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IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AUTHORITY TO MODIFY ITS RULE H )  
TARIFF RELATED TO NEW SERVICE ) CASE NO. IPC-E-08-22  
ATTACHMENTS AND DISTRIBUTION LINE )  
INSTALLATIONS OR ALTERATIONS )  

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IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

GREGORY W. SAID

1 Q. Please state your name and business address.

2 A. My name is Gregory W. Said and my business  
3 address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what  
5 capacity?

6 A. I am employed by Idaho Power Company as the  
7 Director of State Regulation in the Pricing and Regulatory  
8 Services Department.

9 Q. Please describe your educational background.

10 A. In May of 1975, I received a Bachelor of  
11 Science Degree in Mathematics with honors from Boise State  
12 University. In 1999, I attended the Public Utility  
13 Executives Course at the University of Idaho.

14 Q. Please describe your work experience with  
15 Idaho Power Company.

16 A. I became employed by Idaho Power Company in  
17 1980 as an analyst in the Resource Planning Department. In  
18 1985, the Company applied for a general revenue requirement  
19 increase. I was the Company witness addressing power  
20 supply expenses.

21 In August of 1989, after nine years in the Resource  
22 Planning Department, I was offered and I accepted a  
23 position in the Company's Rate Department. With the  
24 Company's application for a temporary rate increase in



1 Rule H.

2 In August 2008, I was promoted to Director of State  
3 Regulation, adding the area of Rate Design to my  
4 responsibilities.

5 Q. What is the purpose of your testimony in  
6 this proceeding?

7 A. My testimony in this proceeding is intended  
8 to describe the instructions that I gave to Mr. Scott  
9 Sparks regarding the modifications to Rule H that the  
10 Company is requesting. Mr. Sparks will testify to the  
11 specifics of those modifications. I will describe the  
12 Company's rationale for requesting reduced allowances and  
13 refunds. Finally, I will address the Company's proposal to  
14 clarify the rules governing the allocation of costs between  
15 developers and the Company's customers when real estate  
16 development requires relocation of Company facilities  
17 located on public rights-of-way. The Company believes that  
18 these clarifications will alleviate apparent  
19 misunderstandings where certain governmental entities have  
20 forced responsibility for funding of line relocation  
21 expenses onto Idaho Power customers that should have more  
22 appropriately be borne by developers. Mr. David Lowry will  
23 testify as to the specifics of some of those instances  
24 where governmental entities have incorrectly applied their

1 authority to shift relocation costs from developers to  
2 Idaho Power customers.

3 Q. Please describe the instructions you gave to  
4 Mr. Sparks regarding the improvements that the Company  
5 desired be made to Rule H.

6 A. I instructed Mr. Sparks to make a thorough  
7 review of the provisions contained in Rule H. I asked him  
8 to work closely with the Methods and Materials Department  
9 to identify areas of Rule H that could be improved. I  
10 identified three primary goals for Mr. Sparks to achieve.  
11 First, I wanted Mr. Sparks to improve the readability of  
12 Rule H. Mr. Sparks will describe the Company's  
13 recommendations to add definitions, add sections, and  
14 generally reformat Rule H in order to accomplish this goal  
15 of better readability with understandable flow. Second, I  
16 wanted Mr. Sparks to update all of the costs contained in  
17 the rule. Most of the rates and charges contained in Rule  
18 H are a number of years old and, as a result, are not  
19 reflective of the costs actually incurred by the Company.  
20 Third, I asked Mr. Sparks to take a close look at line  
21 installation allowances and refunds with an eye toward  
22 reducing both allowances and refunds.

23 Q. Why is the Company desirous of reducing line  
24 installation allowances and refunds?

1           A.       As the Commission is well aware, the Company  
2 has filed general rate case proceedings in 2003, 2005,  
3 2007, and 2008. In addition, the Company has also filed  
4 cases for the inclusion into rate base of the Bennett  
5 Mountain gas-fired plant in 2005 and the inclusion of the  
6 Danskin gas-fired plant in 2008. With the recent frequency  
7 of rate proceedings, a persistent question arises: Is  
8 growth paying for itself?

9           The clear answer is no. Additional revenues  
10 generated from the addition of new customers and load  
11 growth in general is not keeping pace with the additional  
12 expenses created and required to provide ongoing safe and  
13 reliable service to new and existing customers. While the  
14 provisions of Rule H have required some contributions in  
15 aid of construction for new distribution facilities, there  
16 are no requirements for contributions in aid of  
17 construction for new transmission or generation facilities  
18 which are also typically required to serve customer growth.  
19 Reducing the Company's new customer-related distribution  
20 rate base by reducing allowances and refunds will relieve  
21 one area of upward pressure on rates and will take a step  
22 toward growth paying for itself. Mr. Sparks details the  
23 Company's recommendations to reduce line installation  
24 allowances and refunds to achieve the Company's goal of

1 reducing one aspect of upward pressure on rates.

2 Q. Please describe how certain governmental  
3 entities are able to force payment of line installation  
4 expenses onto Idaho Power customers that should more  
5 appropriately be borne by developers.

6 A. Under Idaho law, governmental agencies  
7 charged with constructing, operating, and maintaining  
8 roads, such as the Idaho Transportation Department and the  
9 Ada County Highway District have the authority to require  
10 the relocation of Company-owned transmission and  
11 distribution facilities that are sited in road rights-of-  
12 way at Company expense. Typically, such relocation is  
13 required to accommodate transportation planning for general  
14 area growth. Population growth causing the need to add  
15 traffic lanes is an example of general area growth.

16 In some instances, relocations have been requested  
17 to facilitate specific development by third parties such as  
18 residential or commercial subdivisions. In those  
19 instances, highway agencies have required developers to pay  
20 the costs of related highway improvements. Idaho Power has  
21 required the third-party developers to pay for transmission  
22 and distribution facility relocation caused by their  
23 development. Third parties are also responsible for other  
24 developmental costs such as curbs, gutters, and landscape.



1           Q.           Ultimately, what is the Company requesting  
2 in this proceeding?

3           A.           The Company believes that as a result of Mr.  
4 Sparks' review and evaluation of the provisions of Rule H,  
5 the revisions to Rule H as proposed in this filing are in  
6 the best interest of Idaho Power customers. The proposed  
7 Rule H language provides a more logical and readable flow,  
8 updates costs to current levels, and reduces one aspect of  
9 upward pressure on rates. In addition, the new Rule H  
10 section addressing relocation of distribution facilities  
11 for third-party development will also assist in making sure  
12 that growth pays for itself rather than transferring  
13 additional costs to Idaho Power's rate paying customers.  
14 The Company therefore requests that the Commission approve  
15 the proposed Rule H language as filed by the Company.

16           Q.           Does that conclude your testimony?

17           A.           Yes, it does.