

Q. Please state your name, business address and present position with PacifiCorp (the Company).

A. My name is William R. Griffith. My business address is 825 NE Multnomah Avenue, Suite 800, Portland, Oregon. My present position is Manager, Pricing, in the Regulation Department.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain the Interim Rate Adjustment tariff proposed by the Company.

Q. In its prior interim decisions, the Commission has found that interim rate increases must be spread to classes of service and rate elements on a basis that does not upset existing relationships. Does the Company's proposed treatment comply with that standard?

A. Yes it does. The Company has structured the interim rate change as a uniform percentage increase to bills in order to assure that existing relationships between rate elements (the customer charge, the demand charge, and the energy charge) are not altered. This is consistent with other Commission interim decisions.

Q. Please identify Exhibit A.

A. Exhibit A is a copy of the Company's proposed tariff Schedule 95 filed on January 12 to implement the requested interim increase. The tariff is applicable to all retail tariff customers. It proposes to increase customer bills by 19.1 percent in order to recover the \$142.2 million interim rate adjustment. The tariff proposes to apply the increase prior to the application of Schedule 99, the ScottishPower merger credit.

Q. Do you have any proposed revisions to Exhibit A?

A. Yes. Exhibit A – Revised was filed on January 23, 2001. In addition to the Schedule 99 exclusion mentioned above, Exhibit A – Revised also proposes to exclude Schedule 91, the Low Income Surcharge, from the calculation of the interim rate adjustment adder. This will assure that the Low Income Surcharge collections remain unaffected by the interim price change.

Q. Are there any additional points of clarification you wish to make?

A. Yes. In addition, to the Low Income Surcharge, we also want to make it clear that under our proposal, the maximum Low Income Lifeline Credit available to qualifying low income customers will not be affected by this increase. The Low Income Lifeline Program tariff, Schedule 3, indicates that the Low Income Lifeline Credit has an \$8.00/month maximum. This \$8.00/month maximum was ordered in Docket 00-035-T07 and is consistent with the Joint Stipulation on PacifiCorp's Lifeline Rate from Docket 99-035-10. Therefore, the Interim Rate Adjustment, Schedule 95, will be applied in such a way that the Low Income Lifeline Credit shall not exceed \$8.00 per month.

Q. If, on January 30, the Commission were to grant the interim rate increase retroactively to January 22, how would the Company bill its customers for the retroactive amount?

A. For customers' bills rendered after January 30, the Company would prorate the rate increase back to January 22. For customers billed between January 22 and January 29, the Company would apply the increase as a prorated adjustment to their next bill consistent with the method approved by the Commission in its September 13, 1999 order in Docket 97-035-01. For the price decrease in that docket, the Commission ordered,

“The Company should make billing adjustments for each account that was overcharged for service between March 1 and March 10. The billing adjustments should be calculated proportionately based on the average percentage price reduction mandated for the applicable

price schedule and prorated for the number of days the particular customer was overcharged.”

The Company proposes that this same method be applied for this interim price increase. The billing adjustments will be calculated proportionately based on the average percentage price increase mandated for the applicable price schedule and prorated for the number of days the price increase was not applied for the particular customer. This adjustment would affect approximately 29% of the Company’s customers.

Q. Does this conclude your testimony?

A. Yes it does.