

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, Suite
3 1900, Portland, Oregon 97232. I am the Vice President and Treasurer of
4 PacifiCorp (the “Company”).

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

6 A. I received a Bachelor of Science degree in Business Administration with a
7 concentration in Finance from Oregon State University in 1980. I also received
8 the Chartered Financial Analyst designation upon passing the examination in
9 1986. I have been employed by the Company for 27 years. My business
10 experience has included financing of the Company’s electric operations and non-
11 utility activities, responsibility for the investment management of the Company’s
12 retirement plan assets, other long-term investment assets, and investor relations.

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

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

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

17 A. My testimony describes generally how the Company will finance the construction
18 of the Sigurd to Red Butte No. 2 345 kV transmission line (the “Transmission
19 Project”).

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

22 A. The Company expects to use a reasonable mix of capital designed to provide a
23 competitive cost of capital and predictable capital market access to allow the

24 Company to remain financially stable. The Company anticipates utilizing funds
25 from sources similar to those used in the past, including operating cash flows and
26 the issuance of new long-term and short-term debt and, if necessary, new equity
27 capital to fund the construction of the Transmission Project.

28 **Q. Is the Company capable of financing the construction of the Transmission**
29 **Project?**

30 A. Yes. In addition to the internally generated funds, the Company currently has
31 access to the capital markets and expects to be able to borrow funds necessary to
32 help finance the construction of the Transmission Project. This access was
33 evidenced most recently by the Company's issuance earlier this year of \$750
34 million of first mortgage bonds. PacifiCorp senior secured debt is currently rated
35 'A2' and 'A' by Moody's Investors Service and Standard and Poor's,
36 respectively, both of which are investment grade ratings. In addition, the
37 Company has received cash equity contributions from its parent company in the
38 past and, if necessary, may again in the future. The Company's access to the
39 capital markets in the future will be influenced by a variety of factors, including
40 outcomes of regulatory matters, credit ratings, industry developments and
41 regulatory authority to issue securities.

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

44 A. Yes. The Company has authority to issue sufficient amounts of short-term and
45 long-term debt and common equity for constructing the Transmission Project. Our
46 regulatory authority allows securities to be issued for certain purposes including

47 (1) the acquisition of property, (2) the construction, completion, extension or
48 improvement of utility facilities, (3) the improvement of service, (4) the discharge
49 or lawful refunding of obligations which were incurred for utility purposes or (5)
50 the reimbursement of the Company's treasury for funds used for the foregoing
51 purposes.

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

53 A. Yes.