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IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF PACIFICORP D/B/A ROCKY )  
MOUNTAIN POWER AND IDAHO POWER ) CASE NO. IPC-E-14-41  
COMPANY FOR AN ORDER AUTHORIZING )  
THE EXCHANGE OF CERTAIN ) CASE NO. PAC-E-14-11  
TRANSMISSION ASSETS. )  
\_\_\_\_\_ )

PACIFICORP  
DIRECT TESTIMONY  
OF  
RICHARD A. VAIL

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**I. INTRODUCTION AND EXPERIENCE**

Q. Please state your name and business address.

A. My name is Richard A. Vail. My business address is 825 NE Multnomah Street, Portland, Oregon 97232.

Q. In what position are you currently employed?

A. I am the Vice President of Transmission for PacifiCorp ("Company"). I have been employed with PacifiCorp since 2001.

Q. Please describe your education and business experience.

A. I have a Bachelor of Science degree with Honors in Electrical Engineering with a focus in electric power systems from Portland State University. I have been Vice President of Transmission for PacifiCorp since December 2012. Before my current position in Transmission, I was director of asset management since 2007. Before that position, I had management responsibility for a number of organizations in PacifiCorp's asset management group, including capital planning, maintenance policy, maintenance planning, and investment planning since joining PacifiCorp in 2001. In my current role as Vice President of Transmission, I am responsible for transmission system planning, customer generator interconnection requests and transmission service requests, regional transmission initiatives, capital budgeting for transmission, and

1 administration of the Open Access Transmission Tariff  
2 ("OATT").

3 Q. What is the purpose of your testimony?

4 A. The purpose of my testimony is to provide an  
5 overview of this transaction, including the following: (1)  
6 the purpose of and need for the asset exchange; (2)  
7 reliability and operational benefits of the exchange for  
8 PacifiCorp's customers; and (3) financial implications of  
9 the asset exchange.

10 **II. OTHER TESTIMONY SUPPORTING THIS FILING**

11 Q. Are any other individuals filing testimony on  
12 behalf of PacifiCorp in this proceeding?

13 A. Yes. The following individual is providing  
14 testimony on behalf of PacifiCorp:

15 • Gregory N. Duvall, Director, Net Power  
16 Costs, has prepared testimony supporting PacifiCorp  
17 Energy's new firm transmission rights following the close  
18 of the transaction and associated benefits.

19 Q. Are any other individuals filing testimony in  
20 this proceeding?

21 A. Yes. The following individuals are providing  
22 testimony on behalf of Idaho Power Company ("Idaho Power")  
23 in this proceeding:

24 • Lisa A. Grow, Senior Vice President of  
25 Power Supply, has prepared testimony supporting the

1 transaction and describing the background and benefits from  
2 the transaction.

3 • David M. Angell, Planning Manager, has  
4 prepared testimony discussing the new ownership rights  
5 resulting from the transaction and describing the assets  
6 and capacity being exchanged.

7 **III. DESCRIPTION OF PACIFICORP**

8 Q. Please provide a description of PacifiCorp.

9 A. PacifiCorp is an indirect, wholly-owned  
10 subsidiary of Berkshire Hathaway Energy Company.  
11 PacifiCorp provides delivery of electric power and energy  
12 to approximately 1.8 million retail electric customers in  
13 six western states. PacifiCorp consists of three core  
14 business units: (1) PacifiCorp Energy, which manages the  
15 electric generation, commercial and trading, and coal  
16 mining operations of the Company; (2) Pacific Power, which  
17 delivers electricity to retail customers in Oregon,  
18 Washington, and California; and (3) Rocky Mountain Power,  
19 which delivers electricity to retail customers in Utah,  
20 Wyoming, and Idaho. PacifiCorp's transmission operations  
21 and management personnel are headquartered in Portland,  
22 Oregon.

23 Under its OATT, PacifiCorp provides Long-Term Firm  
24 Point-to-Point ("PTP") Transmission Service to 11  
25 transmission customers, Short-Term Firm and Non-Firm PTP

1 Transmission Service to 73 transmission customers under  
2 umbrella service agreements, and Network Integration  
3 Transmission ("NIT") Service to 11 transmission customers,  
4 including PacifiCorp Energy.

5 As of December 31, 2013, PacifiCorp's total  
6 transmission plant in service is approximately \$5.2  
7 billion. PacifiCorp is interconnected, controls, or meters  
8 approximately 120 generation plants within its Balancing  
9 Authority Areas ("BAAs") and is adjacent to 11 BAAs at  
10 approximately 171 points of interconnection. PacifiCorp  
11 owns, or has an interest in, generation resources directly  
12 interconnected to its transmission system with a net  
13 generating capacity of 10,595 megawatts ("MW"). This  
14 generation capacity includes a diverse mix of coal,  
15 hydroelectric, wind, natural gas-fired combined cycle and  
16 combustion turbines, solar, and geothermal resources.

17 Q. Please describe PacifiCorp's transmission  
18 system.

19 A. PacifiCorp's bulk transmission network is  
20 designed to reliably transport electric energy from  
21 generation resources (owned generation or market purchases)  
22 to various load centers. The Company's transmission  
23 network is highly integrated with other transmission  
24 providers in the western United States. PacifiCorp owns  
25 and operates 16,300 miles of transmission lines in 10

1 states. PacifiCorp operates two BAAs referred to as  
2 PacifiCorp's east Balancing Authority Area ("PACE") for  
3 PacifiCorp's east BAA and PacifiCorp's west Balancing  
4 Authority Area ("PACW") for PacifiCorp's west BAA. Exhibit  
5 No. 6 provides a high-level map of PacifiCorp's  
6 transmission system and service territory.

7 Q. Which state public utility commissions  
8 regulate PacifiCorp's retail service operations?

9 A. PacifiCorp is subject to the jurisdiction of  
10 the following six state public utility commissions: (1)  
11 California Public Utilities Commission; (2) Idaho Public  
12 Utilities Commission; (3) Public Utility Commission of  
13 Oregon; (4) Public Service Commission of Utah; (5)  
14 Washington Utilities and Transportation Commission; and (6)  
15 Wyoming Public Service Commission.

16 **IV. DESCRIPTION OF FILING**

17 Q. Please describe the transaction.

18 A. As detailed in the Application, PacifiCorp and  
19 Idaho Power agree to acquire ownership interests in certain  
20 existing transmission system assets, as well as reallocate  
21 respective ownership interests in certain jointly-owned  
22 facilities. In summary, the Parties have entered into a  
23 transaction under the Joint Purchase and Sale Agreement  
24 ("JPSA") that effectuates an exchange of transmission  
25 assets or ownership interests in jointly-owned assets to

1 better align asset ownership with load service and  
2 operational needs as well as establish transmission service  
3 purchase rights under PacifiCorp's and Idaho Power's  
4 (collectively, the "Parties" or singularly, the "Party")  
5 respective OATTs. The transaction does not create any new  
6 available transmission capacity. The ongoing maintenance  
7 and ownership obligations are established in a single  
8 agreement going forward, the Joint Ownership and Operating  
9 Agreement ("JOOA").

10 Q. Please describe the need for the new  
11 arrangements.

12 A. PacifiCorp and Idaho Power operate and  
13 maintain respective ownership of certain jointly-owned  
14 facilities as well as independently-owned transmission  
15 facilities in Idaho, Oregon, Washington, and Wyoming. The  
16 operation and ownership of many of these facilities is  
17 governed under a complicated collection of legacy  
18 agreements ("Legacy Agreements"), including a 1969 Jim  
19 Bridger Ownership Agreement titled the Restated  
20 Transmission Service Agreement ("RTSA") and a 1969 Jim  
21 Bridger Operation Agreement titled the Restated and Amended  
22 Transmission Facilities Agreement ("RATFA"). Some of the  
23 Legacy Agreements have been in place for over 40 years. In  
24 the years following the establishment of such Legacy  
25 Agreements, changes have occurred for both PacifiCorp and

1 Idaho Power rendering the Legacy Agreements ineffective and  
2 ill-suited over time to optimize existing transmission  
3 facilities and effectively respond to regulatory changes,  
4 load growth, investment in system upgrades, and reliability  
5 and operational needs. The complexity of these Legacy  
6 Agreements has resulted in disputes over the years between  
7 the Parties regarding contract interpretation. In  
8 addition, the transmission systems of both Parties continue  
9 to evolve and there is no effective mechanism under the  
10 Legacy Agreements to account for evolving operational  
11 procedures and changes in regulatory requirements. By  
12 better aligning resources and establishing more modernized  
13 agreements to govern ownership and the operation and  
14 maintenance of the associated transmission facilities going  
15 forward, this transaction benefits both Parties and puts  
16 them in a position to better provide reliable and efficient  
17 transmission service for customers now and into the future.  
18 The Parties intend to terminate or amend the Legacy  
19 Agreements upon closing of the transaction.<sup>1</sup>  
20

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<sup>1</sup>The RATFA, RTSA, and Interconnection and Transmission Service Agreement ("ITSA") are the primary agreements between the parties. There are a number of related agreements which support or are directly connected to the RATFA, RTSA, and ITSA. The RATFA, RTSA, ITSA, and remaining agreements are collectively referred to as the "Legacy Agreements." A complete list of the Legacy Agreements that will be replaced, amended, or consolidated by the proposed transaction are identified in Schedules 1.1(g) and 1.1(h) to the JPSA.

1           Q.     Please summarize PacifiCorp's transmission  
2 facilities and rights before the transaction.

3           A.     Under the Legacy Agreements, PacifiCorp's  
4 transmission facilities and ownership interests and rights  
5 are located in three main areas: (1) transmission  
6 facilities connected out of the Jim Bridger power plant  
7 ("Jim Bridger Plant") in Wyoming, (2) transmission  
8 facilities extending west of the Kinport substation and  
9 Borah substation in Idaho to the Midpoint substation in  
10 Idaho ("West of Kinport"), and (3) transmission facilities  
11 north of the Goshen, Idaho, area. Please see Exhibit No. 7  
12 for maps showing PacifiCorp's rights and assets before and  
13 after the transaction.

14                   **V. RELIABILITY AND OPERATIONAL BENEFITS**  
15                   **OF THE TRANSACTION**  
16

17           **A. Jim Bridger Area**

18           Q.     What is PacifiCorp's transmission current  
19 ownership in the Jim Bridger area?

20           A.     There are three 345 kilovolt ("kV")  
21 transmission lines heading west and two 230 kV transmission  
22 lines heading south out of the Jim Bridger Plant. The  
23 three 345 kV lines consist of: (1) the Jim Bridger - Three  
24 Mile Knoll - Goshen line; (2) the Jim Bridger - Populus -  
25 Borah line; and (3) the Jim Bridger - Populus - Kinport  
26 line. Under the Legacy Agreements, PacifiCorp has 100

1 percent ownership of two of the three transmission lines,  
2 the Jim Bridger - Populus - Borah transmission line and the  
3 Jim Bridger - Populus - Kimport transmission line, and  
4 Idaho Power has 100 percent ownership of the remaining  
5 transmission line, the Jim Bridger - Three Mile Knoll -  
6 Goshen transmission line. There are two 230 kV  
7 transmission lines that are jointly owned by the Parties.

8 Q. What will PacifiCorp's transmission ownership  
9 in the Jim Bridger area be after the transaction?

10 A. Under the JPSA, PacifiCorp will obtain  
11 approximately two-thirds ownership of all three of the 345  
12 kV transmission lines and Idaho Power will obtain  
13 approximately one-third ownership of all three transmission  
14 lines. In addition, PacifiCorp will obtain 100 percent  
15 ownership of the two 230 kV transmission lines that connect  
16 the Jim Bridger Plant to the area of Point of Rocks,  
17 Wyoming, and Rock Springs, Wyoming.

18 Q. Please describe the benefits associated with  
19 the transaction in the Jim Bridger area.

20 A. There is a gap in ownership and capacity  
21 available to PacifiCorp on the Jim Bridger - Three Mile  
22 Knoll - Goshen transmission line owned by Idaho Power,  
23 limiting PacifiCorp's ability to reliably and cost-  
24 effectively respond to Goshen area customer load  
25 requirements during certain outage scenarios. For example,

1 during a Goshen - Kinport line outage or a Bridger - Goshen  
2 line outage, PacifiCorp was limited in its ability to  
3 respond in a timely manner, and dependent upon Idaho Power  
4 being able to post capacity on its Bridger - Three Mile  
5 Knoll - Goshen transmission line, which subjected  
6 PacifiCorp to additional costs. Following the transaction,  
7 PacifiCorp will have an ownership percentage in all three  
8 transmission lines, which will enable PacifiCorp to use its  
9 own rights on all three transmission lines to serve  
10 affected load and respond more effectively under certain  
11 outage conditions. This improved ownership and access to  
12 capacity going forward will also enable PacifiCorp to  
13 facilitate long-term efficient operations and more cost-  
14 effective load service. Lastly, the new arrangement will  
15 result in no change to PacifiCorp's ability to deliver Jim  
16 Bridger Plant generation to its customers using a  
17 combination of transmission assets owned by PacifiCorp,  
18 Idaho Power, and Bonneville Power Administration. With  
19 ownership of both the 230 kV lines, PacifiCorp will post an  
20 additional 200 MW of capacity available for transmission  
21 customers to purchase.

22 **B. West of Kinport Area**

23 Q. What are PacifiCorp's transmission ownership  
24 and rights in the west of Kinport area prior to the  
25 transaction?

1           A.       Idaho Power owns 100 percent of the three 345  
2 kV lines, including one transmission line that extends from  
3 Kinport, Idaho, to Midpoint, Idaho, and two transmission  
4 lines that extend from Borah, Idaho, to Midpoint, Idaho.  
5 Under the Legacy Agreements, PacifiCorp is allowed 1,600 MW  
6 of transmission service across the transmission lines, of  
7 which up to 200 MW could be dynamically scheduled.

8           Q.       What will PacifiCorp's transmission ownership  
9 and rights in the west of Kinport area be after the  
10 transaction?

11          A.       As detailed in the JPSA, PacifiCorp will have  
12 ownership rights and wheeling rights that it can use across  
13 all three transmission lines. Specifically, PacifiCorp  
14 will have 1,090 MW of ownership rights, plus 510 MW of firm  
15 OATT service, including 400 MW of dynamic service.  
16 PacifiCorp will be able to use a combination of point-to-  
17 point transmission service rights over Idaho Power's  
18 system, and PacifiCorp network transmission service on  
19 newly owned assets, providing operational flexibility not  
20 afforded under the Legacy Agreements.

21          Q.       Please describe the benefits associated with  
22 the transaction in the west of Kinport area.

23          A.       Ownership rights enable PacifiCorp to provide  
24 expanded, long-term system flexibility and economic service  
25 to customers. Not being limited operationally by the terms

1 of the Legacy Agreements also provides more flexibility for  
2 PacifiCorp to optimize this capacity when needed for load  
3 service, reliability, or as excess capacity that can be  
4 sold to third parties when not needed. In addition, under  
5 the new joint ownership arrangements, costs for future  
6 upgrades would be shared in accordance with the JOOA,  
7 potentially resulting in lower upgrade costs to  
8 PacifiCorp's customers. Benefits associated with the 1090  
9 MW of ownership and 510 MW of firm capacity rights are  
10 discussed in more detail in the testimony of Mr. Duvall.

11 **C. North of Goshen Area**

12 Q. What are PacifiCorp's transmission ownership  
13 and rights north of the Goshen area prior to the  
14 transaction?

15 A. PacifiCorp leases transmission capacity from  
16 Idaho Power on one 161 kV transmission line between the  
17 Goshen, Idaho; Jefferson, Idaho; and Big Grassy, Idaho;  
18 substations.

19 Q. What will PacifiCorp's transmission ownership  
20 and rights in the Goshen area be after the transaction?

21 A. Following the transaction, PacifiCorp will  
22 have 62 percent ownership under the JOOA in this  
23 transmission line.

24 Q. What transmission assets will be transferred  
25 from PacifiCorp to Idaho Power in this transaction?

1           A.       PacifiCorp will transfer ownership of several  
2 assets to Idaho Power through this transaction. Idaho  
3 Power will acquire an ownership interest in the Summer Lake  
4 to Hemingway and Hemingway to Midpoint transmission lines.  
5 As mentioned above, Idaho Power will also acquire one-third  
6 ownership of the Bridger - Populus - Borah line and  
7 Bridger - Populus - Kinport line. In addition, Idaho Power  
8 will obtain an ownership interest in the Goshen - Kinport,  
9 and Hurricane - Walla Walla lines and a portion of the  
10 Goshen - Antelope and American Falls - Malad transmission  
11 lines currently owned by PacifiCorp.

12           Q.       Please describe the benefits associated with  
13 the transaction in the Goshen area.

14           A.       PacifiCorp and Idaho Power will jointly share  
15 the costs to upgrade the existing 161 kV transmission line  
16 between the Goshen and Jefferson substations as part of  
17 this transaction. In addition, PacifiCorp's new ownership  
18 in these transmission lines will provide the ability to  
19 continue to reliably serve existing and growing load served  
20 from the Jefferson, Idaho, and Big Grassy, Idaho,  
21 substations.

22           Q.       Please describe any other benefits resulting  
23 from the transaction.

24           A.       In addition to the benefits described above  
25 related to specific changes in ownership and increased

1 capacity, the transaction provides additional benefits to  
2 PacifiCorp and its customers due to the increased  
3 transparency, reliability, and flexibility provided by the  
4 JOOA, enabling more efficient and reliable load service for  
5 customers while reducing risk during certain outage  
6 scenarios. Specifically, the following summarizes further  
7 benefits of the transaction:

8           •       Exhibit No. 8 provides PacifiCorp's financial  
9 analysis of the transaction, which demonstrates a neutral  
10 rate impact to customers over a ten-year period (2015-  
11 2024). The value of the assets being exchanged between the  
12 Parties is nearly equal, as detailed in Exhibit No. 9 and  
13 the Parties' Application. Ongoing expenses following the  
14 closing of the transaction will be similar to expenses  
15 incurred today.<sup>2</sup> PacifiCorp has the *bona fide* intent and  
16 financial ability to operate and maintain the new assets  
17 acquired by the transaction in the public service.

18           •       The new agreements meet current regulatory  
19 requirements. Modernization of the agreements, including  
20 firm transmission service provided under each Party's OATT,  
21 will provide the ability to effectively and efficiently  
22 operate and ensure consistency with evolving reliability  
23 standards. Similar joint ownership and operation and

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<sup>2</sup> The effect of the proposed transaction on the Company's wheeling expenses is discussed in more detail in the testimony of Mr. Duvall.

1 maintenance agreements have been accepted by the Federal  
2 Energy Regulatory Commission ("FERC") as meeting regulatory  
3 requirements (i.e., FERC Docket ER10-1217, Populus Joint  
4 Ownership and Operating Agreement).

5 • Future cost sharing opportunities. The JOOA  
6 allows for cost sharing for future upgrades on jointly-  
7 owned transmission facilities resulting in a strong  
8 foundation for future needs between the Parties based on  
9 mutual interest or need, including the potential  
10 participation in future joint projects, thereby reducing  
11 overall project costs to customers.

12 • Elimination of complex, outdated Legacy  
13 Agreements that may not allow for the Parties to  
14 effectively meet current regulatory requirements. The new  
15 agreements are transparent and consistent with transmission  
16 service under the OATT.

17 **VI. CLOSING**

18 Q. Does this conclude your direct testimony?

19 A. Yes.

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ATTESTATION OF TESTIMONY

STATE OF Oregon )  
County of Multnomah ) ss.

I, Richard A. Vail, having been duly sworn to testify truthfully, and based upon my personal knowledge, state the following:

I am employed by PacifiCorp as the Vice President of Transmission and am competent to be a witness in this proceeding.

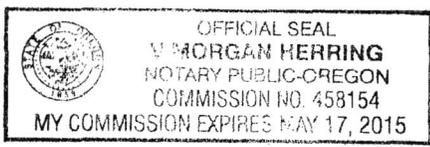
I declare under penalty of perjury of the laws of the state of Idaho that the foregoing pre-filed testimony and exhibits are true and correct to the best of my information and belief.

DATED this 18 day of December 2014.

*Richard A. Vail*  
Richard A. Vail

SUBSCRIBED AND SWORN to before me this 18 day of December 2014.

*May Hery*  
Notary Public for: Oregon  
Residing at: Multnomah County  
My commission expires: May 17, 2015



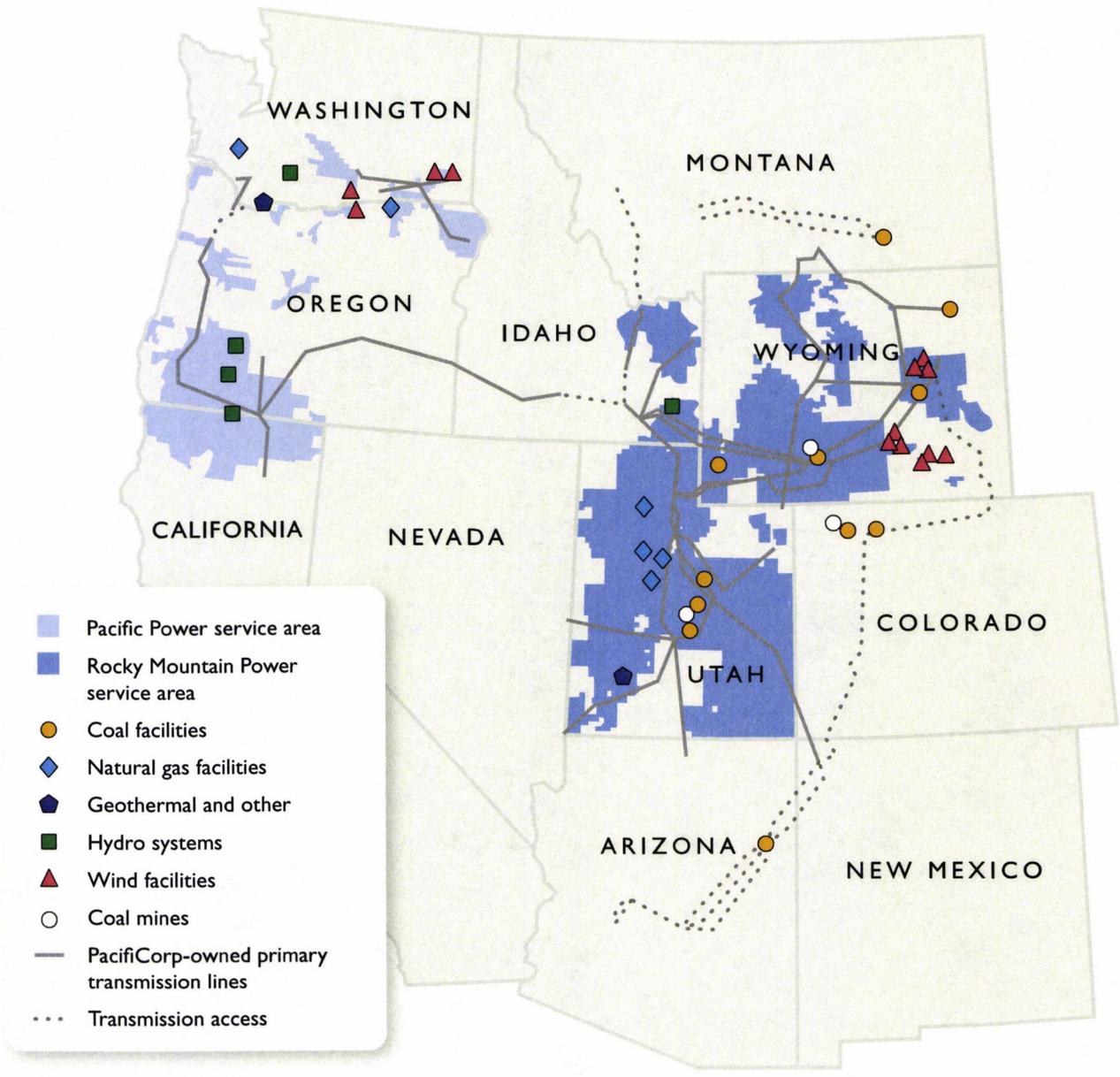
**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-14-41**

**CASE NO. PAC-E-14-11**

**VAIL, DI  
TESTIMONY**

**EXHIBIT NO. 6**



**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-14-41**

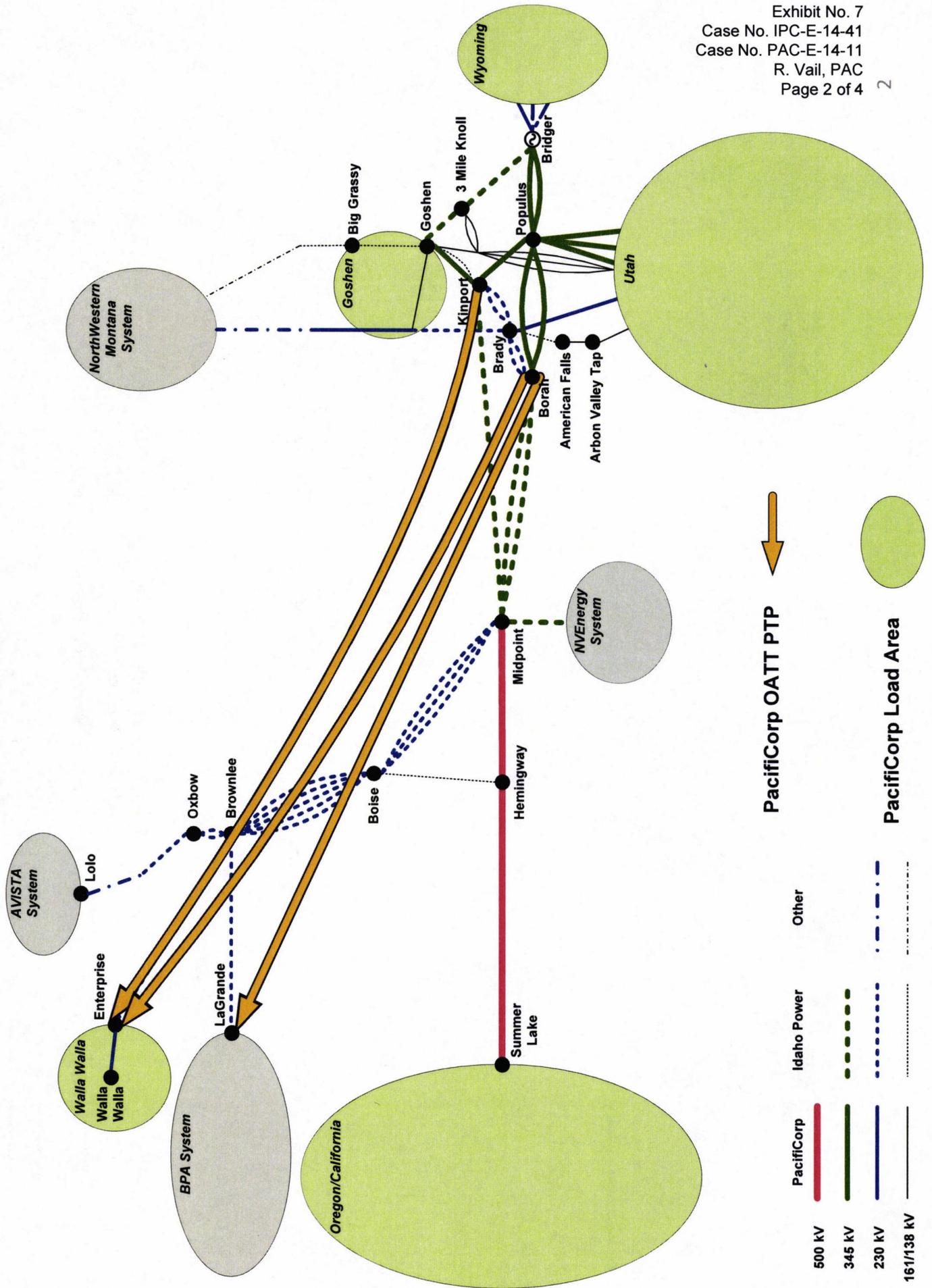
**CASE NO. PAC-E-14-11**

**VAIL, DI  
TESTIMONY**

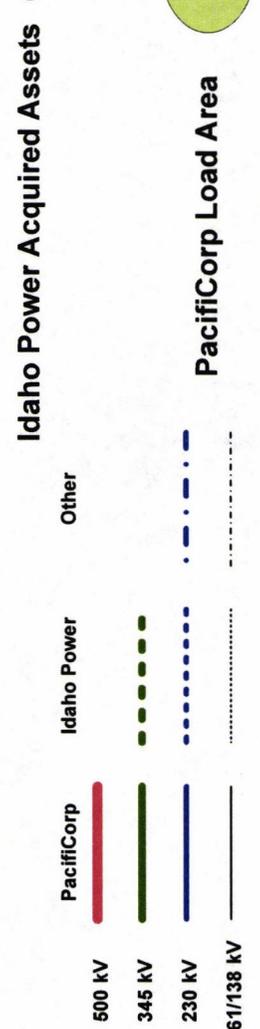
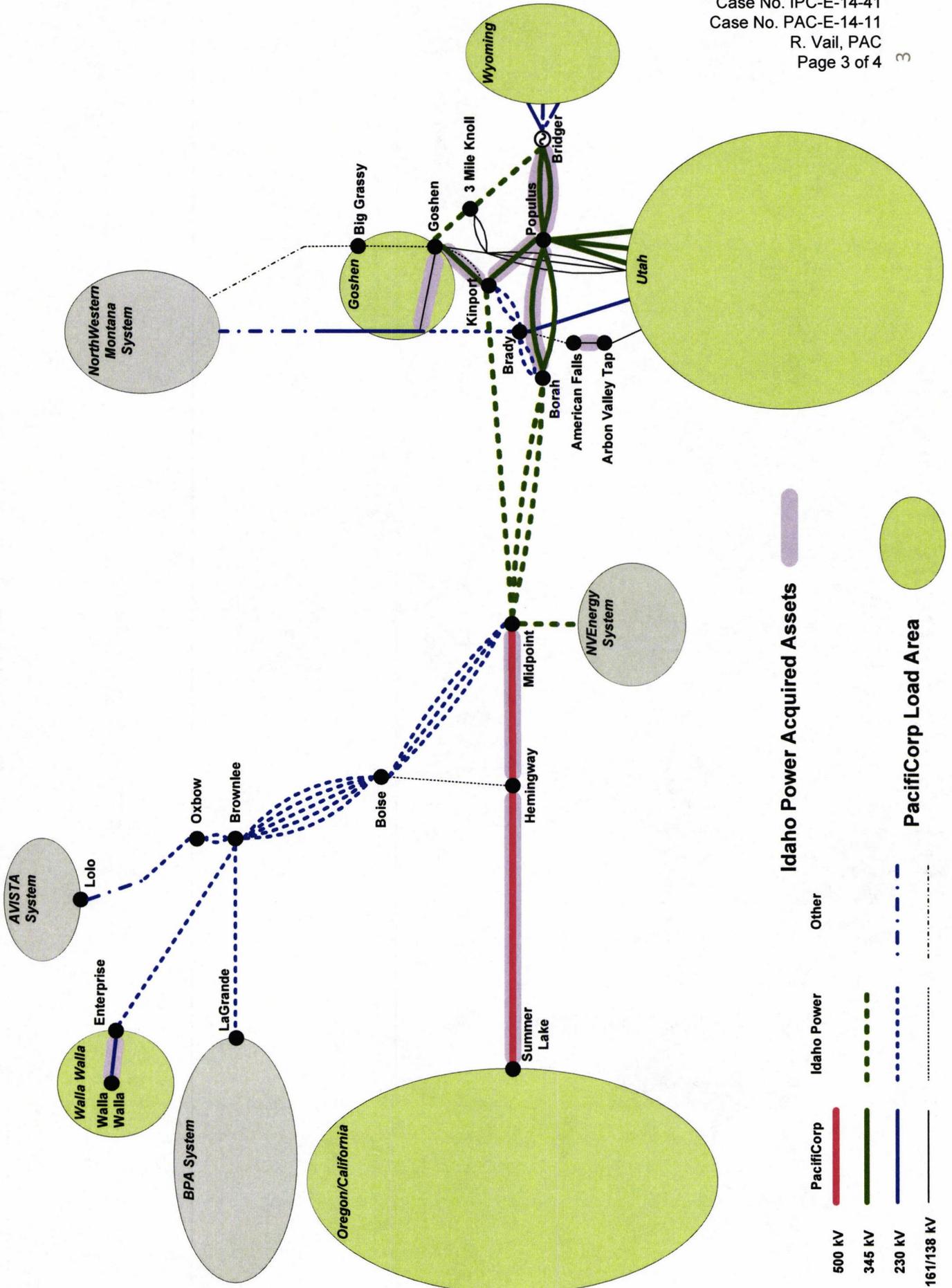
**EXHIBIT NO. 7**



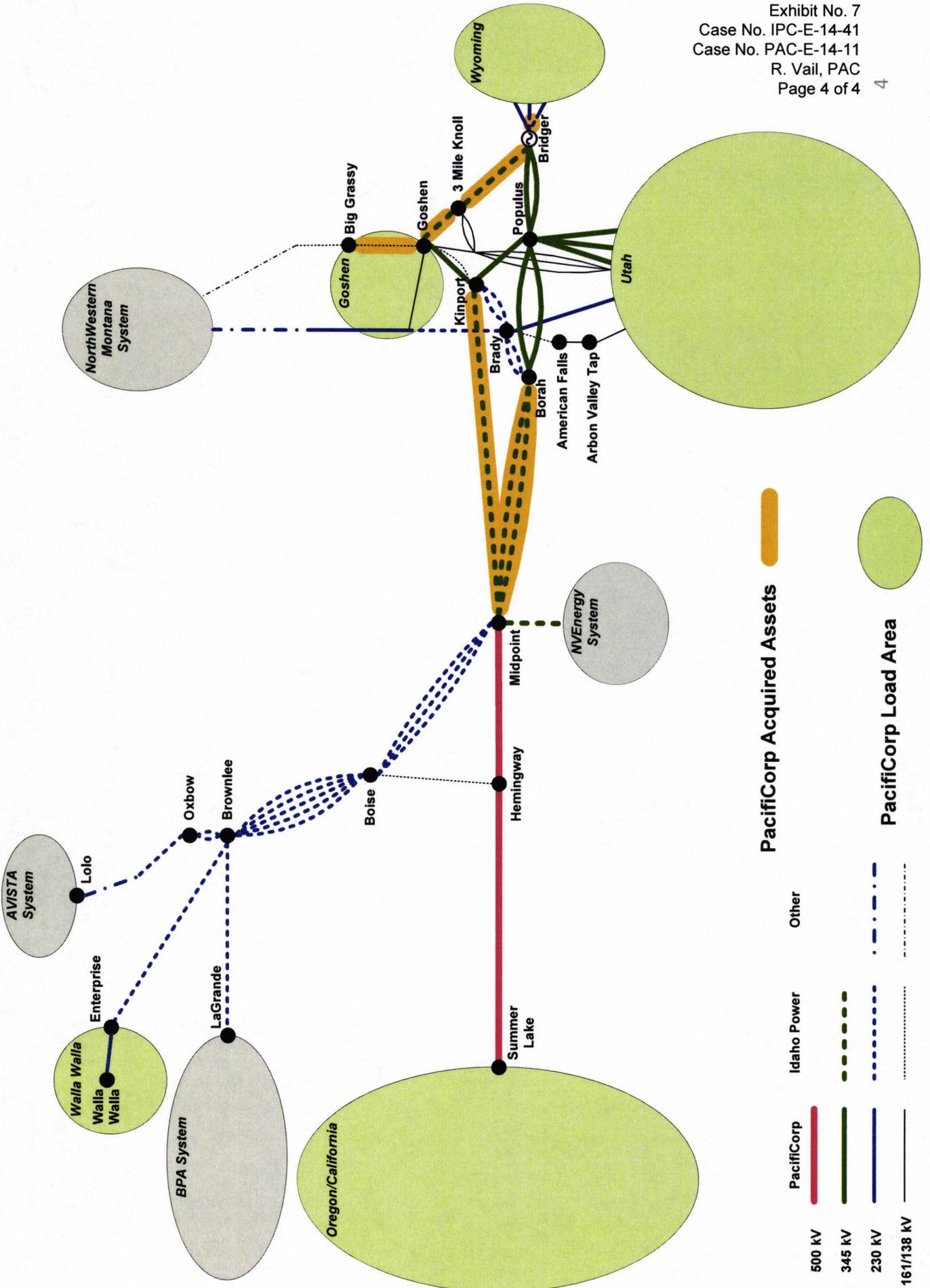
# Transmission Service



# Idaho Power Acquired Assets



# PacifiCorp Acquired Assets



**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-14-41**

**CASE NO. PAC-E-14-11**

**VAIL, DI  
TESTIMONY**

**EXHIBIT NO. 8**

**PacifiCorp**  
**Proposed Exchange with Idaho Power compared to the Status Quo**  
**Retail Revenue Requirements**  
(Thousands of Dollars)

Line No.	Revenue Requirements	Formula	Present Value Revenue Requirement	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	(1)	(2)	(3)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	<b>Retail Revenue Requirements</b>												
	Proposed Exchange												
2	Less: Status Quo (Retain Legacy Agreements)	(Line 27)	(159,162)	(20,771)	(21,591)	(22,177)	(22,734)	(23,122)	(23,574)	(24,091)	(24,573)	(24,995)	(25,378)
3	<b>Retail Cost or (Benefit)</b>	Sum (1) - (2)	<b>(1,633)</b>	<b>(1,938)</b>	<b>(99)</b>	<b>(573)</b>	<b>(267)</b>	<b>(68)</b>	<b>71</b>	<b>258</b>	<b>421</b>	<b>559</b>	<b>319</b>
<b>Proposed Exchange</b>													
4	Operating Revenue		0	0	0	0	0	0	0	0	0	0	0
5	Operating Expenses (Excluding Wheeling)		12,903	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868
6	Wheeling		144,945	17,133	19,556	19,701	20,592	21,205	21,818	22,542	23,205	23,784	23,996
7	Property Taxes		64	99	6	8	9	11	11	12	13	14	16
8	Book Depreciation		(934)	(1,352)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)	(135)
9	Rate of Return		1,967	2,796	384	355	330	308	288	271	255	238	181
10	Current and Deferred Income Taxes		804	1,143	76	157	145	126	118	111	104	97	74
11	<b>Gross Revenue Requirements</b>	Sum (4) - (10)	<b>159,749</b>	<b>234,894</b>	<b>19,132</b>	<b>21,835</b>	<b>22,797</b>	<b>23,380</b>	<b>23,967</b>	<b>24,668</b>	<b>25,309</b>	<b>25,867</b>	<b>25,998</b>
12	Less: Transmission Revenue Credits	(Line 17)	(2,221)	(3,204)	(942)	(336)	(331)	(326)	(322)	(319)	(316)	(312)	(300)
13	<b>Retail Revenue Requirements</b>	Sum (11) - (12)	<b>157,528</b>	<b>231,690</b>	<b>18,833</b>	<b>21,605</b>	<b>22,467</b>	<b>23,054</b>	<b>23,645</b>	<b>24,349</b>	<b>24,993</b>	<b>25,554</b>	<b>25,697</b>
<b>Status Quo (Retain Legacy Agreements)</b>													
14	FERC Revenue Requirement		159,749	234,894	19,132	21,835	22,797	23,380	23,967	24,668	25,309	25,867	25,998
15	Less: Wheeling	Line 6	(144,945)	(213,532)	(17,133)	(19,556)	(20,592)	(21,205)	(21,818)	(22,542)	(23,205)	(23,784)	(23,996)
16	FERC Revenue Requirement	Sum (14) - (15)	14,804	21,362	1,999	2,279	2,205	2,175	2,149	2,126	2,105	2,083	2,002
17	Transmission Revenue Credits - 15%	Line 16 X 15%	2,221	3,204	300	342	331	326	322	319	316	312	300
18	Operating Revenue		0	0	0	0	0	0	0	0	0	0	0
19	Operating Expenses (Excluding Wheeling)		0	0	0	0	0	0	0	0	0	0	0
20	Wheeling		159,162	233,006	20,771	21,591	22,177	22,734	23,122	24,091	24,573	24,995	25,378
21	Property Taxes		0	0	0	0	0	0	0	0	0	0	0
22	Book Depreciation		0	0	0	0	0	0	0	0	0	0	0
23	Rate of Return		0	0	0	0	0	0	0	0	0	0	0
24	Current and Deferred Income Taxes		0	0	0	0	0	0	0	0	0	0	0
25	<b>Gross Revenue Requirements</b>	Sum (18) - (24)	<b>159,162</b>	<b>233,006</b>	<b>20,771</b>	<b>21,591</b>	<b>22,177</b>	<b>22,734</b>	<b>23,122</b>	<b>24,091</b>	<b>24,573</b>	<b>24,995</b>	<b>25,378</b>
26	Less: Transmission Revenue Credits	(Line 31)	0	0	0	0	0	0	0	0	0	0	0
27	<b>Retail Revenue Requirements</b>	Sum (25) - (26)	<b>159,162</b>	<b>233,006</b>	<b>20,771</b>	<b>21,591</b>	<b>22,177</b>	<b>22,734</b>	<b>23,122</b>	<b>24,091</b>	<b>24,573</b>	<b>24,995</b>	<b>25,378</b>
28	FERC Revenue Requirement		159,162	233,006	20,771	21,591	22,177	22,734	23,122	24,091	24,573	24,995	25,378
29	Less: Wheeling	Line 20	(159,162)	(233,006)	(20,771)	(21,591)	(22,177)	(22,734)	(23,122)	(24,091)	(24,573)	(24,995)	(25,378)
30	FERC Revenue Requirement	Sum (28) - (29)	0	0	0	0	0	0	0	0	0	0	0
31	Transmission Revenue Credits - 15%	Line 30 X 15%	0	0	0	0	0	0	0	0	0	0	0

Note: Discount Rate 6.66%

Sales (MW-Year)	PAC	Other	Total
Network Service	8,665	111	8,776
Other Services	-	952	952
Behind The Meter	-	259	259
Total Network Load	<u>8,665</u>	<u>1,322</u>	<u>9,987</u>
Point-to-Point	<u>3,414</u>	<u>743</u>	<u>4,157</u>
Total Firm Load	12,079	2,065	14,144
Short-Term Firm	508	127	636
Short-Term Non-Firm	<u>3,165</u>	<u>561</u>	<u>3,727</u>
Total Short-Term	3,674	689	4,362
Total Sales (MW-Year)	15,753	2,754	18,506
	85.00%	15.00%	100.00%

Revenue	PAC	Other	Total
Network Service	213,332	2,733	216,065
Other Services	-	23,438	23,438
Behind The Meter	-	6,377	6,377
Total Network Load	<u>213,332</u>	<u>32,548</u>	<u>245,880</u>
Point-to-Point	<u>84,053</u>	<u>18,293</u>	<u>102,345</u>
Total Firm Load	297,385	50,840	348,225
Short-Term Firm	12,545	3,144	15,689
Short-Term Non-Firm	<u>78,133</u>	<u>13,847</u>	<u>91,980</u>
Total Short-Term	90,678	16,991	107,669
Total Revenue	388,063	67,832	455,894
	85.00%	15.00%	100.00%

\$ 24.62

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-14-41**

**CASE NO. PAC-E-14-11**

**VAIL, DI  
TESTIMONY**

**EXHIBIT NO. 9**

No Additions	PAC>IPC	IPC>PAC	Difference
Transmission Lines	32,306	18,885	13,421
Transmission Substation	11,312	24,380	(13,068)
Cash	0	353	(353)
Total	<u>43,618</u>	<u>43,618</u>	<u>0</u>

Additions	PAC>IPC	IPC>PAC	Difference
Transmission Lines	0	532	(532)
Transmission Substation	1,115	1,409	(293)
Cash	825	0	825
Total	<u>1,940</u>	<u>1,940</u>	<u>0</u>

Total	PAC>IPC	IPC>PAC	Difference
Transmission Lines	32,306	19,416	12,889
Transmission Substation	12,427	25,789	(13,361)
Cash	472	0	472
Total	<u>45,205</u>	<u>45,205</u>	<u>(0)</u>

PacifiCorp Assets (No Adds)	Lines	Substations	Total
Electric Plant in Service	60,106	14,043	74,149
Accumulated Depreciation	<u>(27,800)</u>	<u>(2,731)</u>	<u>(30,531)</u>
Net Plant	<u>32,306</u>	<u>11,312</u>	<u>43,618</u>

PacifiCorp Assets (Adds)	Lines	Substations	Total
Electric Plant in Service	60,106	15,158	75,264
Accumulated Depreciation	<u>(27,800)</u>	<u>(2,731)</u>	<u>(30,531)</u>
Net Plant	<u>32,306</u>	<u>12,427</u>	<u>44,733</u>

FERC Act. 353		1.76%
FERC Act. 354	1.53%	
FERC Act. 356	1.88%	
Average	1.71%	1.76%
Adj. Deprec. Rate	3.17%	2.15%
Remaining Life	32	47

Idaho Power Assets No Adds	Lines	Substations	Total
Electric Plant in Service	30,480	33,308	63,788
Accumulated Depreciation	<u>(11,595)</u>	<u>(8,928)</u>	<u>(20,523)</u>
Net Plant	<u>18,885</u>	<u>24,380</u>	<u>43,265</u>

Idaho Power Assets (Adds)	Lines	Substations	Total
Electric Plant in Service	31,011	34,716	65,727
Accumulated Depreciation	<u>(11,595)</u>	<u>(8,928)</u>	<u>(20,523)</u>
Net Plant	<u>19,416</u>	<u>25,789</u>	<u>45,205</u>

Adj. Deprec. Rate	2.72%	2.37%
Remaining Life	37	42

1,054	266	1,320
<u>(544)</u>	<u>(609)</u>	<u>(1,153)</u>
<u>510</u>	<u>(343)</u>	<u>167</u>

1,010	264	1,274
<u>(525)</u>	<u>(614)</u>	<u>(1,139)</u>
<u>485</u>	<u>(350)</u>	<u>135</u>