

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the matter of the Application of )  
Rocky Mountain Power for a Certificate )  
of Convenience and Necessity Authorizing )  
Construction of the Populus to Terminal )  
345 kV Transmission Line Project )

**DIRECT TESTIMONY OF  
BRUCE N. WILLIAMS**

Docket No. 08-035-\_\_

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**APRIL 2008**

1 **Q. Please state your name, business address and present position.**

2 A. My name is Bruce N. Williams. My business address is 825 NE Multnomah,  
3 Suite 1900, Portland, Oregon 97232. I am the Vice President and Treasurer.

4 **Q. Please briefly describe your education and business experience.**

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

12 **Q. Please describe your present duties.**

13 A. I am responsible for the Company's treasury, credit risk management, pension  
14 and other investment management activities.

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

16 A. My testimony describes generally how the Company will finance the construction  
17 of the Populus-to-Terminal Transmission Project (the "Transmission Project").

18 **Q. What do you expect the source of funds to be for the construction of the  
19 Transmission Project?**

20 A. The Company expects to use a reasonable mix of capital designed to provide a  
21 competitive cost of capital, predictable capital market access and to allow the  
22 Company to remain financially stable. The Company anticipates utilizing funds  
23 from sources similar to those used in the past, including operating cash flows and

24 the issuance of new long-term and short debt and, if necessary, new equity capital  
25 to fund the construction of the Transmission Project.

26 **Q. Is the Company capable of financing the construction of the Transmission**  
27 **Project?**

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

39 **Q. Does the Company have regulatory authority sufficient to allow it to finance**  
40 **the construction of the Transmission Project?**

41 A. Yes. The Company has authority to issue sufficient amounts of short-term and  
42 long-term debt and common equity for constructing the Transmission Project.  
43 Our regulatory authority allows securities to be issued for certain purposes  
44 including (1) the acquisition of property, (2) the construction, completion,  
45 extension or improvement of utility facilities, (3) the improvement of service, (4)  
46 the discharge or lawful refunding of obligations which were incurred for utility

47 purposes or (5) the reimbursement of the Company's treasury for funds used for  
48 the foregoing purposes.

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

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

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

56 A. Yes.