

Exhibit No. ___ T (MDF-7T)
Docket UE-100749
Witness: Michael D. Foisy

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP D/B/A PACIFIC POWER
& LIGHT COMPANY,**

Respondent.

DOCKET UE-100749

TESTIMONY OF

Michael D. Foisy

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

**Supplemental Testimony
*Revenue Requirements***

December 6, 2010

1 **Q. Are you the same Michael D. Foisy who filed testimony on behalf of**
2 **Commission Staff on October 5, 2010, in this docket?**

3 A. Yes.

4
5 **Q. Please describe the nature of your supplemental testimony.**

6 A. I will describe the changes in Staff's case that resulted from the evidence PacifiCorp
7 filed on November 23, 2010, in response to the Commission's Second Prehearing
8 Conference Order. Staff witness Kathryn Breda will respond in more detail to the
9 additional information the Company provides on tax normalization issues.

10

11 **Q. Have you compared the "per books" results of operations the Company filed on**
12 **November 23, 2010, to the "per books" results of operations the Company filed**
13 **on May 4, 2010, to initiate this docket?**

14 A. Yes. I compared the figures in both versions of the Company's exhibits, in the
15 columns entitled "Washington Allocated Actual results Dec 2009". These columns
16 are found in both the original and revised versions of PacifiCorp witness Mr. Dalley's
17 Exhibit No. ____ (RBD-2) page 1 and Exhibit No. ____ (RBD-3), Tab 1, page 1.0.

18

19 **Q. Please explain the results of that comparison.**

20 A. There is one difference between the Company's initial presentation of its "per
21 books" results and its revised presentation of its "per books" results. On line 41, the
22 Company revised the "Working Capital" amount from \$13,606,718 to \$2,159,291.

23

1 **Q. Other than this revision related to the “per books” amount, did PacifiCorp**
2 **revise any of its adjustments?**

3 A. Yes. The Company revised its Adjustment 8.2, Jim Bridger Mine, to show the
4 components of the adjustment in various accounts. This affects six line items:
5 Electric Plant-in-Service; Miscellaneous Deferred Debits; Fuel Stock; Materials and
6 Supplies; Miscellaneous Rate Base; and Accumulated Provision for Depreciation.

7
8 **Q. Does Staff revise any of its exhibits to reflect these changes?**

9 A. Yes. I revised my Exhibit No. ___ (MDF-2) to reflect the same data and formatting
10 as PacifiCorp’s revised Exhibit Nos. ___ (RBD-2), page 1, and ___ (RBD-3), tab 1,
11 page 1.0. As a result of the Company’s change to the “per books” results related to
12 Working Capital, and the change to Company Adjustment 8.2, Staff made equivalent
13 revisions to Staff Adjustments 8.1, 8.2, 8.12, and 9.1.1.

14 Each of these changes is reflected in the revised pages of testimony of Staff
15 witness Mr. Thomas Schooley, in Exhibit No. ___ (TES-1T). These revisions had no
16 impact on Staff’s recommended revenue requirement.

17
18 **Q. Did the Company’s revised Exhibit No. ___ (RBD-3), Tab 1, page 1.0, filed by**
19 **PacifiCorp on November 23, 2010, show any other differences from the**
20 **Company’s original Exhibit No. ___ (RBD-3), Tab 1?**

21 A. Yes, a minor one. On line 43, “Misc. Rate Base,” the Company’s original exhibit
22 showed a small credit balance of (\$40,048) in Column 3, “Total Normalized
23 Results.” This small balance was in conflict with the corresponding line in Exhibit

1 No. ____ (RBD-3), Tab 2, page 2.2. Staff carried forward the data from Exhibit No.
2 ____ (RBD-3), Tab 1, with this credit of (\$40,048) in Staff's responsive testimony
3 filed October 5, 2010.

4 The revised exhibits PacifiCorp filed November 23, 2010, eliminate this
5 discrepancy. Therefore, in my revised exhibit I also eliminate this small credit in
6 Miscellaneous Rate Base, which causes a slight increase of about \$4,000 in Staff's
7 recommended revenue requirement.

8
9 **Q. What other changes appear in the Company's revised presentation?**

10 A. In PacifiCorp witness Mr. Fuller's supplemental testimony, he provides additional
11 information explaining the Company's position on tax normalization. With this new
12 information, Staff witness Ms. Kathryn Breda revises Staff Adjustment 7.9. Ms.
13 Breda explains these items in her supplemental testimony, Exhibit No. ____ (KHB-5T).
14 These revisions to Staff Adjustment 7.9 decreases Staff's recommended revenue
15 requirement by an additional \$1,174,264.

16
17 **Q. What is the overall impact of the additional information PacifiCorp filed on
18 November 23, 2010, on Staff's revenue requirements analysis?**

19 A. Staff's calculation of PacifiCorp's revenue requirement deficiency changed to
20 \$28,870,410 for Washington. A 10.58 percent increase in revenues would eliminate
21 this deficiency. This change is reflected in my revised exhibits and revised
22 testimony.

1 Q. Does this conclude your supplemental testimony?

2 A. Yes.