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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the matter of the Application of)
PacifiCorp and Scottish Power plc for an) Docket No. 98-2035-04
Order Approving the Issuance of)
PacifiCorp Common Stock)

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.

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

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

III. RECOMMENDATIONS

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

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

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.