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

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 Vice President of Engineering Services and Capital Investment for Rocky Mountain Power.

**Qualifications**

**Q. Please describe your education and business 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 electrical engineering 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 those 34 years I have held various engineering positions of increased responsibility, providing extensive experience working across PacifiCorp's service territory prior to assuming my current position. Additionally, I have provided testimony on various matters before the Public Service Commission of Utah, the Idaho Public Utilities Commission, and the Wyoming Public Service Commission ("the Commission").

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

A. I am responsible for Rocky Mountain Power's transmission and distribution ("T&D") network investment planning, which assists the Company in providing 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, while maintaining 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 and support the T&D capital expenditures included in the Company's revenue requirement, with the exception of the main grid transmission projects, which will be addressed by Mr. Darrell T. Gerrard. Specifically, my testimony includes an explanation of the Company's local transmission and distribution capital investment plan, plant additions to support capacity increases, and justification for program funding to support distribution reliability in Utah.

**Q. Please describe the major T&D investments that the Company is adding to rate base in this case.**

A. Between June 30, 2011 (the conclusion of the base period in this filing), and May 31, 2013 (the conclusion of the test period), the Company will place into service approximately approximately $182.0 million of Utah distribution investment, $206.2 million of local transmission investment, and approximately $571.9 million of main grid transmission and generation/municipal interconnection investment.

Significant local transmission and Utah distribution investment projects and their associated plant to be placed in service in this filing include the following:

- **City Creek Center: New 40 MW Development for PRI Phase II** ($17.8 million of Utah distribution investment and $4.5 million of local transmission investment) - Property Reserve Inc. ("PRI") is developing the City Creek Center, which is a development in downtown Salt Lake City,

Utah, that encompasses two-and-a-half city blocks. The developed area also includes several building facilities that will remain unchanged, but are required to be fed from the new power upgrades installed for the City Creek Center. This project is projected to be completed by May 2012;

- **Nibley: New 138-12.5 kV Substation and Rebuild Seven Miles Transmission** ($7.3 million of Utah distribution investment and $8.3 million of local transmission investment) - This project will build a new 138-12.5 kV, 40 MVA substation next to the existing Nibley substation in Cache County, Utah with three 12.5 kV distribution feeders, rebuild a seven mile section of 46 kV transmission line to 138 kV operation, and add two 138 kV circuit breakers at the Green Canyon substation. This project is projected to be completed by June 2012;
- **Southwest Wyoming to Silvercreek: New 138 kV Line and Substation Phase I** ($14.0 million of local transmission investment) - This project will rebuild approximately 70 miles of 46 kV transmission line at 138 kV, build a new 138-46 kV substation near Hennefer, Utah, convert the Coalville substation to 138 kV, and convert the remaining 46 kV substations along the route to 12.47 kV. Phase I of this project includes rebuilding the 46 kV line to 138 kV from the Evanston, Wyoming area to the Devils Slide, Utah area. Phase I of this project is projected to be completed by August 2012;
- **Skypark: Build New 138-12.5 kV Substation** ($8.1 million of Utah distribution investment) - This project will build a new 138-12.5 kV, 40

MVA substation in the North Salt Lake/Woods Cross, Utah area with four 12.5 kV distribution feeders, convert a five mile section of 46 kV line to 138 kV operation, build a 0.7 mile transmission line, add three 138 kV circuit breakers at the Parrish substation, add a 46 kV circuit breaker at the North Salt Lake substation, and make modifications to some of the 46 kV lines. This project is projected to be completed by May 2012;

- **Fort Douglas: New 138-12.5 kV Substation and Transmission** ($7.1 million of Utah distribution investment) - This project will construct a new 138-12.5 kV, 40 MVA, LTC substation in Salt Lake City, Utah with four new 12.5 kV feeders, convert the 46 kV Emigration Tap-Hogle transmission line to 138 kV operation, add a 138 kV bay position and circuit breaker at the McClelland substation, and remove the Hogle substation. This project is projected to be completed by May 2013.

The capital investments mentioned above, as well as all of the other T&D capital projects that are included in the revenue requirement, are detailed in Company witness Mr. Steven R. McDougal's Exhibit RMP___ (SRM-3).

**Q. What benefits will Utah customers derive from the T&D capital projects included in this case?**

A. The Company's capital investments in T&D have the common customer benefit of increasing system capacity to accommodate customer load requirements and growth, and improving service quality and reliability. Transmission facilities are considered part of the Company's integrated network, and provide benefits to all customers in the Company's six-state retail service territory, including Utah.

Therefore, as the Company completes the transmission projects included in this filing, customers will continue to receive adequate and reliable service. Additionally, distribution capital investments result in a direct benefit to Utah customers, whether it is to connect new customers, reinforce, repair or upgrade the existing system, or to meet mandated compliance requirements.

**System Reinforcement and Replacement**

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

A. System reinforcement is investment made by the Company on behalf of customers to serve load growth. This case includes approximately $37.8 million of system reinforcement at distribution level voltages in Utah and approximately $44.8 million of system reinforcement investment on the Company's local transmission system. In general, upgrading or replacing substation transformers and distribution feeders is initiated when thermal loading is projected to reach 100 to 105 percent of thermal rating or when voltage delivery at the customer metering point is projected to fall outside of the American National Standards Institute ("ANSI") planning criteria. When customers connect to the Company's electrical system, there is a possibility that customer load additions/connections will cause thermal overloads or voltage levels to be outside of the ANSI range. In the case of thermal overload, additional electrical infrastructure will be required to address these issues.

Utah's load growth rate slowed in 2010-2011 from previous years due to the current economic conditions; but irrespective of the slower growth rates, growth is still occurring across our system. Rocky Mountain Power had about

18,500 new connections in Utah from January 2010 through December 2011 and projects to have about 10,000 new connections in Utah from January 2012 through May 2013. System reinforcement projects remain necessary to support these new customers.

Another category of capital investment essential to maintaining and/or improving reliable service is replacing aging assets. The revenue requirement in this case includes approximately $34.3 million in Utah distribution replacements and approximately $59.2 million of Company transmission replacements. Due to normal aging processes, some assets are nearing the point of replacement, which may be preceded by increased failures and higher maintenance costs. Examples of assets subject to replacement include substation equipment, transmission lines, distribution lines, poles and cross-arms, switchgear, and underground cable. As Rocky Mountain Power's system ages and demand increases, additional stress is placed on the Company's assets.

**System Compliance**

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

A. T&D compliance investments are those required by city, state or federal regulations. Customers may also request and fund projects in the compliance portion of the capital investment plan. Rocky Mountain Power plans to spend approximately $16.7 million in Utah distribution system compliance work and approximately $74.2 million in Company transmission system compliance work. Significant compliance driven projects include the following:

- Environmental work – (approximately $3.7 million in Utah distribution

work and approximately $5.3 million in Company transmission work).

  - Environmental programs to mitigate bird and raptor mortality;
  - Spill prevention, control and counter measure ("SPCC") projects to mitigate environmental contamination;

- Overhead relocations or overhead to underground conversions for road construction, public works projects, or customer requests (approximately $7.0 million in Utah distribution work and approximately $8.9 million in Company transmission system work); and
- Federal Communications Commission ("FCC") wideband mobile radio conversion to narrow band operation by 2013 (approximately $16.2 million in Utah, and approximately $49.4 million total Company); and
- North American Electric Reliability Corporation ("NERC") facility rating projects for analysis, assessment and remediation of transmission lines to ensure actual field conditions meet published Bulk Electric System ("BES") line rating standards (approximately $40.7 million in Company transmission system work).

**New Connects**

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

A. New customer connections and their approximate budgeted amounts include the following:

| New Connection Category | Utah Distribution Connections | Company Transmission Connections |
|---|---|---|
| Residential | $25.0 million | - |
| Commercial | $48.4 million | $4.6 million |
| Industrial | $5.6 million | $5.5 million |
| Irrigation | $1.6 million | - |
| Other utilities | $0.9 million | - |
| Street lighting | $1.1 million | - |

Residential and commercial customers typically account for the majority of the new connection costs. The residential market (new housing starts) and commercial sector remain low when compared to historic highs in 2007. The industrial sector has dropped off from historic highs as well but is beginning to improve. Although overall new connects have slowed, a single large customer load can put pressure on the distribution and transmission investments of the Company.

A challenge for the Company in making new large customer connections is the sheer magnitude of the projects. For example, depending on the size of the new load and its proximity to existing transmission system facilities, adding just one substantial new commercial or industrial customer may exceed the operating limitations of the Company's local area transmission system or substation capacity. Extensive planning, engineering and construction of transmission lines, substations, switching stations and other facilities will still be necessary.

**Q. Please explain how load growth on the T&D system has been modified by the reduction in new connects.**

A. Each year the Company completes an analysis of its system performance to understand the impacts load growth has had on the transmission and distribution system. Utah experienced a drop in the number of new residential, commercial and

industrial connections in 2010 and 2011; however, data shows that substation transformer and distribution feeder loading continues to increase in various locations. Thus, when equipment thermal ratings are being approached, projects are initiated. Continued investment in system reinforcement is necessary to serve load growth caused by new and existing customers.

**Q. Please explain how Rocky Mountain Power determines the amount and timing of T&D capital investments.**

A. The Company begins with mandated/compliance requirements, customer service requests, system reinforcement projects to serve load growth, asset replacements and functional upgrades to prepare budgets for T&D investments. Through the planning process, a preliminary project scope is identified and initial project estimates are created to approximate project costs. Once the project budget is approved, the Company initiates a process to complete detailed planning, detailed design engineering, and detailed project scheduling, resulting in a more refined cost estimate and projected in-service date. When a project moves to the delivery (construction) phase, the Company uses internal business controls to measure and monitor the progress to ensure projects are delivered within scope and budget. The Company uses these activities to provide quality at the lowest long-term cost required to meet the needs of its customers.

**Reliability**

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

A. The Company's reliability investment program is designed to reduce the number and impact of power interruptions to its customers. The Company continually

challenges approaches and processes in its efforts to be more efficient at deploying resources to improve electric service reliability in an effective manner.

- The Company committed to improve its controllable distribution statewide system average interruption frequency index ("SAIDI") by 29 percent to a target of no more than 50.8 minutes and to improve its controllable distribution statewide system average interruption frequency index ("SAIFI") by 27 percent to a target of no more than 0.383 events over a three-year nine-month period ending December 31, 2011. Both targets were successfully delivered prior to the December 31, 2011 commitment, with a controllable SAIDI of 50.79 minutes and a controllable SAIFI of 0.337 events.
- The Company was prepared to extend its service standards program ("program"), which ended on December 31, 2011; however, the Utah Public Service Commission initiated Utah PSC Rulemaking Docket No. 11-999-05 to develop new reliability service standards for electric public utilities on April 19, 2011. The Company is actively participating in the workgroup created for the rulemaking docket to develop the new service standards. Meanwhile, the Company filed to extend the program beyond 2011 while the new rules for the service standards are being developed. The Commission has acknowledged this extension.
- The Company plans to support Utah's statewide reliability performance standards with reliability processes in place, including the worst performing feeders program. The Company continues to execute area

improvement teams composed of local personnel throughout the state and continues to improve and develop reliability tools to identify areas with reliability issues.

The Company is confident that with the completion of planned transmission and distribution reliability investments, Utah's service reliability will continue to meet the performance standards committed to, and to maintain overall electric service reliability for its customers.

**Q. Please summarize your testimony.**

A. The T&D capital expenditures included in this case are essential in meeting Rocky Mountain Power customers' needs and maintaining system reliability standards. In particular, the proposed T&D capital expenditures are required in order to:

- Serve new customers (industrial, commercial and residential) that require an extension of the Company's existing infrastructure.
- Serve existing customers through system reinforcement (expansion or increase in capacity) of existing infrastructure.
- Serve general load growth to maintain acceptable reliability and service.
- Comply with orders issued by regulatory, state or local governmental entities.

The Company's transmission and generation projects are part of an integrated, system-wide, high voltage system that provides the foundation to move resources throughout the western United States, thus providing service and reliability benefits to Utah customers. Additionally, these investments contribute

to meeting the performance standards program that the Company has committed to through 2013.

**Q. Are the T&D capital investments included in this case in the public interest and do you recommend that the Commission include them in the Company's rate base?**

A. Yes. The T&D capital investments included in this case are in the public interest for the reasons that I mentioned earlier in my testimony, including serving the public with safe, adequate and reliable service. For these reasons, I recommend that the Commission approve these investments for inclusion in the Company's rate base.

**Q. Does this complete your direct testimony?**

A. Yes.