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

A. My name is Darrell T. Gerrard. My business address is 825 NE Multnomah Street, Suite 1600, Portland, Oregon 97232. I am Vice President of Transmission System Planning for PacifiCorp.

Qualifications

Q. Please describe your education and business experience.

A. I have a Bachelor of Science degree in Electrical Engineering (Electric Power Systems Major) from the University of Utah and Certificate of Completion with Honors in Electrical Technology from Utah Technical College at Salt Lake. My experience spans more than 30 years in the electric utility business and electric power industry in general. I have working experience and have had management responsibility for a number of functional organizations at PacifiCorp including Area Engineering, Area Planning, Region Engineering, T&D Facilities Management, Transmission, Substation and Distribution Engineering, System Protection and Control, T&D Project Management and Delivery, Asset Management, Electronic Communications, Hydro System Engineering, Transmission Grid Operations, and most recently Transmission System Planning.

Q. What are your responsibilities as Vice President of Transmission System Planning?

A. I am responsible for transmission planning activities required to support PacifiCorp's existing and future bulk transmission system and to ensure a safe and reliable transmission system that provides economical service to our customers.

I am also responsible for the conceptual and detailed system planning and architecture associated with the Company's long-term Energy Gateway Transmission Expansion Plan ("Energy Gateway").

Purpose and Summary of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support the test year costs associated with capital investments in the Company's transmission system. The capital investments that will be placed into service during the test year in this case include the costs to plan and build the Mona-to-Oquirrh 500/345 kV transmission project ("Mona-to-Oquirrh Project"), the costs to build the Clover substation, the costs to upgrade the Terminal substation, and the costs of interconnecting the Lake Side II generating plant. My testimony will provide evidence showing that the Company was prudent in managing these costs, and that these investments will be used and useful during the test year and beneficial to our retail customers.

Q. Please summarize your testimony.

A. First, I will provide a detailed description of the Mona-to-Oquirrh Project, including its costs and current status. I will show that, given existing limited capacity on the transmission system, the Mona-to-Oquirrh Project is needed to support both short and long term energy demands. The project will strengthen the overall reliability of the existing transmission system, and the project is necessary to maintain the Company's compliance with mandated North American Electric Reliability Corporation ("NERC") and Western Electricity Coordinating Council ("WECC") reliability and performance standards. Our customers' demand for

energy continues to increase and the need for the Mona-to-Oquirrh Project at this time, which was demonstrated during the Certificate of Public Convenience and Necessity proceeding ("CPCN docket") (Docket No. 09-035-54), has not changed.

Second, I will show that the Company prudently managed the costs of the Mona-to-Oquirrh Project by ensuring that it was built in an efficient and cost effective manner for the benefit of our customers. Finally, I will discuss the other capital investments included in the test year, and will demonstrate that these investments, as well as the Mona-to-Oquirrh Project, will be used and useful for our customers during the test year.

Q. What are the projected costs included in this proceeding?

A. The projected costs included in rate base in this proceeding are $383 million for the Mona-to-Oquirrh Project, $76 million for the Clover substation, $42 million for upgrades at the Terminal substation, and $19 million for the Lake Side II generating plant transmission interconnection. Refer to Mr. Steven R. McDougal's plant additions Exhibit RMP___(SRM-2), p. 8.6.24.

Description of the Mona-to-Oquirrh Project

Q. Please describe the Mona-to-Oquirrh Project.

A. The Project is one component of the Company's long range transmission plan and consists of a single-circuit 500 kV transmission line originating from the Clover substation (to be constructed near Mona in Juab County, Utah), extending northward about 70 miles to the proposed future Limber substation (to be located in Tooele County, Utah), and continuing as a double-circuit 345 kV line for

approximately 30 miles to the existing Oquirrh Substation in South Jordan, Utah (refer to the project site map provided as Exhibit RMP___(DTG-1).

To accommodate the Mona-to-Oquirrh Project's transmission lines, the Oquirrh substation must be upgraded and modified. In addition, the Company is currently constructing the 500kV/345kV/183kV Clover substation located approximately three miles south of the existing Mona substation. The Clover substation was formally designated as "Mona Annex" during project siting and the Utah CPCN process because the exact location and station name had not been determined at that time. The Clover substation, with an in-service date of December 14, 2012, is the southern termination point of the Mona-to-Oquirrh Project and is necessary to provide local 138kV transmission service to reliably support customers in the local area. The Clover substation will also be the southern termination point for the future Gateway South project, although the upgrades necessary to accommodate Gateway South are not being done at this time, and the costs associated with those upgrades are not included in this proceeding.

The future 500kV/345kV/138kV Limber substation will interconnect with the Mona-to-Oquirrh Project and is scheduled for completion in May 2014. Costs for the Limber substation fall outside of the current test period and are not included in this proceeding.

Q. What is the current status of the Mona-to-Oquirrh Project and the expected in-service date?

A. Construction on the Mona-to-Oquirrh Project began in March 2011. At this time,

construction access roads are in place for approximately 80 miles of the transmission line path. Foundations have been constructed for approximately 220 of the structures, and approximately 100 of the single-circuit 500 kV lattice towers have been erected. Delivery of the double-circuit 345 kV monopoles began in December 2011. Construction of the Clover Substation started in August 2011. The final grade was achieved for the 345 kV yard and 138 kV yard in December 2011 and January 2012 respectively. The installation of ground grid and major equipment foundations began in January 2012, with equipment scheduled for delivery beginning in March 2012. The timing of these activities supports the projected December 14, 2012 in-service date for the Clover substation, and the May 18, 2013 in-service date for the 500/345 kV transmission line between the Clover and Oquirrh substations. See Exhibit RMP___(DTG-2) which contains recent photos of construction progress on the Clover substation and the Mona-to-Oquirrh Project.

Q. What actions or steps have been taken to ensure the Mona-to-Oquirrh Project will be placed in service on time and at its current cost forecast?

A. The Company has in place a turnkey engineer, procure, and construct contract for the Mona-to-Oquirrh Project that establishes a lump sum cost for design and construction. The contract establishes monitoring and reporting controls to which the contractor must adhere in completing the Mona-to-Oquirrh Project. These include providing monthly progress reports on engineering, procurement, status of construction to schedule, risks identified and cost expenditures. If the contractor feels it necessary to request changes to the Mona-to-Oquirrh Project that would

affect the contract schedule or cost, the Company requires a strict review process for the requested change. The contractor is not allowed to proceed with the requested change until the Company approves the change.

Prudence in Project Delivery

Q. How did the Company ensure that the costs expended to engineer, design, site, and build the Mona-to-Oquirrh Project were the most cost effective for its customers?

A. From a planning perspective, the Company applied prudent industry standards to identify the best transmission route and substation locations in order to balance engineering requirements, environmental impacts, project costs, and impacts to communities during the siting process, while ensuring that the siting criteria requirements were met. This included the completion of project siting and routing feasibility studies by the Company between 2005 and 2007, and the completion of the National Environmental Policy Act ("NEPA") Environmental Impact Statement ("EIS") process between January 2007 and February 2011, resulting in an agency "Record of Decision." This process determined the final "preferred" transmission line route and substation locations, which were then incorporated into the Company's competitive bidding process for construction.

Q. Please describe the Company's competitive bidding process.

A. The Company initiated a competitive bidding process to receive blind sealed bids for the project to be delivered on a turnkey, fixed price, guaranteed completion date basis using an engineer, procure, and construct ("EPC") contract. The competitive bidding process began in July 2009 and provided two separate blind-

sealed bidding opportunities. All bid responses were due in October 2009 and again in June 2010 after additional information was provided to bidders allowing a refinement of previously submitted design solutions and terms and conditions, including price. Seven qualified bids were received in October 2009. After extensive evaluations of bidder proposals and review of exceptions to work scope and base terms and conditions from each bid proposal, the final two most qualified bidders were identified. The Company received best and final offers from the final two competing proposals in June 2010. The Company awarded the contract and issued a notice of intent in December 2010, with a notice to proceed issued in February 2011. This process resulted in the Company obtaining the lowest risk evaluated cost for delivery of the Mona-to-Oquirrh Project.

Q. With respect to the construction of the Mona-to-Oquirrh Project, how did the Company ensure that the costs to build the project were controlled for the benefit of customers?

A. EPC contracts are regarded in the industry as a prudent approach to control costs and manage design, procurement, and construction risks. EPC contracts provide schedule and cost certainty to the benefit of customers and, where possible, cap potential cost escalations upon the occurrence of defined risks. EPC contracts also ensure more timely delivery of needed testing, commissioning, and in-service dates to support system needs and help ensure ongoing transmission system reliability.

The fixed-price EPC contract for the Mona-to-Oquirrh Project has strong provisions to control cost and schedule variances. Where cost and schedule

variances were not included in the fixed price for certain contingent aspects of the work scope, these items were identified as risk items and a contingent capped price and schedule allowance were agreed to before contract execution. Contingent risk items were limited to defined occurrences such as weather delays and environmental impacts.

Q. How does the Company ensure the requirements and terms and conditions of the EPC contract are met?

A. The Company implements a management oversight structure that is responsible for ensuring that the requirements and terms and conditions of the EPC contract are met during the entire project construction cycle. This includes a detailed reporting requirement for the contractor regarding cost and schedule to be submitted on a monthly basis. Also, the Company implements a quality assurance and quality controls program with qualified third-party inspectors to conduct onsite inspections during construction. The Company conducts a rigorous review of proposed changes in work requests by the contractor, which require Company approval before work associated with the requested change begins. The Company also obtains unit pricing during the EPC competitive bidding process to secure competitive market pricing should unforeseen changes to the project scope be required.

Benefits of the Project

Q. How will the Mona-to-Oquirrh Project benefit the Company's customers?

A. The Mona-to-Oquirrh Project is a key component required for executing the Company's current and future integrated resource plans, which require reliable

transport of designated network resources to network loads. Executing those plans is necessary to ensure an adequate, reliable, and low cost supply of energy is available and benefits our customers. Having adequate long-term transmission system capacity is fundamental in developing and executing those integrated plans. The importance of planning for and securing adequate transmission system capacity for purposes of the Company's resource planning is documented in Volume I, pages 4 and 5, of the Company's Integrated Resource Plan ("IRP") dated March 31, 2011.

Q. What analysis has the Company performed to quantify the benefits that the Mona-to-Oquirrh Project provides to all of the Company's customers?

A. The Mona-to-Oquirrh Project, including its associated costs and benefits, has been evaluated on multiple occasions over the last several years to reflect changes in the Company's business environment and to ensure it continued to meet customer needs and provided desired benefits. I will briefly discuss the results from these detailed evaluations below.

Evaluation of the Mona-to-Oquirrh Project began in early 2007 as part of the overall Energy Gateway analysis, where net power cost calculations were compared against Energy Gateway construction costs and the preferred resource portfolio in the Company's IRP at the time. Benefits were calculated for the entire Energy Gateway project, and the analysis showed a significant benefit to all of the Company's customers, including those in Utah. Since the Energy Gateway project and its segments are planned to be delivered over the course of several years, the Company intention is to perform additional and specific analysis for each

individual Energy Gateway segment over time. A white paper entitled Summary of Energy Gateway Financial Analysis, dated November 19, 2009, summarizes a very detailed analysis that was performed on Energy Gateway, including analysis of the Mona-to-Oquirrh Project through 2009. The analysis showed significant benefits for all customers in moving forward with Energy Gateway, including the Mona-to-Oquirrh Project. A copy of this analysis paper was provided to the Utah Division of Public Utilities in a data request during the CPCN hearing process for the Mona-to-Oquirrh Project and is attached as (Confidential Exhibit RMP___(DTG-5).

Q. Has additional analysis been performed since 2009 regarding the cost and benefits of the Mona-to-Oquirrh Project?

A. Yes. In further analysis performed in August 2010, variable power production cost savings were calculated through the IRP Production and Resource Model ("PAR") with and without the entire Energy Gateway project for a 50-year period, discounted back to net present values. The variable production cost inputs used four different combinations of CO_2 taxes per ton and variable future natural gas prices. Table I in Exhibit RMP___(DTG 6) summarizes the total Energy Gateway variable power production cost savings and the Mona-to-Oquirrh Project's savings contribution to that total for each of the four scenarios. These results show that there is a range of expected variable production cost savings benefits from $331 million dollars to $549 million dollars for the Mona-to-Oquirrh Project.

Q. Was the lowest cost alternative selected and constructed to meet the Mona-to-Oquirrh Project requirements and to the benefit of customers?

A. Yes. All of our customers benefited from the project alternative that was selected and then ultimately constructed by the Company. This alternative selection resulted in an overall reduced capital investment amounting to an estimated $181 million savings over the next best alternative project alternative. This resulted in a lower overall revenue requirement for the Project which is included in this proceeding. See Table II and Table III in Exhibit RMP___(DTG-6).

Q. Are there other benefits to customers associated with the completion of the Mona-to-Oquirrh Project?

A. Yes. Not only does the project provide new transmission capacity necessary to serve our customers, but it also provides significant system and operational reliability benefits to the existing system that mitigate the risk of customer outages and load curtailments. The Mona-to-Oquirrh Project provides transmission reliability improvements to the existing system between the Mona and Camp Williams substations and between Camp Williams and the Oquirrh substation. The Mona-to-Oquirrh Project provides a parallel and alternative transmission path providing backup capability to the existing system in the event of an system outage. See Exhibit RMP___(DTG 3).

Specifically the project provides new transmission capacity between Camp Williams and Oquirrh and eliminates the need for capital expenditures estimated at $70 million for construction of a new 345 kV transmission line and corridor between the Camp Williams and Oquirrh substations that would otherwise be

needed for reliability in the area.

In addition, the Mona-to-Oquirrh Project provides customers with reliability risk reduction benefits on the existing system between Mona and Camp Williams because it reduces the exposure to customer load loss and associated energy curtailments during transmission system outages, both planned and unplanned. Table IV in Exhibit RMP___(DTG-6) quantifies the cost of replacement energy due to the inability of Company generation resources to serve load due to a transmission line outage between the Mona and Camp Williams substations. The customer load at risk reduction due to the addition of the Mona-to-Oquirrh Project has benefits valued over a range of potential energy replacement costs. Two scenarios were analyzed starting in 2013 where the benefits range from $29 million to $210 million and the risk reduction benefits continue to grow in 2020 to a range of $214 million to $1,765 million. The Mona-to-Oquirrh Project, by its selection and design, provides the above-stated operational reliability benefits and reduces risk for our customers. These system reliability benefits are not captured in Company net power cost or IRP modeling activities.

Q. Will the Mona-to-Oquirrh Project provide other benefits to the Company's transmission system?

A. Yes. The transmission grid can be affected in its entirety by what happens on an individual transmission line. For example, the transmission path between southern and northern Utah is comprised of several individual transmission lines or line segments. A single outage on any of the individual lines due to storm, fire, or

external human interference can and does cause significant reductions in transmission capacity and can negatively affect our ability to serve customers. The Mona-to-Oquirrh Project will allow the Company to continue to meet native load service obligations in all of its states and continue to meet contractual obligations to third parties under its federal Open Access Transmission Tariff. The project connects to other existing and future segments of Energy Gateway that interconnect the Company's western and eastern control areas, increasing the ability to transport low-cost energy to the benefit of all of our customers. The Mona-to-Oquirrh Project will improve the Company's access to existing energy markets in the northwest, desert southwest, and Four Corners areas for the purpose of purchasing energy or selling any energy surplus when it is beneficial to do so for our customers. This access allows the Company to maintain a low-cost and reliable energy supply to the benefit of all our customers.

Q. Are there other benefits you see from this Mona-to-Oquirrh Project?

A. Yes. The Mona-to-Oquirrh Project is necessary to maintain the Company's compliance with mandatory standards, both national and regional, while providing the next necessary increment of transmission capacity for our customers. It also supports and can be reliably integrated with other future planned transmission investments that are currently proposed by the Company and other utilities in the WECC region. This project positions the Company to be more strongly interconnected to other regional projects currently being planned and provides options for access to additional future energy resources.

Q. Would the Company have constructed the Mona-to-Oquirrh Project even if other segments of Energy Gateway were not constructed?

A. Yes. The existing system north of Mona is fully subscribed and the Mona-to-Oquirrh Project provides the additional transmission capacity and reliability necessary to continue transport of existing and future planned generation resources located in central and southern Utah to growing customer load centers in the states served by the Company. The Company's 2011 IRP shows future planned additions of nearly 1,700 MW of new generation in the central and southern part of the state of Utah (refer to Exhibit RMP___(DTG-7). The Mona-to-Oquirrh Project is necessary to fully utilize the company's existing and future planned generation resources to serve customers.

Q. When placed in service will the Mona-to-Oquirrh Project be used and useful?

A. Yes. When a transmission project or generation plant is energized and placed into service, all elements of the project are part of the interconnected system as a whole. These elements are fully used and useful in providing transmission or generation service on the system. Transmission and generation infrastructure additions inherently have some ability to provide future capacity after being placed in service. This results from using industry standard voltages and design criteria, and reliability requirements necessary for system operation and maintenance.

Q. You indicate that when a new transmission line is added, it becomes a part of the integrated system as a whole. Please explain.

A. Electrical transmission systems are made up of numerous electrical elements, including lines, substations, generation plants, and control systems that operate as a fully integrated network. All elements of the network are electrically dependent upon each other for the purpose of producing and transmitting energy instantaneously to customers on demand. New transmission capacity, when added to an existing system, is installed in increments based on standard system voltages, line conductors, equipment, and apparatus that are available in the utility industry. Electrical power flows across the entire system, and on any individual line or station, are a function of the physics of the entire interconnected network and the level of generation and load present at any given instant in time. As a result, when a new line or substation is added, it immediately carries its full share of the total energy being transmitted by the system. Whenever a new line or substation is added to the transmission system, electrical capacity on the network is increased. The incremental capacity increase added to the network is based on both the new facility's capacity and its electrical interaction with all other facilities to which it is interconnected. While the Project provides benefits to the local areas wherein it is constructed, it also provides benefits to the wider interconnected transmission system.

Project Need and Justification

Q. Was the Mona-to-Oquirrh Project included in the Company's most recent IRP?

A. Yes. The Company's 2011 IRP includes the Mona-to-Oquirrh Project as part of the modeled transmission topology for the purpose of selecting the Company's preferred portfolio of future supply-side and demand-side resources. The 2011 IRP Action Plan, Chapter 9, consists of a number of actions needed to deliver the plan, one of which is to "Permit and construct a 500 kV line between Mona and Oquirrh." In Chapter 10, Transmission System Action Plan, the Company provides detailed information for the Mona-to-Oquirrh Project. The project is necessary to integrate new network generation resources identified in the IRP into the Company's extensive transmission system in order to meet the Company's customers' current and future energy demands.

Q. Has the Mona-to-Oquirrh Project been included in previous IRPs?

A. Yes. The Mona-to-Oquirrh Project was evaluated for cost-effectiveness from an integrated system benefits perspective as part of the 2007 IRP filed with the Commission in May 2007. This analysis helped support the decision to include the Mona-to-Oquirrh Project as part of the Company's preferred resource portfolio. The project has been included as a key element in previous IRPs and was acknowledged by the Commission previously.

Q. Were alternatives to the Mona-to-Oquirrh Project considered?

A. Yes. Long-term alternatives to constructing a new transmission line are limited; however, alternatives have been assessed by the Company during the IRP process.

Alternatives considered included: (1) electric load and demand-side management and energy conservation as part of the Company's IRP; (2) the installation of new generation facilities within the Salt Lake City area; (3) additional capacity to existing transmission lines and alternative transmission technologies. As a result of the resource portfolio modeling conducted for the 2011 IRP, the Company concluded that none of these alternatives met the Company's needs and long-term requirements, and additional transmission transfer capability in Utah presented the lowest overall cost and was the best alternative to meet our customers' demand for electricity.

Q. Has the Mona-to-Oquirrh Project's purpose and need been established and justified in Utah?

A. Yes. The Mona-to-Oquirrh Project's purpose and need has been clearly established and justified through previous regulatory proceedings conducted in Utah. Detailed and credible evidence justifying the Mona-to-Oquirrh Project was presented by the Company through its efforts to successfully obtain a Certificate of Public Convenience and Necessity ("CPCN") and through the Company's request for siting authority by the Utility Facility Review Board.

Q. Did this Commission find that the Mona-to-Oquirrh Project was needed, justified, and necessary in the interest of the public?

A. Yes. The Commission granted a CPCN for the transmission line and related facilities in its Report and Order issued June 16, 2010, in the CPCN Docket. The Commission stated:

> We find the Company has adequately demonstrated the need for those elements of the Project it plans to construct by 2013. The

> record is clear that without the resultant increased transmission capacity, the Company will face an unacceptable risk of failure to meet its load service obligations. Moreover, we recognize the need for PacifiCorp to strengthen its transmission grid in order to comply with important regional and nation reliability standards and directives. The Project is a key component of this effort.

Q. The Utility Facility Review Board was required to act on matters regarding this Mona-to-Oquirrh Project in order for it to be sited and constructed. Did the Board agree the Mona-to-Oquirrh Project was needed and was justified?

A. Yes. The Board conducted hearings on the siting and route selection for a portion of the project and through those proceedings determined that the Mona-to-Oquirrh Project was needed and was justified. The Board issued an Order on June 21, 2010, in docket no. 10-035-39. In the Order Synopsis (page 1), the Board stated:

> The Board, having reviewed the substantial, competent and credible evidence before it, unanimously finds the Company's proposed Transmission Project is needed to provide safe, reliable, adequate and efficient service to its customers.

The Board made further findings on the Project's need and justification (page 29):

> The evidence demonstrates the Transmission Project will play an integral role in providing the new transmission capacity the Company needs to provide safe, reliable, adequate and efficient service.

Q. Please describe the current transmission situation for bringing power into the Wasatch Front and adjoining areas from the south and how the Mona-to-Oquirrh Project fits into that situation.

A. Please refer to Exhibit RMP___(DTG-3) for a map of transmission import lines from the south of the critical load area. Currently, a majority of the electricity serving the northern Utah area is generated at Company facilities in Carbon, Juab, and Emery counties and is delivered on existing transmission lines that enter the

Wasatch Front and adjoining areas from the south. These southern Utah generating facilities include the Carbon, Hunter, Huntington, and Currant Creek power plants. The Company's transmission system providing electrical service to this area from southern Utah presently consists of two 345 kV lines from the Huntington and Castle Dale (Emery substation) areas to the Spanish Fork and Camp Williams substations, four 345 kV lines from the Mona area to the Camp Williams substation, and two 138 kV lines from the Helper area (Carbon substation) to the Spanish Fork substation. These transmission lines, along with other interconnected lines, are also used to import power into Utah from Nevada, the Four Corners region, and from other energy providers connected to the Mona substation. It is necessary to move this energy north to growing load centers in the Wasatch Front and surrounding areas. In addition, the Company's 2011 IRP preferred portfolio includes nearly 1,700 MW of new combined cycle natural gas generation resources located in central Utah. See Exhibit RMP___(DTG-7) (2011 IRP, Volume I, Figure 4.4, page 61).

Q. Has the slowdown in the economy affected the need for the Mona-to-Oquirrh Project?

A. No. The Mona-to-Oquirrh Project is still needed by summer 2013 as planned and delivers benefits to all customers. The project is required to maintain compliance with mandatory NERC and WECC standards established for the Bulk Electric System. In addition our customer demand for energy is growing despite the slowdown in the economy, especially in Utah. See Exhibit RMP___(DTG-4)

which shows the historical and future forecasted energy demand in the Wasatch Front of Utah.

Additional Investments

Q. What additional transmission capital investment costs are included in this proceeding?

A. The transmission capital investment costs in this proceeding include approximately $42 million for transformer and substation additions at the Terminal substation and approximately $19 million for the Lake Side II generating plant interconnection.

Q. Please describe the additional plant investments needed at the Terminal substation.

A. These plant investments consist of replacing two existing 345-138 kV transformers and four 138 kV breakers at the Terminal substation. Specific details of this project include the following replacements:

- Terminal transformer #9 (421 MVA) with a 700 MVA transformer;
- Terminal transformer #10 (448 MVA) with a 700 MVA transformer;
- Breaker L180 with a breaker with continuous rating of 3000A;
- Several overstressed 138 kV breakers CB101, CB115, and CB116;
- Substation Bus work and related apparatus control systems; and
- Transformer and apparatus foundations and footings for seismic reasons.

Q. Please explain why these additional investments at the Terminal substation are needed.

A. Load studies performed on the existing transformer for summer peak loads from

2010 to 2013 resulted in overloading of either 345-138 kV transformers for single element contingencies on the 138 kilovolt system. The Terminal substation is an antiquated design dating back to the WWI timeframe when Grace Hydro generation was tied into the substation to serve load along the Wasatch Front. The current substation bus design is inadequate for the need capacity of the station, will not accommodate the new 700 MVA transformers, and poses a risk to service reliability. The project is necessary for the Company to maintain compliance with NERC and WECC mandatory reliability standards, which dictate levels of electrical system performance and reliability.

Q. Please describe the additional plant investments for the Lake Side II Interconnection.

A. The interconnection of the Lake Side II generation facility into the existing 345 kV Camp Williams-Hunter/Emery transmission line will require the construction of a new 345 kV point of interconnection substation. The point of interconnection substation will be configured to accommodate a six breaker ring bus layout with three breakers installed for this project. The substation will be located adjacent to the existing Lake Side generating facility. Equipment replacement, control modifications, and communications upgrades will also be required at the Camp Williams, Emery, Sigurd, Dynamo, and Timp substations and the Salt Lake and Portland control centers.

Q. Please explain why these additional investments for the Lake Side II Interconnection are necessary.

A. PacifiCorp Energy ("Interconnection Customer") has proposed interconnecting a

new generating facility, Lake Side II, to PacifiCorp's existing Camp Williams-Hunter/Emery 345kV transmission line, which is adjacent to the existing Lake Side generating facility. Under the Company's Open Access Transmission Tariff, it must provide for transmission interconnection of designated network resources to serve network loads. PacifiCorp Energy has made formal request for interconnection of the facility. The facility is part of the Company's IRP and will provide benefits to all of PacifiCorp's native load customers, including those in Utah. The interconnection must be completed by May 1, 2013, to provide electrical back feed approximately one year ahead of the generation plant in-service date. The interconnection station must be engineered, designed, and constructed to meet all applicable NERC and WECC mandatory reliability standards.

Conclusion and Recommendation

Q. What do you recommend?

A. I recommend that the Commission find the company acted prudently in making the necessary investments and plant additions I have discussed in this testimony and that the Commission issues an order allowing full recovery of these costs through customer rates.

Based the evidence that I have provided, I further recommend that the Commission find the Company has prudently selected the lowest cost project alternative and managed costs and delivery risks for the Mona-to-Oquirrh Project, and that the Commission find the Project provides significant benefits to all of the Company's customers, including those in Utah.

Q. Does this conclude your direct testimony?

A. Yes.