

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Pending Application of
Rocky Mountain Power for a Certificate of
Public Convenience and Necessity
Authorizing Construction of Mona –
Oquirrh new 500 kV double circuit line

Docket No. 09-035-54

**DIRECT TESTIMONY OF BRUCE
WILLIAMS**

November 2009

1 **Q. Please state your name, business address and present position.**

2 A. My name is Bruce N. Williams. My business address is 825 NE Multnomah,
3 Suite 1900, Portland, Oregon 97232. I am the Vice President and Treasurer of
4 PacifiCorp.

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

6 A. I received a Bachelor of Science degree in Business Administration with a
7 concentration in Finance from Oregon State University in June 1980. I also
8 received the Chartered Financial Analyst designation upon passing the
9 examination in September 1986. I have been employed by the Company for 24
10 years. My business experience has included financing of the Company's electric
11 operations and non-utility activities, investment management, and investor
12 relations.

13 **Q. Please describe your present duties.**

14 A. I am responsible for the Company's treasury, credit risk management, pension
15 and other investment management activities.

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

17 A. My testimony describes generally how the Company will finance the construction
18 of the Mona-to-Oquirrh Transmission Project (the "Transmission Project").

19 **Q. What do you expect the source of funds to be for the construction of the
20 Transmission Project?**

21 A. The Company expects to use a reasonable mix of capital designed to provide a
22 competitive cost of capital, predictable capital market access and to allow the
23 Company to remain financially stable. The Company anticipates utilizing funds

24 from sources similar to those used in the past, including operating cash flows and
25 the issuance of new long-term and short debt and, if necessary, new equity capital
26 to fund the construction of the Transmission Project.

27 **Q. Is the Company capable of financing the construction of the Transmission**
28 **Project?**

29 A. Yes. In addition to the internally generated funds, the Company currently has
30 access to the capital markets and expects to be able to borrow funds necessary to
31 help finance the construction of the Transmission Project. This access was
32 evidenced most recently by the Company's January 2009 issuance of \$1,000
33 million of first mortgage bonds. PacifiCorp senior secured debt is currently rated
34 'A2' and 'A' by Moody's Investors Service and Standard and Poor's,
35 respectively, both of which are investment grade ratings. In addition, the
36 Company has received cash equity contributions from its parent company in the
37 past and, if necessary, may again in the future. The Company's access to the
38 capital markets in the future will be influenced by a variety of factors, including
39 outcomes of regulatory matters, credit ratings, industry developments and
40 regulatory authority to issue securities.

41 **Q. Does the Company have regulatory authority sufficient to allow it to finance**
42 **the construction of the Transmission Project?**

43 A. Yes. The Company has authority to issue sufficient amounts of short-term and
44 long-term debt and common equity for constructing the Transmission Project.
45 Our regulatory authority allows securities to be issued for certain purposes
46 including (1) the acquisition of property, (2) the construction, completion,

47 extension or improvement of utility facilities, (3) the improvement of service, (4)
48 the discharge or lawful refunding of obligations which were incurred for utility
49 purposes or (5) the reimbursement of the Company's treasury for funds used for
50 the foregoing purposes.

51 **Q. Does this conclude your direct testimony?**

52 A. Yes.