

GENERAL AFFIDAVIT

State of Utah
County of Salt Lake

BEFORE ME, the undersigned Notary,

Carol S. Hamble, on this
____ 18 day _____ day of August, 2008, personally appeared David T. Thomson, known to me to be a credible person and of lawful age, who being by me first duly sworn, on his oath, deposes and says:

1. I am employed as a Technical Consultant for the Utah Division of Public Utilities (Division).
2. I have worked on matters concerning Docket Nos. 07-035-93 and 08-035-38.
3. As an auditor for the Division, I have concerns about the auditing impacts of PacifiCorp filing a second rate case before the Commission has issued an order on a previous related rate case. I am concerned that if there is an overlapping of base periods used to construct a future test period in a second case that the future test period in the second filing may not best reflect the future revenue requirement if initially it ignores possible Commission ordered adjustments from the previous rate case. I am also concerned about the practical impact to the available time to do a review, analysis, and other required audit tasks under the finite time of 240-days under the statute when cases overlap as explained above.
4. Having a second rate case filed before the order is issued on a previous related rate case filing hinders the auditor from having a clear and concise final second filing to audit. The revenue requirement of the second filing is unknown. The revenue requirement could be what was filed or something else.
5. Because PacifiCorp filed its second rate case on July 17, 2008, it seems that the 240-day clock is ticking. Instead of starting with a complete and final filing, the auditor will now have to take what is filed and break the work down into components of contested and non-contested information. He can start auditing the non-contested components immediately. However, the auditor cannot be sure until a compliance filing has been prepared that his audit of the non-contested component will not be impacted. The accounting and the final revenue requirement of the second filing must be reviewed for the impact of the order from the previous filing. He is working on layers of uncertainty. The time consuming task of auditing significant amounts of information and data put forth in a rate case filing now becomes even more time consuming.

6. For example, it is difficult for the auditing department to even start to audit labor costs and/or accounting in the second filing, if the Commission has not issued an order on the nine contested labor cost components in the previous case. This holds true for the other contested costs and revenue items that will be in the second filing. The concern is that the Commission's order may or may not impact the proper accounting and/or expense in the same nine components of labor costs in the second case. He will not know if they are reflecting costs that contribute to a proper revenue requirement based on a Commission Order. Until the auditor knows how the previous case's Order impacts those accounts, he cannot assess if the accounts and the filing is in compliance with decisions, orders, and policies of the Public Service Commission.

7. Once the previous rate case order is issued, as it now has in Docket No. 07-035-93, the auditor is now certain of what the Commission's findings are on the contested components. After receiving the compliance filing, the auditor must now determine how the order was implemented in the compliance filing. He will have to do analysis, review, fact finding, submitting of questions to the Company and other procedures. These will take time. The concern is will there be enough time to do all of the above after the compliance filing is received and before filing direct testimony. The Commission's order in Docket No. 07-035-93 was received August 11, 2008. The auditing Department has experience a delay of 25 days from the second rate case filing date to the date of the Commission order. To date the auditor still has no compliance filing to audit. There will be additional days of delay until the receipt of the compliance filing.

Audit uncertainty is a great concern to the auditors. The Division is not sure the Company will do a compliance filing and if so when. See the Company's response to UIEC Data Requests 1.1 -1.3 Docket No. 08-035-38 dated August 11, 2008

After going through all of the above, the auditor is left with less time to do his review, analysis, and other required audit tasks. Under time constraints, auditing a rate case that is not dynamic and a moving target without the above delays is more efficient and more effective.

8. A complete and final filing is a filing that is in compliance with the previous rate case Order. When such a filing is made, that is when I believe the 240-day clock should be started.

David T. Thomson

David T. Thomson

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160 East 300 South, P.O. Box 146751

Salt Lake City, Utah 84114-6751

Subscribed and sworn to before me, this 18th day of August, 2008

Carol S. Cranfill

Carol Cranfill

NOTARY PUBLIC

My commission expires: Nov. 11, 2011.



general affidavit 8/18/2008