

1 **Q. Please state your name and business address with Rocky Mountain Power**
2 **(the “Company”), a division of PacifiCorp.**

3 A. My name is Steven R. McDougal and my business address is 201 South Main,
4 Suite 2300, Salt Lake City, Utah, 84111.

5 **QUALIFICATIONS**

6 **Q. What is your current position at the Company and what is your employment**
7 **history?**

8 A. I am currently employed as the director of revenue requirements for the
9 Company. I have been employed by Rocky Mountain Power or its predecessor
10 companies since 1983. My experience at Rocky Mountain Power includes various
11 positions within regulation, finance, resource planning, and internal audit.

12 **Q. What are your responsibilities as director of revenue requirements?**

13 A. My primary responsibilities include overseeing the calculation and reporting of
14 the Company’s regulated earnings or revenue requirement, assuring that the inter-
15 jurisdictional cost allocation methodology is correctly applied, and the
16 explanation of those calculations to regulators in the jurisdictions in which the
17 Company operates.

18 **Q. What is your educational background?**

19 A. I received a Master of Accountancy from Brigham Young University with an
20 emphasis in Management Advisory Services in 1983 and a Bachelor of Science
21 degree in Accounting from Brigham Young University in 1982. In addition to my
22 formal education, I have also attended various educational, professional and
23 electric industry-related seminars.

24 **Q. Have you testified in previous proceedings?**

25 A. Yes. I have provided testimony before the Utah Public Service Commission, the
26 Washington Utilities and Transportation Commission, the California Public
27 Utilities Commission, the Idaho Public Utilities Commission, the Wyoming
28 Public Service Commission and the Utah State Tax Commission.

29 **PURPOSE OF TESTIMONY**

30 **Q. What is the purpose of your direct testimony?**

31 A. The purpose of my testimony is to compare the Company's projected revenue
32 requirement with and without the Company's decision to execute the [REDACTED]
33 [REDACTED] from each of the [REDACTED] transaction groups that make up the final short
34 list in the 2012 Gas Request for Proposals ("2012 Gas RFP") as described in the
35 testimony of Company witness Stacey Kusters.

36 **REQUIRED REVENUE REQUIREMENT**

37 **Q. What is projected revenue requirement impact from entering into the [REDACTED]
38 transactions proposed by the Company?**

39 A. Table 1 below summarizes the revenue requirement impact of entering into the
40 [REDACTED] transactions proposed by the Company. Entering into the [REDACTED] contracts is
41 estimated to save the Company approximately \$16 million over the next ten years.
42 The net present value of these benefits is approximately \$6 million. The first
43 column is the year. The second column is the cost assuming that no contracts are
44 entered into, and the gas is purchased at index. The third column is the cost
45 assuming the [REDACTED] in each of the [REDACTED] categories described by Ms. Kusters is

46 executed. The final column shows the net benefit or (cost) associated with the
 47 transactions.

Table 1

Gas Revenue Requirement

Total Company

Year	Assuming No Contracts (Gas Purchased at Index)	Gas from in Each of the Categories	Net Cost/Benefit (Positive Numbers are Benefits)
2013	\$ 25,487,606	\$ 29,318,537	\$ (3,830,931)
2014	\$ 38,379,566	\$ 41,362,231	\$ (2,982,665)
2015	\$ 40,157,107	\$ 42,006,408	\$ (1,849,301)
2016	\$ 41,763,120	\$ 42,671,318	\$ (908,198)
2017	\$ 31,578,239	\$ 31,503,550	\$ 74,689
2018	\$ 30,238,061	\$ 27,465,574	\$ 2,772,487
2019	\$ 24,291,468	\$ 19,833,318	\$ 4,458,150
2020	\$ 21,168,913	\$ 16,144,260	\$ 5,024,653
2021	\$ 21,791,767	\$ 16,100,150	\$ 5,691,617
2022	\$ 21,778,418	\$ 16,100,150	\$ 5,678,268
2023	\$ 5,648,139	\$ 3,969,900	\$ 1,678,239
TOTAL	\$ 302,282,404	\$ 286,475,395	\$ 15,807,009
NPV @ 7.68%	\$ 227,722,163	\$ 221,954,383	\$ 5,767,780



48 Discount rate uses approved weighted cost of capital from Docket No. 11-035-200.

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

50 **A. Yes.**