

825 N.E. Multnomah
Portland, Oregon 97232
(503) 813-5000

RECEIVED
FILED



2005 JUL -1 AM 9:15

IDAHO PUBLIC
UTILITIES COMMISSION



July 1, 2005

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

Re: Application of PacifiCorp dba Utah Power & Light Company
for Approval of Changes to Its Electric Service Schedules
Case No. PAC-E-05-1

Dear Ms. Jewell:

Please find enclosed for filing an original and 9 copies of Robert C. Lively's direct testimony in support of the Stipulation filed in the above-referenced matter. Also enclosed is a diskette containing the testimony and exhibit. To the attention of the Court Reporter is a paper copy of all documents along with a diskette containing the testimony and exhibit.

All formal correspondence and regarding this Application should be addressed to:

Jeff Larsen
PACIFICORP
201 South Main, Suite 2300
Salt Lake City, Utah 84140-0023
Telephone: (801) 220-4561
Fax: (801) 220-3116
Email: jeff.larsen@pacificorp.com

James M. Van Nostrand
STOEL RIVES LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204
Telephone: (503) 294-9679
Fax: (503) 220-2480
Email: jmvannostrand@stoel.com

Communications regarding discovery matters, including data requests issued to PacifiCorp, should be addressed to:

By E-mail (preferred): datarequest@pacificorp.com

By Fax: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 800
Portland, OR 97232

Very truly yours,

D. Douglas Larson
Vice President, Regulation

cc: Service List

Enclosures

PROOF OF SERVICE

I hereby certify that on this 1st day of July, 2005 I caused to be served, via U.S. mail, a true and correct copy of the Direct Testimony of Robert C. Lively.

IDAHO IRRIGATION PUMPERS
ASSOCIATION, INC;
Eric L. Olsen
Racine, Olson, Nye, Budge,
Bailey, Chartered
201 E. Center
P.O. Box 1391
Pocatello, ID 83204-1391

Scott Woodbury
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-5983

James R. Smith
Monsanto Company
Highway 34 North
Soda Springs, ID 83276

Conley E. Ward
Givens Pursley LLP
601 W. Bannock St.
Boise, ID 83702

Timothy J. Shurtz
411 S. Main
Firth, ID 83236

MONSANTO
Randall Budge
Racine, Olson, Nye, Budge,
Bailey, Chartered
201 E. Center
P.O. Box 1391
Pocatello, ID 83204-1391

Kira Pfisterer
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-5983

Anthony Yankel
29814 Lake Road
Bay Village, OH 44140

Dennis E. Peseau
Utility Resources, Inc.
1500 Liberty St. SE, Suite 250
Salem, OR 97302

Brady M. Purdy
Attorney At Law
2019 N. 17th Street
Boise, ID 83702

R. Scott Pasley
Assistant General Counsel
J.R. Simplot Company
999 Main Street
Boise, ID 83702

Katie Iverson
17244 W. Cordova Court
Surprise, AZ 85387

David Hawk
Director, Energy Natural Resources
J.R. Simplot Company
999 Main Street
Boise, ID 83702

Joe Lecki
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-5983

5



Peggy Ryan
Regulatory Operations Coordinator

RECEIVED
FILED



2005 JUL -1 AM 9:15

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IDAHO PUBLIC
UTILITIES COMMISSION

**IN THE MATTER OF THE)
APPLICATION OF PACIFICORP DBA)
UTAH POWER & LIGHT COMPANY) CASE NO. PAC-E-05-1
FOR AUTHORITY TO INCREASE ITS)
RATES FOR ELECTRIC SERVICE TO)
ELECTRIC CUSTOMERS IN THE STATE)
OF IDAHO)**

Direct Testimony of Robert C. Lively

PACIFICORP

July 1, 2005

1 **Q. Please state your name, business address and position with PacifiCorp (“the**
2 **Company.”)**

3 A. My name is Robert C. Lively, and my business address is One Utah Center,
4 Suite 2300, 201 South Main Street, Salt Lake City, Utah. I am employed by
5 PacifiCorp as a Regulation Manager.

6 **Qualifications**

7 **Q. Please summarize your education and business experience.**

8 A. I received an undergraduate degree in Accounting from the University of Utah
9 and a Master of Business Administration degree from Utah State University. I
10 have been employed by Utah Power & Light Company and subsequently
11 PacifiCorp since 1983 and have held various positions in accounting, regulation,
12 and customer account management. My current responsibilities include the
13 management of all regulatory filings that are made by PacifiCorp with the Idaho
14 Public Utilities Commission.

15 **Purpose**

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

17 A. The purpose of my testimony is to support the Stipulation dated June 10, 2005
18 and filed with the Commission June 13, 2005 and to explain why the terms of
19 the Stipulation are reasonable and in the public interest. I first provide
20 background to the rate case filing and settlement. I explain the various
21 elements of the Stipulation and provide some background as to PacifiCorp’s
22 reasons for recommending that the Commission adopt the Stipulation. I

1 describe why the Stipulation is reasonable and in the public interest and, finally,
2 I recommend that the Commission adopt the Stipulation in its entirety.

3 **Background**

4 **Q. Please describe PacifiCorp's initial rate case filing in this proceeding.**

5 A. On January 15, 2005, PacifiCorp filed an Application in this case seeking
6 authority to increase the Company's base rates for electric service in Idaho by
7 \$15.1 million annually, an average increase of approximately 12.5 percent. The
8 proposed increase is offset in part by the expiration of the Power Cost/Tax
9 Surcharge (Schedule 93) in September 2005. The revised tariff schedules reflect
10 a net increase of \$11.4 million (9.2%) and a proposed effective date of
11 September 16, 2005.

12 **Q. Who are the other parties to the rate case proceeding?**

13 A. In addition to the Idaho Public Utilities Commission Staff ("Staff"), petitions to
14 intervene in this proceeding were filed by Monsanto Company ("Monsanto"),
15 the Idaho Irrigation Pumpers Association ("IIPA"), Agrium, Inc. ("Agrium"),
16 J.R. Simplot Company ("Simplot"), Community Action Partnership Association
17 of Idaho ("CAPAI") and Timothy J. Shurtz ("Shurtz") (collectively referred to
18 as "Parties"). By various orders, the Commission granted these interventions.

19 **Q. Was the Stipulation signed by all Parties to the rate case?**

20 A. No. The Stipulation is entered into by and among the Company, Staff, IIPA,
21 Agrium, Simplot, CAPAI and Shurtz ("Stipulation Parties"). Monsanto did not
22 enter into the Stipulation.

1 **Q. Did Monsanto participate in the settlement discussions that resulted in the**
2 **Stipulation?**

3 A. Yes, Monsanto participated in the May 16, 2005 settlement conference.
4 Additionally, the Company understands that Monsanto participated in a June 3,
5 2005 teleconference among Parties (other than PacifiCorp) to discuss settlement
6 of the case. Finally, the Company informally discussed settlement issues with
7 Monsanto beginning as early as April 28, 2005 and as late as June 9, 2005.
8 Throughout this process, it became apparent to PacifiCorp that Monsanto would
9 not support terms of the Stipulation that were deemed important to the Company
10 and acceptable to the Stipulation Parties.

11 **Terms of the Stipulation**

12 **Q. What are the key elements of the Stipulation?**

13 A. If approved by the Commission, PacifiCorp would be allowed to implement
14 revised tariff schedules designed to recover \$5.75 million in additional annual
15 revenue from base rates, representing an aggregate base rate increase of 4.8
16 percent. These revised tariff schedules would become effective as of
17 September 16, 2005, contemporaneously with the expiration of the Power
18 Cost/Tax Surcharge (Schedule 93) currently appearing on customers' bills.

19 **Q. How is this increase proposed to be spread across the customer classes?**

20 A. This proposed revenue requirement increase results in a 1.7 percent rate
21 increase above current rates whether or not such current rates include Schedule
22 93, Power Cost/Tax Surcharge and Schedule 94, Rate Mitigation Adjustment.

1 The overall increase would be reflected in base rate tariffs filed for each
2 customer class. Exhibit No. 1 to this testimony shows the allocation of the
3 proposed rate increase by rate schedule.

4 **Q. What does the Stipulation provide with respect to inter-jurisdictional cost**
5 **allocation issues?**

6 A. This Stipulation implements the Revised Protocol jurisdictional cost allocation
7 methodology in Idaho that resulted from the Multi-State Process (“MSP”). In
8 Case No. PAC-E-02-3, Order No. 29708, the Commission approved a
9 Stipulation and Agreement (“MSP Stipulation”) recommending implementation
10 of the Revised Protocol. The MSP Stipulation included a Rate Mitigation
11 Measure to limit the financial impact regarding the choice of allocation
12 methodology. Under the Rate Mitigation Measure, the impact of
13 implementation of the Revised Protocol was limited to 101.67 percent of the
14 rates that would have resulted from use of the Rolled-In method.

15 **Q. Did the Rate Mitigation Measure come into play in this proceeding?**

16 A. Yes. As a result of application of the Rate Mitigation Measure, the Company’s
17 original filing in this case was reduced by \$1.8 million below what it would
18 have been without application of the Rate Mitigation Measure.

19 **Q. Do the Stipulation Parties support continued use of the Revised Protocol?**

20 A. Yes. Paragraph 7 of the Stipulation provides that the Stipulation Parties support
21 continued use of the Revised Protocol for future rate proceedings, consistent
22 with the terms and conditions of the MSP Stipulation.

1 Q. What is the impact of the Company's contract with Monsanto in this
2 proceeding?

3 A. In Case No. PAC-E-01-16, the Commission adopted a contract standard for the
4 Monsanto contract. In that proceeding, the Commission approved a fixed price
5 contract for Monsanto to remain in effect through December 31, 2006, finding
6 that the rates and charges under the contract would "reasonably reflect the
7 Company's cost of service to Monsanto going forward." Order No. 29157,
8 p. 8.

9 Recognizing Monsanto's fixed price contract in its initial filing in this
10 case, PacifiCorp's cost of service study allocated its Idaho revenue requirement
11 deficiency only to its Idaho tariffed customers eligible for an increase, *i.e.*, its
12 Idaho customers other than Monsanto.

13 An analysis provided by the Company in response to discovery from the
14 Staff showed that if Monsanto's cost of service had been updated in a manner
15 consistent with the cost of service study included in the Company's filing,
16 approximately \$11 million of the \$15.1 million rate increase request would have
17 been attributable to Monsanto.

18 Staff and other Parties opposed the Company's proposed treatment of
19 allocating the entire revenue requirement deficiency to tariff customers, and
20 argued that any revenue requirement deficiency, or shortfall, associated with
21 service to Monsanto (*i.e.*, the difference between Monsanto's fixed price
22 contract rates and the cost of serving Monsanto if its cost of service were
23 updated) should not be spread to the Company's remaining Idaho customers.

1 If the result of this proceeding were that the Monsanto shortfall was not
2 allocated to tariff customers, as proposed by the Staff and other Parties, the
3 Company would be placed in the inequitable position of potentially absorbing
4 the \$11 million shortfall until rates for Monsanto could be adjusted following the
5 expiration of the contract term in December 2006. Conversely, if this
6 proceeding resulted in the Monsanto shortfall being allocated to tariff customers
7 as proposed by the Company, Staff and other Parties have taken the position that
8 tariff customers would inequitably bear the burden of the \$11 million revenue
9 shortfall otherwise attributable to Monsanto if its cost of service were updated.

10 PacifiCorp believes it is likely that either of these outcomes would have
11 resulted in an appeal of the Commission's decision.

12 **Q. Was the Monsanto shortfall issue anticipated in previous proceedings before**
13 **this Commission?**

14 **A.** Yes. As the Commission's Order approving adoption of the Revised Protocol
15 recognized, this contentious issue could arise in the context of a rate case. In
16 Case No. PAC-E-02-3, the Commission considered that:

17 An issue that could be heard in a rate case under the
18 Revised Protocol methodology, Staff notes, is the
19 potential cost shifts to Idaho customers other than
20 Monsanto when Monsanto rates are fixed during the
21 contract period. If the cost studies utilized for any rate
22 case and Monsanto's contract negotiations are the same,
23 there will be no cost shift concerns. If the cost studies are
24 not the same, any shortfall that would ordinarily be
25 allocated to Monsanto but left uncovered by contract could
26 become an issue. This shortfall due to the timing
27 difference could be absorbed by PacifiCorp or requested
28 for recovery from other customers in a subsequent rate
29 case. (Order No. 29708, page 8)

1 As noted in the Commission's Order, cost shift concerns can be avoided only "if
2 the cost studies utilized for any rate case and Monsanto's contract negotiation
3 are the same." In this case, however, the cost shift concern associated with the
4 Monsanto contract shortfall is the direct result of utilizing different cost of
5 service studies for setting Monsanto rates (based on a 1999 study, as approved
6 by the Commission in Order No. 29157), and for setting rates for tariff
7 customers in this rate case (based on the 2004 study proposed in the Company's
8 initial filing in this proceeding).

9 **Q. How does the Stipulation address the Monsanto shortfall issue?**

10 A. The Stipulation does not resolve the Monsanto shortfall issue in the context of
11 this proceeding. Rather, the Stipulation proposes to address the cost shift
12 considerations associated with the Monsanto contract shortfall in the Company's
13 next Idaho general rate case, which would rely on a single cost of service study
14 for setting rates for both Monsanto and other Idaho customers. This proposal
15 creates the optimal circumstance referenced by the Commission in Order No.
16 29708 wherein the cost studies utilized for the rate case and Monsanto's contract
17 negotiations are the same, thus eliminating cost shift concerns resulting from the
18 Monsanto shortfall.

19 This alignment of cost studies can be achieved in the next Idaho general
20 rate case because the current Monsanto contract will expire on December 31,
21 2006. The Stipulation therefore provides that the Company file its next general
22 rate case in Idaho no later than April 29, 2006 in order that the effective date of
23 rates in that proceeding will coincide with the expiration of the current

1 Monsanto contract and the beginning of a new term for service to Monsanto.

2 **Q. Does the Stipulation address the broader issue of tariff standard versus**
3 **contract standard?**

4 A. Yes. Staff and the Company agree in paragraph 9 of the Stipulation that all of
5 the Company's Idaho customers should be served under the tariff standard. In
6 any future proceedings involving Company customers seeking electric service
7 under a special contract, Staff will support the position that any service contract
8 for Monsanto or any other PacifiCorp customer should be pursuant to the tariff
9 standard rather than the contract standard.

10 **Q. Will Stipulation Parties other than the Company and Staff support a tariff**
11 **standard for Monsanto?**

12 A. Paragraph 9 provides that Stipulation Parties other than the Company and Staff
13 that participate in special contract proceedings shall support or not oppose this
14 position that all Idaho PacifiCorp customers should be served under the tariff
15 standard. Of course, PacifiCorp recognizes that the Commission is not bound
16 by any agreement of the Stipulation Parties on this issue in any such
17 proceedings.

18 **Q. Why is it important to address the tariff standard issue in this Stipulation?**

19 A. Given the impact and magnitude of the Monsanto shortfall in this proceeding,
20 the Stipulation Parties believe it was essential to identify a proposed solution to
21 this controversy. The Stipulation Parties understand that any agreement in the
22 Stipulation regarding the tariff standard issue in a future proceeding is not
23 binding on the Commission; however, the Company believes it important that

1 the Commission understand their intent on this issue.

2 Paragraph 9 of the Stipulation recognizes that it is preferable to have all
3 of the Company's Idaho customers served on a tariff standard, which would
4 allow for the alignment of cost of service studies used to set all customer rates,
5 thus avoiding future occurrences of the controversial cost shifting issue present
6 in this proceeding. The continuation of the contract standard virtually ensures
7 the perpetuation of cost shift concerns in the context of future rate cases because
8 there will almost always be a mismatch between the cost of service studies
9 utilized to set rates for contract standard customers and the cost of service study
10 used to set rates for tariff customers. As previously discussed, this situation
11 creates serious cost recovery issues between the Company and its Idaho
12 customers, and produces inequity among the Company's Idaho customers.

13 Moreover, the contract standard jeopardizes the Company's ability to
14 recover its Idaho revenue requirement. Unless the Company's tariffed
15 customers are allocated any shortfall attributable to the inability to increase the
16 rates of the contract standard customers, the Company is denied any reasonable
17 opportunity to recover its costs of doing business in Idaho. This is not equitable
18 or sustainable.

19 **Q. Is the Stipulation consistent with Commission Order No. 29157 in which a**
20 **contract standard was approved for Monsanto?**

21 **A.** Yes. The Stipulation expressly acknowledges the binding impact of Order
22 No. 29157, in which the Commission approved a fixed price contract for
23 Monsanto to remain in effect through December 31, 2006. The Stipulation

1 addresses only the issue of the Stipulation Parties' positions on the tariff
2 standard issue once the existing Monsanto contract expires on December 31,
3 2006.

4 **Q Is the Stipulation consistent with the MSP Stipulation and the Commission's**
5 **Order No. 29708 approving the MSP Stipulation?**

6 A. Yes. As noted above, the Rate Mitigation Measure included in the MSP
7 Stipulation reduced the size of the Company's original filing in this case by \$1.8
8 million. With the Idaho revenue requirement thus reduced, the MSP Stipulation
9 does not address how the Idaho revenue requirement, once determined, would
10 be spread across the Idaho customer base. There is nothing in the MSP
11 Stipulation or Commission Order No. 29708, for example, which affects
12 Monsanto's existing contract or directs how Monsanto's cost of service may be
13 determined in the future. Paragraph 7 of the Stipulation in this case indicates
14 that the Stipulation Parties support continued use of the Revised Protocol for
15 future rate proceedings, which is entirely consistent with Commission Order
16 No. 29708.

17 **Q. Does the Stipulation address the possibility of implementing non-traditional**
18 **ratemaking mechanisms in Idaho?**

19 A. Yes. The Company is interested in exploring the possibility of implementing
20 alternative rate recovery mechanisms in Idaho, including a power cost
21 adjustment (PCA) mechanism or an alternative form of regulation (AFOR).
22 Under paragraph 10 of the Stipulation, Staff agrees to meet with the Company
23 in a collaborative discussion to explore these issues.

1 **Q. What schedule is contemplated for these discussions?**

2 A. According to paragraph 10 of the Stipulation, the initial meeting to discuss the
3 development of such mechanisms will occur no later than thirty days after the
4 Commission's order with respect to this Stipulation. PacifiCorp hopes to pursue
5 the development of a mutually agreeable form of alternative rate recovery
6 mechanism on an expedited schedule so that the mechanism could be filed with
7 the Commission for approval prior to the Company's next general rate
8 proceeding in Idaho. That would allow the mechanism to be implemented in the
9 general rate proceeding.

10 **Q. Please explain the provision in the Stipulation regarding calculation of**
11 **credits under the Company's Irrigation Load Control Credit Rider.**

12 A. Paragraph 11 of the Stipulation provides that the Company will meet with IIPA
13 and other interested participants regarding the calculation of credits under the
14 Company's Schedule 72, the Irrigation Load Control Credit Rider. IIPA has
15 raised issues regarding the calculation of these credits, and the Company agreed
16 to meet in an attempt to resolve these issues. The initial meeting is required to
17 occur no later than August 31, 2005.

18 **Q. What will be the outcome of those meetings?**

19 A. In the event the participants reach agreement on the calculation of irrigation
20 credits, the Company will prepare a stipulation setting forth the agreed-upon
21 terms and file this stipulation with the Commission no later than September 30,
22 2005. In the event these participants do not reach agreement, paragraph 11
23 provides that each party will file its proposal with respect to this issue with the

1 Commission no later than September 30, 2005 in order to accommodate a
2 Commission decision that will not delay the scheduled January 15, 2006
3 customer notification of the credit level for the 2006 irrigation season.

4 **Q. Does the Company address low-income issues in the Stipulation?**

5 A. Yes. To increase customer participation and available incentives for installation
6 of additional cost-effective weatherization measures, the Company has agreed in
7 paragraph 12 of the Stipulation to file revisions to its Low Income
8 Weatherization Program tariff (Schedule 21). These proposed revisions will
9 contain several specific proposed program and tariff changes.

10 **Q. Please describe these changes to the Company's Low Income
11 Weatherization Program tariff.**

12 A. The Company proposes to increase the available annual Community Action
13 Agency incentives from \$100,000 to \$150,000 annually. The Company will
14 also commit to increase the rebate on weatherization services available on homes
15 with installed electric heat from the current maximum of \$1,000 per dwelling to
16 an average annual rebate of \$1,500 per dwelling. In addition, the Company
17 proposes to increase the administrative reimbursement provided to Community
18 Action Agencies from \$150 per completed home to 15 percent of PacifiCorp's
19 rebate on installed measures with set maximums. The Company also will
20 propose expanding its current program incentives by offering reimbursement of
21 50 percent of costs associated with additional measures installed in homes
22 regardless of heating source, including compact fluorescent light bulbs,

1 replacement refrigerators and water heating measures in homes with electric
2 water heaters.

3 **Q. What about homes that previously received benefits under the prior**
4 **programs?**

5 A. To promote installation of efficiency measures that have become cost-effective
6 in the last decade, PacifiCorp agrees to offer rebates, once per individual
7 measure and up to two times per dwelling, for homes in which benefits were
8 provided under this tariff prior to October 1, 1993.

9 **Q. Will the Company continue to evaluate its low-income weatherization**
10 **programs to ensure that they remain current?**

11 A. Yes. Paragraph 12 of the Stipulation provides that the Company will evaluate
12 this tariff (Schedule 21) within two years to determine if further revisions are
13 warranted.

14 **Q. What does the Stipulation provide with respect to regulatory assets and**
15 **liabilities?**

16 A. In its initial application, PacifiCorp included certain deferred costs and
17 obligations, recorded on its balance sheet as regulatory assets and liabilities.
18 Paragraph 5 of the Stipulation provides that all regulatory assets and liabilities
19 included in PacifiCorp's filing are unadjusted and recognized for purposes of this
20 settlement.

21 **Impact on the public interest**

22 **Q. Is this Stipulation in the public interest?**

23 A. Yes. The Stipulation enhances the public interest for the following reasons:

- 1 1. Combined with the expiration of the Power Cost/Tax Surcharge
2 (Schedule 93), the Stipulation allows for a modest 1.7 percent price
3 impact on customers above existing rates. If the proposed increase is
4 granted, PacifiCorp's Idaho retail average rates will remain among
5 the lowest in the nation, based on information from the Edison
6 Electric Institute. When comparing PacifiCorp's electric rates to
7 those of other utilities, the proposed rate increase is reasonable.
- 8 2. The proposed rate increase enhances the Company's ability to
9 continue to safely and reliably meet the electrical service needs of
10 customers in Idaho.
- 11 3. While not asking the Commission to prejudge the issue, the
12 Stipulation proposes a solution to cost shift concerns in the context of
13 the next Idaho general rate case proceeding. The proposed tariff
14 standard aligns the cost of service basis upon which all customer
15 rates are set, thus avoiding (as acknowledged by the Commission in
16 Order No. 29708) controversial cost shifting that arises, as in this
17 case, as a result of cost study mismatches associated with contract
18 standard customers.
- 19 4. The Stipulation provides for collaborative discussion of non-
20 traditional rate making mechanisms in Idaho and the calculation
21 methodology for the Irrigation Load Control Credit. Such
22 discussions promote communication and understanding among
23 participants as enhancements to current regulatory practices are

1 explored.

2 5. The Stipulation also provides for important additions to the
3 Company's low-income initiatives in Idaho, thus improving the
4 ability of low-income customers to manage their energy costs, and
5 allowing a greater number of PacifiCorp's Idaho customers to benefit
6 from a wider array of weatherization services.

7 6. The Stipulation implements and sustains previous Commission orders
8 authorizing the current Monsanto contract (Order No. 29157) and the
9 MSP allocation methodology (Order No. 29708).

10 7. The Stipulation avoids the potential appeal of a Commission order
11 either allowing allocation of the Monsanto shortfall to tariff
12 customers, or in the alternative, denying allocation of the Monsanto
13 shortfall to tariff customers.

14 **Q. What action is the Company proposing that the Commission take with**
15 **respect to the Stipulation?**

16 A. For the reasons stated above the Company believes, and the Stipulation Parties
17 agree, that the Stipulation is in the public interest and that all of its terms and
18 conditions are fair, just and reasonable. The Company therefore recommends
19 that the Commission adopt the Stipulation in its entirety to resolve the contested
20 issues in this proceeding and that the terms of the Stipulation go into effect
21 September 16, 2005.

22 **Q. Does this conclude your testimony?**

23 A. Yes.

Case No. PAC-E-05-1
Exhibit No. 1
Witness: Robert C. Lively

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

Exhibit Accompanying Direct Testimony of Robert C. Lively

Allocation of Proposed Rate Increase by Rate Schedule

July 1, 2005

EXHIBIT NO. 1
UTAH POWER & LIGHT COMPANY
ESTIMATED IMPACT OF PROPOSED REVENUES ON NORMALIZED PRESENT REVENUES
FROM ELECTRIC SALES TO ULTIMATE CONSUMERS
DISTRIBUTED BY RATE SCHEDULES IN IDAHO
12 MONTH ENDING MARCH 2004

Line No.	Description	Sch.	Average No. of Customers	MWH	Present Revenue (\$000)					Proposed Revenue (\$000)					Change in			
					Rev. ¹	Sch. 94 RMA Rev. ³	Base Rev. ²	Sch. 93 Rev. ³	Net Rev. ⁵	Rev. ¹	Sch. 94 RMA Rev. ³	Base Rev. ²	Sch. 93 Rev. ⁴	Net Rev. ⁵	Base Revenue (\$000)	%	Net Revenue (\$000)	%
1 Residential Sales																		
1	Residential Service	1	32,173	306,321	\$26,206	(\$2,136)	\$24,070	\$1,171	\$25,241	\$27,794	(\$2,136)	\$25,659	\$0	\$25,659	\$1,589	6.6%	\$418	1.7%
3	Residential-Optional TOD	36	15,996	299,984	\$20,389	(\$724)	\$19,666	\$244	\$19,910	\$20,979	(\$724)	\$20,256	\$0	\$20,256	\$590	3.0%	\$346	1.7%
4	AGA-Revenue	--	--	--	\$5	\$0	\$5	\$0	\$5	\$5	\$0	\$5	\$0	\$5	\$0	0.0%	\$0	0.0%
5	Total Residential		48,168	606,304	\$46,600	(\$2,859)	\$43,740	\$1,415	\$45,156	\$48,778	(\$2,859)	\$45,919	\$0	\$45,919	\$2,179	5.0%	\$763	1.7%
6 Commercial & Industrial																		
7	General Service-Lg. Power	6, 6A	1,219	327,543	\$18,928	\$0	\$18,928	\$357	\$19,285	\$19,608	\$0	\$19,608	\$0	\$19,608	\$680	3.6%	\$323	1.7%
8	General Service-Med. Voltage	8	4	2,648	\$162	\$7	\$168	\$0	\$168	\$165	\$7	\$171	\$0	\$171	\$3	1.7%	\$3	1.7%
9	General Service-High Voltage	9	11	87,749	\$3,983	\$0	\$3,983	\$79	\$4,062	\$4,130	\$0	\$4,130	\$0	\$4,130	\$147	3.7%	\$68	1.7%
10	Irrigation	10	4,578	674,124	\$35,330	\$4,380	\$39,709	\$1,143	\$40,853	\$37,152	\$4,380	\$41,532	\$0	\$41,532	\$1,823	4.6%	\$679	1.7%
11	Comm. & Ind. Space Heating	19	326	11,281	\$816	(\$73)	\$743	\$49	\$792	\$879	(\$73)	\$806	\$0	\$806	\$62	8.4%	\$13	1.7%
12	General Service	23, 23A	6,462	112,536	\$9,944	(\$1,412)	\$8,533	\$599	\$9,131	\$10,698	(\$1,412)	\$9,287	\$0	\$9,287	\$754	8.8%	\$156	1.7%
13	Gen.Svc.- Optional TOD	35	2	1,721	\$99	\$0	\$99	\$2	\$100	\$102	\$0	\$102	\$0	\$102	\$3	3.5%	\$2	1.7%
14	Spcl. Contract-Monsanto	1	1	1,439,284	\$42,906	\$0	\$42,906	\$0	\$42,906	\$42,906	\$0	\$42,906	\$0	\$42,906	\$0	0.0%	\$0	0.0%
15	Spcl. Contract-Nu West	1	1	117,165	\$4,012	\$0	\$4,012	\$0	\$4,012	\$4,080	\$0	\$4,080	\$0	\$4,080	\$68	1.7%	\$68	1.7%
16	AGA-Revenue	--	--	--	\$250	\$0	\$250	\$0	\$250	\$250	\$0	\$250	\$0	\$250	\$0	0.0%	\$0	0.0%
17	Total Comm. & Industrial		12,603	2,774,052	\$116,429	\$2,902	\$119,331	\$2,228	\$121,560	\$119,970	\$2,902	\$122,872	\$0	\$122,872	\$3,541	3.0%	\$1,313	1.1%
18	Total Comm. & Industrial (Excluding Monsanto)		12,602	1,334,768	\$73,523	\$2,902	\$76,425	\$2,228	\$78,653	\$77,064	\$2,902	\$79,966	\$0	\$79,966	\$3,541	4.6%	\$1,313	1.7%
19 Public Street Lighting																		
20	Security Area Lighting	7, 7A	408	418	\$109	(\$27)	\$81	\$7	\$88	\$117	(\$27)	\$90	\$0	\$90	\$8	10.1%	\$2	1.7%
21	Street Lighting - Company	11	27	127	\$37	(\$10)	\$27	\$2	\$29	\$39	(\$10)	\$29	\$0	\$29	\$3	10.3%	\$0	1.7%
22	Street Lighting - Customer	12	219	1,854	\$236	(\$65)	\$171	\$14	\$186	\$254	(\$65)	\$189	\$0	\$189	\$17	10.2%	\$3	1.7%
23	Traffic Signal Systems	12	25	245	\$25	(\$7)	\$18	\$1	\$20	\$27	(\$7)	\$20	\$0	\$20	\$2	9.9%	\$0	1.7%
24	AGA-Revenue	--	--	--	(\$2)	\$0	(\$2)	\$0	(\$2)	(\$2)	\$0	(\$2)	\$0	(\$2)	\$0	0.0%	\$0	0.0%
25	Total Public Street Lighting		679	2,644	\$404	(\$109)	\$295	\$25	\$320	\$434	(\$109)	\$326	\$0	\$326	\$30	10.2%	\$5	1.7%
26	Total Sales		61,451	3,383,001	\$163,433	(\$66)	\$163,367	\$3,668	\$167,036	\$169,183	(\$66)	\$169,117	\$0	\$169,117	\$5,750	3.5%	\$2,082	1.2%
27	Total Sales (Excluding Monsanto)		61,450	1,943,716	\$120,527	(\$66)	\$120,461	\$3,668	\$124,129	\$126,277	(\$66)	\$126,211	\$0	\$126,211	\$5,750	4.8%	\$2,082	1.7%

Notes:
1. Excludes Schedule 94-RMA revenues.
2. Includes Schedule 94-RMA revenues.
3. Schedule 93-Power Cost and Tax, Surcharge (PCT) and Schedule 94-Rate Mitigation Adjustment (RMA) revenues are calculated by multiplying normalized actual loads with current RMA and PCT rates.
4. Schedule 93-Power Cost and Tax, Surcharge (PCT) expires.
5. Excludes Schedule 34-BFA credit.