement and  
33 the LTP and the total projected costs for Lake Side 2 are provided in the  
34 Confidential Testimony of Stefan A. Bird. My testimony describes generally how  
35 the Company will finance the Agreement, the cost to integrate the resource into  
36 the PacifiCorp system and the LTP.

37 **Q. What do you expect the source of funds to be for the Agreement, the cost to**  
38 **integrate the resource into the PacifiCorp system and the LTP?**

39 A. The Company expects to use a reasonable mix of capital designed to provide a  
40 competitive cost of capital and predictable capital market access and to allow the  
41 Company to remain financially stable. The Company anticipates utilizing funds  
42 from sources similar to those used in the past, including operating cash flows and  
43 the issuance of new long-term and short debt and, if necessary, new equity capital  
44 to fund the construction and operation of Lake Side 2.

45 **Q. Is the Company capable of financing the Agreement, the cost to integrate**  
46 **the resource into the PacifiCorp system and LTP?**

47 A. Yes. In addition to the internally generated funds, the Company currently has  
48 access to the capital markets and expects to be able to borrow funds necessary to  
49 help finance the acquisition of Lake Side 2, its integration into the PacifiCorp  
50 system and the LTP. This access was evidenced most recently by the Company's  
51 July 2008 issuance of \$800 million of first mortgage bonds. PacifiCorp senior  
52 secured debt is currently rated "A3" and "A-" by Moody's Investors Service and  
53 Standard and Poor's, respectively, both of which are investment grade ratings. In  
54 addition, the Company has received cash equity contributions from its parent  
55 company in the past and, if necessary, may again in the future. The Company's  
56 access to the capital markets in the future will be influenced by outcomes of  
57 regulatory matters, industry developments, general market conditions and  
58 regulatory authority to issue securities.

59 **Q. Does the Company have regulatory authority sufficient to allow it to**  
60 **finance the Agreement, the cost to integrate the resource into the**  
61 **PacifiCorp system and the LTP?**

62 A. Yes. The Company has authority to issue sufficient amounts of short-term and  
63 long-term debt and common equity for it to finance the Agreement, the cost to  
64 integrate the resource into the PacifiCorp system and the LTP. Our regulatory  
65 authority allows securities to be issued for certain purposes including (1) the  
66 acquisition of property, (2) the construction, completion, extension or  
67 improvement of utility facilities, (3) the improvement of service, (4) the discharge

68 or lawful refunding of obligations which were incurred for utility purposes or  
69 (5) the reimbursement of the Company's treasury for funds used for the foregoing  
70 purposes.

71 **Q. Does the Company have a debt-to-equity ratio which provides the**  
72 **Company with financial stability?**

73 A. Yes, the Company's capital structure is appropriate for providing financial  
74 stability in this matter. The Company expects its capital structure may change  
75 over time, due in part to capital spending; nonetheless it expects to remain  
76 financially stable.

77 **Q. What is your conclusion?**

78 A. The Company has the financial capability to proceed with the construction and  
79 operation of Lake Side 2, pursuant to the Agreement, to integrate the resource into  
80 the PacifiCorp system and to perform its obligations under the LTP.

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

82 A. Yes.

## CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **TESTIMONY OF BRUCE N. WILLIAMS FOR ROCKY MOUNTAIN POWER** to be served upon the following by electronic mail and hand delivery to the addresses shown below on December 3, 2008:

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