

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. 98-2035-04
PACIFICORP AND SCOTTISHPOWER PLC)	UTAH DIVISION OF
FOR AN ORDER APPROVING THE ISSUANCE)	PUBLIC UTILITIES
OF PACIFICORP COMMON STOCK)	EXHIBIT NO. DPU 1.0R

REBUTTAL TESTIMONY OF LOWELL E. ALT, JR.

FOR THE

DIVISION OF PUBLIC UTILITIES

DEPARTMENT OF COMMERCE

STATE OF UTAH

July 16, 1999

1 **Q. PLEASE STATE YOUR NAME.**

2 A. Lowell E. Alt, Jr.

3 **Q. HAVE YOU TESTIFIED PREVIOUSLY IN THIS CASE?**

4 A. Yes.

5 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

6 A. To propose two additional merger conditions which the Division, based on our review of
7 Maurice Brubaker's direct testimony, believes will further mitigate the concerns identified
8 in our direct testimony.

9 **Q. WHAT IS THE FIRST PROPOSED CONDITION?**

10 A. ScottishPower and PacifiCorp shall provide management and financial resources adequate
11 to enable PacifiCorp to meet its commitments, carry out its authorized activities and
12 comply with its public service obligations.

13 **Q. WHAT VALUE DOES THIS CONDITION ADD?**

14 A. This condition helps mitigate the risk that ScottishPower might draw resources from
15 PacifiCorp such that PacifiCorp would be unable to provide adequate service.

16 **Q. WHAT IS THE SECOND PROPOSED CONDITION?**

17 A. In the event that PacifiCorp and ScottishPower do not comply with the merger conditions,
18 the Commission may make appropriate ratemaking adjustments to give full effect to these
19 conditions. The Commission may exercise its authority to make, for retail ratemaking
20 purposes, adjustments for misallocation of costs from non-regulated business to
21 PacifiCorp and ScottishPower.

1 **Q. WHAT VALUE DOES THIS CONDITION ADD?**

2 A. This condition helps to mitigate the risk that ScottishPower and PacifiCorp may cause
3 increased costs or decreased service quality through noncompliance with merger
4 conditions.

5 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

6 A. Yes.