

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF THE APPLICATION OF  
PACIFICORP FOR APPROVAL OF ITS PROPOSED  
ELECTRIC SERVICE SCHEDULES AND ELECTRIC  
SERVICE REGULATIONS

DOCKET NO. 04-035-042

DPU EXHIBIT BSM 4.0R

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Rebuttal Testimony of

Bruce Scott Moio

Division of Public Utilities

January 14, 2004

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1 REBUTTAL TESTIMONY OF BRUCE SCOTT MOIO

2 Docket No. 04-035-042

3 INTRODUCTION

4 Q: Please state your name, business address, employer, and title for the record.

5 A: My name is Bruce Scott Moio; my business address is 160 East 300 South Salt Lake  
6 City, Utah 84114; I am employed by the Division of Public Utilities as a utility analyst.

7 Q: Are you the same Bruce Scott Moio that previously submitted direct testimony in  
8 this docket?

9 A: Yes.

10 SCOPE AND SUMMARY OF TESTIMONY

11 Q: What is the purpose of your rebuttal testimony?

12 A: The purpose of my rebuttal testimony is to reduce the capital additions adjustment and  
13 the Energy West Mining self insurance for Black Lung adjustment and to remove the  
14 Fuel Stock, Regulatory Asset error, Trapper Mine Royalty agreement, and the Pension  
15 Reserve adjustments.

16  
17 Q: Please explain the reduction of the Capital Additions adjustment.

18 A: On page 8 lines 4 through 6 of my direct testimony there is reference to DPU Data  
19 Request No. 18 and how the response to that data request could change the amount of my  
20 initial capital additions adjustment. The response to DPU Data Request No. 18 was  
21 received on December 14, 2004 and similar to the Company's response to CCS Data  
22 Request 6.31 the Company provided a spreadsheet report comparing filed (budgeted) vs.  
23 actual amounts spent for major plant additions for the period April 1, 2004 through

1           October 31, 2004. Initial observation of this report disclosed that the budgeted amount  
2           exceeded the actual amounts by 4%. However closer analysis of this report provides a  
3           different variance. This report included over \$13.695 million of actual dollars spent on  
4           projects with no corresponding budget amounts which inflates the actual total. These  
5           amounts should not be included in this variance report being used to compare the budget  
6           versus the actual amount spent. When these unbudgeted amounts are removed from this  
7           report the actual variance is 9.348%. Prior to receiving this updated report the variance  
8           used as a basis for the initial capital additions adjustment was 13%.

9  
10          Therefore based on this current variance the Company is currently under budget for  
11          capital additions by 9.348%, and the initial capital additions adjustment is reduced. A  
12          revised DPU Exhibit BSM 4.3 shows that 9.348% of the amounts the Company has  
13          projected for capital additions for the years 2005 & 2006 equates to a total company  
14          reduction of \$127,585,042 and a Utah allocated reduction of \$68,845,872.

15          Corresponding revised depreciation adjustments are shown on revised DPU Exhibit BSM  
16          5. Together these adjustments reduce Utah allocated rate base by \$69.3 million and  
17          the Company's revenue requirement by approximately \$10.1 million.

18  
19          **Q:     Please explain the deletion of the Fuel Stock adjustment.**

20          A:     The Company provided updated fuel stock information after the filing of my direct  
21          testimony that satisfies the Division that the Company's calculation for fuel stock  
22          inventory in this rate case is acceptable. Therefore the previous adjustment is withdrawn.

23

1 **Q: Please explain the deletion of the Regulatory Asset Amortization adjustment.**

2 A: This adjustment is being removed because, in a meeting after the filing of the direct  
3 testimony the Company was able to show where this error was not carried forward  
4 in the Company's rate case filing.

5  
6 **Q: Please explain the deletion of the Trapper Mine adjustment.**

7 A: PacifiCorp met with the Division after the filing of my direct testimony and was  
8 able to show where the GE royalty agreement was properly booked as a prepaid expense.  
9 Therefore this adjustment has been deleted.

10

11 **Q: Please explain the reduction of the Energy West Mining self insurance for Black  
12 Lung adjustment.**

13 A: This adjustment mistakenly included the insurance premium savings for the year  
14 2005 which is not included in the test year. Therefore \$320,000 of total Company  
15 fuel expense is removed from the original adjustment of \$640,000. On revised DPU  
16 Exhibit BSM 4.7 the revised adjustment is a reduction to fuel expense account 501 for a  
17 Utah allocated amount of \$131,734. This has a reduction impact on PacifiCorp's  
18 revenue requirement of approximately \$140,000.

19

20 **Q: Please explain the deletion of the Pension Reserve adjustment.**

21 A: Upon further discussion with the Company and Division witness David Thomson  
22 this adjustment is already included in Mr. Thomson's adjustment 6.5 and therefore my  
23 pension reserve adjustment is removed.

24

1

2 **Q: Does this conclude your rebuttal testimony?**

3 A: Yes.