

1 **Q. Please state your name, business address and present position with Rocky**
2 **Mountain Power (the Company), a division of PacifiCorp.**

3 A. My name is William R. Griffith. My business address is 825 NE Multnomah Street,
4 Suite 2000, Portland, Oregon, 97232. My present position is Director, Pricing, Cost
5 of Service, and Regulatory Operations in the Regulation Department.

6 **Qualifications**

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

8 A. I have a B.A. degree with High Honors and distinction in Political Science and
9 Economics from San Diego State University and an M.A. in Political Science from
10 that same institution; I was subsequently employed on the faculty. I attended the
11 University of Oregon and completed all course work towards a Ph.D. in Political
12 Science. I joined the Company in the Rates & Regulation Department in December
13 1983. In June 1989, I became Manager, Pricing in the Regulation Department. In
14 February 2001, I assumed my present responsibilities.

15 **Q. What are your responsibilities?**

16 A. I am responsible for regulated retail rates, cost of service analysis, and regulatory
17 filings and documentation in the Company's six state service territory.

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

19 A. Yes. I have testified for the Company in regulatory proceedings in Utah, Wyoming,
20 Idaho, Oregon, Washington, and California.

21 **Purpose of Testimony**

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

23 A. The purpose of my testimony is to address the Company's proposed tariff Schedule

24 40, Major Plant Additions, which recovers the revenue requirement for major plant
25 additions from both Docket No. 10-035-13 along with the major plant additions
26 discussed by Mr. Brian S. Dickman in this case. The total annual revenue
27 requirement increase from these two cases proposed to be collected through Schedule
28 40 is \$69.8 million, or 4.8 percent.

29 In addition, the Company proposes a separate tariff rider, Schedule 97, Major
30 Plant Additions Deferral Rider, to collect the amount deferred as a result of the
31 stipulation in Docket No. 10-035-13. As indicated by Mr. Dickman, as of December
32 31, 2010, this deferral balance is expected to be approximately \$15.7 million.

33 **Q. How does the Company propose to allocate the Schedule 40, Major Plant**
34 **Additions tariff charges across customer classes?**

35 A. The Company proposes to rely on the results of Mr. C. Craig Paice's cost of service
36 studies to guide the allocation of the rate increase to tariff customers. These major
37 plant additions result in increased generation and transmission costs, and the rate
38 changes vary based on those impacts. Those customers with larger proportions of
39 generation and transmission costs in their rates tend to receive larger percentage rate
40 increases under Schedule 40 (and Schedule 97). However, they also tend to pay
41 lower overall rates and will see lower overall cents per kWh increases as shown
42 below.

43 The following summarizes the effect of proposed Schedule 40 across major
44 rate schedule classes.

<u>Rate Schedule Class</u>	<u>Percentage Change</u>	<u>Overall cents/kWh change</u>
Residential	4.35%	0.3848
General Service		
Schedule 23	4.57%	0.3804

49	Schedule 6	5.05%	0.3618
50	Schedule 8	5.11%	0.3138
51	Schedule 9	5.63%	0.2500
52	Irrigation	5.12%	0.3077

53 **Q. Please describe Schedule 40.**

54 A. Schedule 40, Major Plant Additions, is applicable to all tariff customers and special
55 contract customers where their contracts indicate that this type of rate change is
56 applicable. Schedule 40 is proposed to remain in effect in base rates until such time
57 that a subsequent general rate case rate change becomes effective and these costs
58 have been folded into each rate schedule class's individual base tariff rates for
59 service. Until that time, Schedule 40 will remain in effect for tariff customers.

60 **Q. Please describe Exhibit RMP___(WRG-1).**

61 A. Exhibit RMP___(WRG-1) details the Company's proposed changes to rates and
62 revenues by rate schedule for Schedule 40. On an overall basis, based on the forecast
63 12 month test period ending June 2010, this proposal would result in an overall
64 increase of 4.8 percent.

65 **Q. How does the Company propose to allocate the Schedule 97, Major Plant
66 Additions Deferral Rider tariff charges across customer classes?**

67 A. Given that Schedule 97 recovers deferred costs from the major plant additions
68 included in Docket No. 10-035-13, the Company proposes to rely on the results
69 presented in Columns D and E of Exhibit RMP___(CCP-1), which compares Mr.
70 Paice's First Major Plant Additions cost of service study to his Base cost of service
71 study, to guide the allocation of Schedule 97 to customers. The following
72 summarizes the effect of proposed Schedule 97 across major rate schedule classes.

	<u>Rate Schedule Class</u>	<u>Percentage Change</u>	<u>Overall cents/kWh change</u>
73	Residential	1.46%	0.1294
74	General Service		
75	Schedule 23	1.51%	0.1259
76	Schedule 6	1.69%	0.1212
77	Schedule 8	1.74%	0.1068
78	Schedule 9	1.96%	0.0871
79	Irrigation	1.84%	0.1107
80			

81 **Q. Please describe Schedule 97.**

82 A. Schedule 97, Major Plant Additions Deferral Rider, is applicable to all tariff
83 customers and special contract customers where their contracts indicate that this type
84 of rate change is applicable. It is proposed to recover the deferral balance over
85 approximately an eight month period (including ongoing carrying charges through the
86 amortization period) that, as of December 31, 2010, equals approximately \$15.7
87 million as a result of the stipulation in Docket No. 10-035-13. Once the balance is
88 actually collected, along with ongoing carrying charges, the tariff rider will be
89 canceled.

90 **Q. Please describe Exhibit RMP__(WRG-2).**

91 A. Exhibit RMP__(WRG-2) details the Company's proposed changes to rates and
92 revenues by rate schedule for Schedule 97. On an overall basis, this proposal would
93 result in an overall increase of 1.57 percent over the anticipated eight month period
94 that Schedule 97 is proposed to be in effect. The proposed amortization period is
95 intended to align the termination of the tariff rider with the implementation of rate
96 changes from the Company's 2011 general rate case.

97 **Q. Please describe Exhibit RMP__(WRG-3)**

98 A. Exhibit RMP__(WRG-3) contains the Company's proposed revised tariffs in this
99 case.

100 **Rate Design**

101 **Q. Please describe the Company's proposed rate design for Schedule 40 and**
102 **Schedule 97.**

103 A. The Company proposes to implement the Schedule 40 and Schedule 97 rates to both
104 demand and energy charges where customers are demand metered, or to energy
105 charges only for customers who do not have demand metering. In addition, in order
106 to maintain the current summer and winter on-peak/off-peak differentials for time of
107 use Schedules 8 and 9, the Company proposes on- and off-peak energy charges for
108 Schedule 40 and Schedule 97 that maintain the current TOU differentials while
109 achieving the overall revenue changes for Schedules 8 and 9.

110 Exhibit RMP__(WRG-4) contains the billing determinants showing the
111 development of the proposed rates for all rate schedules.

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

113 A. Yes, it does.