

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No. 04-035-____
PACIFICORP for a Certificate of)	
Convenience and Necessity Authorizing)	DIRECT TESTIMONY OF
Construction of the Lake Side Project)	BRUCE N. WILLIAMS
)	

MAY 2004

1 **Q. Please state your name, business address and present position with PacifiCorp**
2 **dba Utah Power & Light Company (the Company).**

3 A. My name is Bruce N. Williams. My business address is PacifiCorp, 825 N.E.
4 Multnomah, Portland, Oregon 97232, Suite 1900. I was elected Treasurer by the
5 Board of Directors in February, 2000. Prior to my election as Treasurer, I served as
6 Assistant Treasurer for several years.

7 **Qualifications**

8 **Q. Mr. Williams, please briefly describe your education and business experience.**

9 A. I received a Bachelor of Science degree in Business Administration with a
10 concentration in Finance from Oregon State University in June 1980. I also received
11 the Chartered Financial Analyst designation upon passing the examination in
12 September 1986. I have been employed by PacifiCorp for 18 years. My business
13 experience has included financing of PacifiCorp's electric operations and non-utility
14 activities, investment management, investor relations and responsibility for certain
15 non-regulated activities.

16 **Q. Have you previously testified in any proceedings before the Utah Public Service**
17 **Commission?**

18 A. Yes. I have testified in several cases including Docket No. 03-035-29 (the certificate
19 proceeding for the Currant Creek Project)

20 **Purpose of Testimony**

21 **Q. What is the purpose of your testimony?**

22 A. My testimony describes generally how the Company will fund the Lake Side natural
23 gas-fired power plant in Utah County, Utah (the "Power Project").

1 **Q. What do you expect the source of funds to be for the Lake Side Power Project?**

2 A. The Company expects to use a reasonable mix of capital –designed to provide a
3 competitive cost of capital, predictable capital market access and to allow the
4 Company to remain financially stable. The Company anticipates utilizing funds from
5 sources similar to those used in the past, including operating cash flows and the
6 issuance of new long-term and short debt and, if necessary, new equity capital to fund
7 the Power Project.

8 **Q. Is the Company capable of funding the Lake Side Power Project?**

9 A. Yes. In addition to the internally generated funds, the Company currently has access
10 to the capital markets and expects to be able to borrow funds necessary to help
11 finance the construction of the Project. This access was evidenced by PacifiCorp's
12 recent issuance of \$400 million of first mortgage bonds. PacifiCorp senior secured
13 debt is currently rated A3 and A by Moody's Investors Service and Standard and
14 Poor's, respectively. Both of these ratings are solid investment grade. In addition,
15 the Company has received cash equity contributions from its parent company in the
16 past and, if necessary, may again in the future. The Company's access to the capital
17 markets in the future will be influenced by outcomes of regulatory matters, industry
18 developments and regulatory authority to issue securities.

19 **Q. Does the Company have regulatory authority sufficient to allow it to fund the
20 Project?**

21 A. Yes. The Company has authority to issue sufficient amounts of short-term and long-
22 term debt and common equity for funding the Project. Our regulatory authority
23 allows securities to be issued for certain purposes including (1) the acquisition of

1 property, (2) the construction, completion, extension or improvement of utility
2 facilities, (3) the improvement of service, (4) the discharge or lawful refunding of
3 obligation which were incurred for utility purposes or (5) the reimbursement of the
4 Company's treasury for funds used for the foregoing purposes.

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

6 A. Yes.