

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Request of ROCKY MOUNTAIN POWER for Waiver of Solicitation Process and for Approval of Significant Energy Resource Decision	Docket No. 08-035-__
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TESTIMONY OF
BRUCE N. WILLIAMS
FOR
ROCKY MOUNTAIN POWER

EXHIBIT RMP 3

APRIL 1, 2008

1 **Q. Please state your name, business address and job title.**

2 A. My name is Bruce N. Williams. My business address is 825 NE Multnomah,
3 Suite 1900, Portland, Oregon 97232. I am Vice President and Treasurer of
4 PacifiCorp. Rocky Mountain Power is a division of PacifiCorp (“Company”).

5 **Q. What are your responsibilities in your current position?**

6 A. I am responsible for the Company’s treasury, credit risk management, pension
7 and other investment management activities.

8 **Q. Please describe your business and educational background.**

9 A. I have been employed by the Company for 22 years. My business experience has
10 included financing of the Company’s electric operations and non-utility activities,
11 investment management, and investor relations. I received a Bachelor of Science
12 degree in Business Administration with a concentration in Finance from Oregon
13 State University in June 1980. I also received the Chartered Financial Analyst
14 designation upon passing the examination in September 1986.

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

16 A. My testimony supports Rocky Mountain Power’s Verified Request for Waiver of
17 Solicitation Process and for Approval of Significant Energy Resource Decision
18 (“Request”) with respect to the Company’s proposal to acquire the generating
19 plant (“Plant”) identified in the Confidential Testimony of Stefan A. Bird. The
20 Request is filed under the Utah Energy Resource Procurement Act (“Act”),
21 specifically Utah Code Ann. §§ 54-17-201(3), 54-17-302 and 54-17-501. It is
22 also filed in accordance with Commission rules adopted under the Act, Utah

23 Admin. Code R746-430-2, R746-430-4 and R746-440-1. My testimony describes
24 generally how the Company will finance the acquisition the Plant.

25 **Q. What do you expect the source of funds to be for the acquisition of the Plant?**

26 A. The Company expects to use a reasonable mix of capital designed to provide a
27 competitive cost of capital, predictable capital market access and to allow the
28 Company to remain financially stable. The Company anticipates utilizing funds
29 from sources similar to those used in the past, including operating cash flows and
30 the issuance of new long-term and short debt and, if necessary, new equity capital
31 to fund the acquisition of the Plant.

32 **Q. Is the Company capable of financing the acquisition of the Plant?**

33 A. Yes. In addition to the internally generated funds, the Company currently has
34 access to the capital markets and expects to be able to borrow funds necessary to
35 help finance the acquisition of the Plant. This access was evidenced most recently
36 by the Company's October 2007 issuance of \$600 million of first mortgage
37 bonds. PacifiCorp senior secured debt is currently rated "A3" and "A-" by
38 Moody's Investors Service and Standard and Poor's, respectively, both of which
39 are investment grade ratings. In addition, the Company has received cash equity
40 contributions from its parent company in the past and, if necessary, may again in
41 the future. The Company's access to the capital markets in the future will be
42 influenced by outcomes of regulatory matters, industry developments and
43 regulatory authority to issue securities.

44 **Q. Does the Company have regulatory authority sufficient to allow it to**
45 **finance the acquisition of the Plant?**

46 A. Yes. The Company has authority to issue sufficient amounts of short-term and
47 long-term debt and common equity for acquisition of the Plant. Our regulatory
48 authority allows securities to be issued for certain purposes including (1) the
49 acquisition of property, (2) the construction, completion, extension or
50 improvement of utility facilities, (3) the improvement of service, (4) the discharge
51 or lawful refunding of obligations which were incurred for utility purposes or
52 (5) the reimbursement of the Company's treasury for funds used for the foregoing
53 purposes.

54 **Q. Does the Company have a debt-to-equity ratio which provides the**
55 **Company with financial stability?**

56 A. Yes, the Company's capital structure is appropriate for providing financial
57 stability in this matter. The Company expects its capital structure may change
58 over time, due in part to capital spending, nonetheless it expects to remain
59 financially stable.

60 **Q. What is your conclusion?**

61 A. The Company has the financial capability to acquire the Plant.

62 **Q. Does this conclude your testimony?**

63 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **TESTIMONY OF BRUCE N. WILLIAMS FOR ROCKY MOUNTAIN POWER** to be served upon the following by electronic mail and hand delivery to the addresses shown below on April 1, 2008:

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