

Docket No. 04-035-42
Bart S. Croxford
Exhibit No. DPU 5.0R
January 14, 2005

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of PacifiCorp)
for Approval of its Proposed Electric Rate Schedules)
& Electric Service Regulations)

DOCKET NO. 04-035-42

REBUTTAL TESTIMONY OF

BART S. CROXFORD

FOR THE

DIVISION OF PUBLIC UTILITIES

DEPARTMENT OF COMMERCE

STATE OF UTAH

JANUARY 14, 2005

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I. PURPOSE OF REBUTTAL TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My testimony addresses my revisions to adjustments to capital structure and employee headcount issues.

II. ADJUSTMENTS

1. CAPITAL STRUCTURE

Q. PLEASE EXPLAIN YOUR REVISION TO THE ADJUSTMENT TO THE CAPITAL STRUCTURE.

A. The Division has decided to not challenge the Company's change in capital structure, which increases common equity from 45.95% in 2004 to 49.5% in 2006, or an average of 47.8%.

After further review, the Division has determined that the increase is not out of line with other companies similar to PacifiCorp and with the financial criteria used by rating agencies in determining the risk profile of utilities. See supplemental testimony of DPU witness Artie Power, "Supplement to Direct Testimony, DPU Exhibit 2.0S, December 17, 2004."

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2. EMPLOYEE HEADCOUNT

4 **Q. PLEASE EXPLAIN YOUR REVISION TO THE ADJUSTMENT TO THE**
5 **EMPLOYEE HEADCOUNT.**

6 **A.** Originally, my adjustment did not take into account the adjustment made
7 by the Division's witness, David Thomson for pensions in Exhibit DPU 6.5.
8 After reading Mr. Thomson's direct testimony and receiving a data request
9 from the Company, I realized that I should have deducted the amount of
10 his adjustment.

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12 My revised Exhibit DPU 5.4.1 takes into account Mr. Thomson's
13 adjustment for pensions, which reduces my adjustment by a total of
14 \$135,264.

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16 In response to the Company's Data Request No. 2.52, I had made a
17 revision for Ms. Cleveland's adjustment for overtime in Exhibit DPU 3.5
18 but, since her adjustment has been withdrawn, the revision for pensions is
19 the my only revision to the headcount adjustment.

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IV. CONCLUSION

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

23 **A.** Yes.