

1 **Q. Please state your name, business address and present position with**  
2 **PacifiCorp, dba Rocky Mountain Power (“Company”).**

3 A. My name is Jeffrey M. Kent. My business address is 825 NE Multnomah Street,  
4 Suite 1700, Portland, Oregon 97232. My present position is Director Distribution  
5 Support in the Construction and Support Services Department.

6 **Q. Briefly describe your educational and professional background.**

7 A. In March of 1978 I was employed by Pacific Northwest Bell Telephone Company  
8 and worked in various occupational positions including as a field technician until  
9 1990. In 1988, I graduated from Portland State University with a Bachelor of  
10 Science degree in General Studies Science. In 1990 I was promoted and held a  
11 number of management positions within the renamed company, U S West  
12 Communications and subsequently Qwest Communications, in the Construction  
13 and Engineering Department until I retired from Qwest in December 2008. The  
14 last five years of my career at Qwest were spent managing Construction  
15 Operations and as Program Manager overseeing the Joint Use of poles in Oregon.  
16 In December of 2008 I was employed by PacifiCorp in my current position. I  
17 have been a member of the Oregon Joint Use Association’s Board of Directors  
18 since 2004 including President of the Association in 2007. I also serve as a  
19 member of Western Energy Institute’s Annual Joint Use Conference Program  
20 Delivery Team.

21 **Q. Have you appeared as a witness in previous regulatory proceedings?**

22 A. I have appeared before the Oregon Public Utilities Commission.

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

24 A. The purpose of my testimony is to propose changes to the Company's Schedule 4  
25 pole attachment rate to reflect the Administrative Support cost for managing the  
26 joint use of the Company's poles and to include a fee schedule of non-recurring  
27 charges as part of Schedule 4.

28 **Q. Please describe the specific changes you are proposing.**

29 A. First, the Company is proposing an additional component to the pole attachment  
30 rental rate formula to include the Administrative Support costs the Company  
31 incurs to accommodate the joint use of its poles. Second, the Company proposes  
32 to include as part of Schedule 4, a fee schedule of non-recurring joint use charges  
33 that have been in place in contracts since 2002, including contracts recently  
34 approved by the Utah Public Service Commission. The specific changes described  
35 below are in accordance with Utah Administrative Code R746.345-3.A.1. The  
36 Company is requesting a deviation from the rental rate formula set forth in R746-  
37 345-5.A.1 as allowed in R746.345-5.B. Company witness Mr. Steven R.  
38 McDougal includes the direct impact of this change on revenue requirement in  
39 Exhibit RMP\_\_\_\_(SRM-3).

40 **Change to Rental Rate – Schedule 4**

41 **Q. Please describe the proposed change to the Rental Rate.**

42 A. The Company is proposing to include in the rental rate formula, components for  
43 Administrative Support costs pursuant to R746.345-5.B that are not included in  
44 the current rate formula. Without this change to the formula, the joint use  
45 Administrative Costs are not recoverable through the annual rental rate because

46 these costs settle to a different FERC account than the account used for  
47 “administrative and general” expenses included in the carrying charge rate. The  
48 calculations supporting the proposed rental rate are provided in Exhibit  
49 RMP\_\_\_(JMK-1).

50 **Q. Why is the Company proposing this change?**

51 A. The Company is proposing this change to better match the pole attachment rental  
52 fee with the cost of providing that service. This will ensure that pole occupants  
53 who are causing the costs to be incurred are responsible for paying those costs.  
54 The rate in effect since 2006 does not include Administrative Support costs  
55 incurred by the Company for managing joint use attachments to its poles. To the  
56 extent joint use fees are less than costs, electric rate payers unfairly subsidize joint  
57 use. If the proposed revision is approved by the Commission, the Company can  
58 properly recover the costs from those who are causing the costs, the pole  
59 occupants.

60 **Q. How are Administrative Support costs currently being treated?**

61 A. The Administrative Support costs incurred by the Company for managing joint  
62 use, appropriately settle to FERC 588 (Distribution Support), which is not  
63 included in the FERC accounts used in the current rate formula. Until now, the  
64 Company has attempted to recover some of the Administrative Support costs in  
65 the form of Application and Per Pole Fees. Such practice has not resulted in  
66 proper recovery of costs and is not consistent with Utah Commission guidelines.

67 **Q. Why is the fee schedule being amended in this filing?**

68 A. As previously mentioned, the Company has attempted to recover some of the

69 Administrative Support costs for managing joint use through Application and Per  
70 Pole Fees. Such practice has not resulted in proper recovery of costs and is not  
71 the method preferred by the Commission. By including the Administrative  
72 Support costs in the calculation of the rental rate, proper cost recovery occurs and  
73 there is no longer a need for Application and Per Pole Fees. Thus, the fee  
74 schedule in executed contracts will be amended by this rulemaking to eliminate  
75 Application and Per Pole Fees.

76 **Q. Please describe the reason for filing the fee schedule.**

77 A. The reason for this part of the filing is primarily to comply with R.746-345-  
78 3.A.2.c by incorporating a fee schedule into Schedule 4. The Company has in  
79 place a fee schedule which has been in use since 2002 and lists the non-recurring  
80 charges not included in the pole attachment rental rate. The fee schedule is a part  
81 of Contracts which have been approved by the Commission, but the fee schedule  
82 itself has not been filed as part of the Schedule 4. The Company is not proposing  
83 changes to its 2002 fee schedule amounts at this time, but the Company is adding  
84 a new category of “Other” to account for its historic practice of invoicing for  
85 other costs, for example, actual costs incurred on behalf of the Licensee during  
86 emergency restoration work. The Company has set the Unauthorized Attachment  
87 fee at \$100 in addition to back rent as a deterrent against attaching to the  
88 Company’s poles without permission. This amount is not a change. In the  
89 absence of such an amount, attaching without permission results in improper cost  
90 avoidance under a lesser fee if and when the unauthorized attachment is  
91 discovered. A copy of proposed Schedule 4 is included as Exhibit

92 RMP\_\_\_\_(JMK-2).

93 **Q. Are there similar changes planned to the rental rate formula and fee**  
94 **schedule in other states served by the Company?**

95 A. Yes, Utah however is the only state where Commission approval is required.

96 **Q. Has the Company previously proposed this change in Utah?**

97 A. No.

98 **Q. Why is it important to change this regulation at this time?**

99 A. The current rental rate has been in effect since 2006. The Administrative Support  
100 costs the Company incurs to manage joint use of the Company's poles are not  
101 being fully recovered from pole occupants who are causing the costs. If the  
102 proposed revision is approved by the Commission, the Company can properly  
103 recover the costs from pole occupants.

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

105 A. Yes.