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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH JUN 19 4 22 PM '99

SERVICE COMMISSION

In the matter of the Application of)
PacifiCorp and Scottish Power plc for an)
Order Approving the Issuance of)
PacifiCorp Common Stock)

Docket No. 98-2035-04

DIRECT TESTIMONY

OF

R. LEON BOWLER
ON BEHALF OF DIXIE-ESCALANTE REA

June 18, 1999

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DIRECT TESTIMONY OF R. LEON BOWLER

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.

A. My name is R. Leon Bowler. I am the General Manager of Dixie-Escalante REA. My business address is 71 East Beryl Hwy., Beryl, Utah 84714.

II. TESTIMONY

Q. HAVE YOU OBSERVED ANY TRENDS IN PACIFICORP'S QUALITY OF SERVICE IN THE PAST 10 YEARS?

A. Yes, PacifiCorp's service has deteriorated substantially in the past 10 years, more significantly in the past 5 years with increased delays in service and longer response times.

Q. HAS DIXIE-ESCALANTE'S SERVICE FROM PACIFICORP BEEN AFFECTED?

A. Yes.

Q. HAS DIXIE-ESCALANTE EXPERIENCED OUTAGES DUE TO PACIFICORP'S LACK OF ADEQUATE MAINTENANCE AND CAPITAL IMPROVEMENTS TO ITS TRANSMISSION SYSTEM?

A. Yes, Dixie-Escalante has experienced several unnecessary outages due to PacifiCorp's lack of adequate maintenance and capital improvements to its transmission system. Most of the current problems have occurred in the St. George area where PacifiCorp supplies transmission over a 183 kV transmission line from Cedar City to the Escalante Valley and on to St. George.

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Q. HAS DIXIE-ESCALANTE INFORMED PACIFICORP OF THE PROBLEMS AND REQUESTED THAT IMPROVEMENTS BE MADE?

A. Yes, Dixie-Escalante has met on several occasions with PacifiCorp to inform them of the severity of the problem and to request that improvements be made to this portion of their system. However, very little progress has resulted from the meetings. Our assumption, based on these discussions, is PacifiCorp has been unwilling to supply the necessary budget allocations for adequate maintenance and capital upgrades to minimize the outage problems in this area.

Q. WHAT HAS BEEN THE IMPACT ON ECONOMIC DEVELOPMENT DUE TO ANY PERCEIVED RELIABILITY PROBLEMS?

A. Economic Development in Dixie-Escalante's service territory has been negatively impacted due to perceived reliability problems with Dixie-Escalante's system. However, the root cause for the bulk of these reliability issues rests with PacifiCorp's delivery into the Dixie system. When Dixie's power goes off on its side of the river in St. George due to a PacifiCorp wheeling line failure, the St. George municipal customers on their side of the river observe or hear about these outages. When new customers come to St. George they are sometimes told by residents to avoid locating in Dixie's service area if they want reliable electric service and this causes Dixie to lose customer growth and revenues.

Q. ARE THERE ANY PROVISIONS IN DIXIE-ESCALANTE'S CONTRACTS WHICH ADDRESS RELIABILITY PROBLEMS?

A. Dixie-Escalante's contracts are not directly with PacifiCorp but are wholesale power supply contracts with Western Area Power Administration and Deseret Generation and Transmission. These contracts imply that service will be provided on a reasonableness basis. Both Western and Deseret make use of PacifiCorp's transmission facilities in order to provide service under those contracts.

1 Q. HAS DIXIE-ESCALANTE TAKEN ANY LEGAL ACTION ADDRESSING
2 RELIABILITY PROBLEMS.

3 A. No, not as of this date, however, Western, Deseret and PacifiCorp were involved in
4 meetings during late 1998 addressing the PacifiCorp reliability problems and requesting
5 improvements be made to their system. As a result of these meetings, PacifiCorp made
6 commitments to improve services and responsiveness; however, to date PacifiCorp has
7 not made any improvements.

8
9 **III. RECOMMENDATIONS**

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11 Q. DO YOU HAVE ANY RECOMMENDATIONS CONCERNING THE APPLICATION
12 OF PACIFICORP AND SCOTTISH POWER PLC ON THE ISSUANCE OF
13 PACIFICORP COMMON STOCK?

14 A. Yes. I recommend that the Public Service Commission of Utah deny PacifiCorp and
15 Scottish Power's application at this time, or conditioned upon, improvements and
16 guarantees can be put in place to assure better service in affected areas of rural Utah
17 served by co-operatives such as Dixie-Escalante and surrounding rural areas.

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19 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

20 A. Yes.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this 8th day of June, 1999, to the following:

Edward Hunter
John Eriksson
STOEL RIVES
201 South Main Street, Suite 1100
Salt Lake City, UT 84111

Stephen R. Randle
RANDLE DEAMER ZARR ROMRELL &
LEE
139 East South Temple, Suite 330
Salt Lake City, UT 84111

Brian W. Burnett
CALLISTER NEBEKER &
MCCULLOUGH
10 East South Temple, #800
Salt Lake City, UT 84133

Peter J. Mattheis
Matthew J. Jones
BRICKFIELD BURCHETTE & RITTS
1025 Thomas Jefferson Street, N.W.
800 West Tower
Washington, D.C. 20007

Michael Ginsberg
ASSISTANT ATTORNEY GENERAL
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111

Eric Blank
Land and Water Fund of the Rockies
2260 Baseline Rd., Suite 200
Boulder, CO 80302

Douglas C. Tingey
ASSISTANT ATTORNEY GENERAL
Committee of Consumer Services
160 East 300 South, 5th Floor
Salt Lake City, UT 84111

Matthew F. McNulty, III
VANCOTT BAGLEY CORNWALL &
MCARTHY
50 South Main Street, Suite 1600
P.O. Box 45340
Salt Lake City, UT 84145

Daniel Moquin
ASSISTANT ATTORNEY GENERAL
1594 West North Temple, Suite 300
Salt Lake City, UT 84116

Lee R. Brown
Magnesium Corporation of America
238 North 2200 West
Salt Lake City, UT 84116

F. Robert Reeder
William J. Evans
PARSONS BEHLE & LATIMER
201 South Main Street, Suite 1800
P.O. Box 45898
Salt Lake City, UT 84145-0898

Bill Thomas Peters
David W. Scofield
PARSONS DAVIES KINGHORN &
PETERS
185 South State Street, Suite 700
Salt Lake City, UT 84111

Dr. Charles E. Johnson
The Three Parties
1338 Foothill Blvd., Suite 134
Salt Lake City, UT 84108

Roger O. Tew
60 South 600 East, Suite 200
Salt Lake City, UT 84102

Steven W. Allred
Salt Lake City Law Department
451 S. State, Suite 505
Salt Lake City, UT 84111

Paul T. Morris
3600 Constitution Blvd.
West Valley City, UT 84119



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DIRECT TESTIMONY

OF

CARL ALBRECHT
ON BEHALF OF GARKANE POWER ASSOCIATION

June 18, 1999

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DIRECT TESTIMONY OF CARL ALBRECHT

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS ADDRESS.

A. My name is Carl Albrecht. I am the General Manager of Garkane Power Association. My business address is Box 790, Richfield, Utah 84701.

II. TESTIMONY

Q. HAVE YOU OBSERVED ANY TRENDS IN PACIFICORP'S QUALITY OF SERVICE IN THE PAST 10 YEARS?

A. Yes, PacifiCorp's service has deteriorated steadily deteriorated in the past 10 years, more significantly in the past 5 years with increased delays in service and longer response times.

Q. HAS GARKANE'S SERVICE FROM PACIFICORP BEEN AFFECTED?

A. Yes.

Q. HOW HAS GARKANE'S SERVICE FROM PACIFICORP BEEN AFFECTED?

A. Since the UP&L/PP&L merger, PacifiCorp has reduced staff levels and closed numerous rural offices throughout the state leaving a limited number of field personnel to cover large service areas. This reduction has resulted in a slower response time to outages and ultimate restoration of service for utilities taking delivery from PacifiCorp. Moreover, the decline in local service has resulted in some PacifiCorp customers approaching neighboring rural electric cooperatives about the possibility of receiving service from them.

1 Q. ARE YOU AWARE OF ANY AREAS IN UTAH WHERE GENERATION OR
2 TRANSMISSION SYSTEMS ARE EFFECTING OR COULD EFFECT THE
3 QUALITY OF SERVICE OR RELIABILITY FOR PACIFICORP'S RETAIL
4 ELECTRIC SERVICE CUSTOMERS?

5 A. Yes. As an example, Garkane Power Association would rely on the PacifiCorp 69kV
6 transmission line from Sevier Junction to Panguitch in the event of a problem to
7 Garkane's normal feed from hydro sources near Boulder, Utah and Glen Canyon Dam.
8 Nevertheless, this transmission line also serves rural PacifiCorp customers along
9 Highway 89, including the towns of Panguitch, Circleville, Junction, Marysvale and
10 Kingston. Garkane has observed a deterioration in service and maintenance on that line.

11
12 Q. DOES GARKANE POWER ASSOCIATION HAVE EXISTING INTERCONNECT
13 AGREEMENTS WITH PACIFICORP?

14 A. Yes. Garkane has existing interconnect agreements with PacifiCorp at Panguitch and
15 near Hildale. These agreements allow for Garkane to pick up PacifiCorp load or for
16 PacifiCorp to carry Garkane loads, both under outage or emergency. Unfortunately, there
17 are no PacifiCorp employees in the vicinity knowledgeable in the procedures to facilitate
18 the switching.

19
20 Q. HAVE THERE BEEN INSTANCES WHERE PACIFICORP'S DECLINE IN LOCAL
21 SERVICE HAS HAD AN ADVERSE IMPACT ON GARKANE'S ABILITY TO
22 FACILITATE CARRYING LOADS TO HILDALE AND PANGUITCH DURING AN
23 EMERGENCY OR OUTAGE.

24 A. Yes. PacifiCorp has experienced outages in these two areas where Garkane could have
25 assisted their customers by picking up the load, however, numerous personnel changes
26 have meant no one was familiar enough on the PacifiCorp side to get the necessary
27 approvals to facilitate Garkane carrying the load during the outage situations.

28

1 **III. RECOMMENDATIONS**

2

3 Q. DO YOU HAVE ANY RECOMMENDATIONS CONCERNING THE APPLICATION
4 OF PACIFICORP AND SCOTTISH POWER PLC ON THE ISSUANCE OF
5 PACIFICORP COMMON STOCK?

6 A. Yes. I recommend that the Public Service Commission of Utah deny PacifiCorp and
7 Scottish Power's application at this time, or conditioned upon, improvements and
8 guarantees can be put in place to assure better service in affected areas of rural Utah
9 served by co-operatives such as Garkane and Dixie-Escalante and surrounding rural areas.

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11 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

12 A. Yes.

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Edward Hunter
John Eriksson
STOEL RIVES
201 South Main Street, Suite 1100
Salt Lake City, UT 84111

Brian W. Burnett
CALLISTER NEBEKER &
MCCULLOUGH
10 East South Temple, #800
Salt Lake City, UT 84133

Michael Ginsberg
ASSISTANT ATTORNEY GENERAL
500 Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84111

Douglas C. Tingey
ASSISTANT ATTORNEY GENERAL
Committee of Consumer Services
160 East 300 South, 5th Floor
Salt Lake City, UT 84111

Daniel Moquin
ASSISTANT ATTORNEY GENERAL
1594 West North Temple, Suite 300
Salt Lake City, UT 84116

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Boulder, CO 80302

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VANCOTT BAGLEY CORNWALL &
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50 South Main Street, Suite 1600
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Salt Lake City, UT 84116

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60 South 600 East, Suite 200
Salt Lake City, UT 84102

Steven W. Allred
Salt Lake City Law Department
451 S. State, Suite 505
Salt Lake City, UT 84111

Paul T. Morris
3600 Constitution Blvd.
West Valley City, UT 84119

Matt Brundage
