BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the matter of the Application of	)	DIRECT TESTIMONY OF
Rocky Mountain Power for a Certificate	)	JOHN CUPPARO
of Convenience and Necessity Authorizing	)	
Construction of the Populus to Terminal	)	
345 kV Transmission Line Project	)	Case No. PAC-E-08-03

Direct Testimony of John Cupparo

APRIL 2008

Q. Please state your name, business address, and present position.

A. My name is John Cupparo. My business address is 825 NE Multnomah, Portland, Oregon, 97232. My present position is Vice President of Transmission.

Q. How long have you been in your present position?

A. I have been in my present position since August, 2006. Before being appointed to this position I was Chief Information Officer for PacifiCorp.

Q. Please describe your education and business experience.

A. I have a Bachelor Science degree in Computer Information Systems from Colorado State University. My experience spans 23 years in the energy industry including oil, gas and electric utilities. The majority of my experience has been in information technology supporting natural gas pipelines, energy commodity trading and end to end electric utility operations. I have been employed at PacifiCorp since September, 2000. My job responsibilities have covered many aspects of utility operations – commercial & trading, outage management, customer service, transmission scheduling and regulatory issues. My experience within PacifiCorp includes management of multi-function organizations, large project delivery and resolving complex scheduling and contract scenarios.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to establish the purpose and need for the Populus-to-Terminal 345 kV transmission line (the "Transmission Project" or "Project").

Q. Would you please summarize your testimony in this proceeding?

A. In summary, the Transmission Project is needed to support long term load growth

and strengthen the overall transmission system. By constructing this Project, overall reliability of the transmission system will be enhanced by adding incremental new capacity for northbound and southbound flows between SE Idaho and Utah. In addition to load service requirements this Project will also improve our ability to recover from certain system and plant outage conditions. These conditions typically occur during winter/summer peaks and when generation or transmission forced outage events occur in various sections of the Company's eastern control area.

Q. Please describe the Transmission Project.

A. The major components of the project consist of a substation and the transmission line. A new substation (referred to as the "Populus Substation") will be constructed near the existing Jim Bridger 345 kV transmission line corridor in southeast Idaho near the town of Downey. A new double-circuit 345 kV transmission line will be constructed from the Populus Substation to the existing 345 kV Terminal Substation in Salt Lake City, Utah southwest of the Salt Lake International Airport. A map showing the route of the Transmission Line is attached as Exhibit A; minor adjustments to the route may occur during final design. The transmission line will also tie into the existing Ben Lomond Substation in Box Elder County, Utah. Initially, only a 345 kV substation yard will be developed at the Populus Substation and the existing Jim Bridger-Borah, Jim Bridger-Kinport, and Ben Lomond-Borah 345 kV lines will be looped in and out of the Populus Substation. However, the Populus Substation will be configured to facilitate the addition of planned future 345 kV and/or 500 kV

transmission lines. The Ben Lomond Substation and Terminal Substation will be expanded to accommodate the new 345 kV transmission lines and termination points.

Q. What analysis or process did the Company base its determination that additional transmission capacity was need?

A. The Company utilizes an Integrated Resource Plan ("IRP"). this is a public process used to develop a framework for the prudent future actions required to ensure the Company continues to provide reliable and least cost electric service to its customers, while striking an expected balance between cost and risk over the planning horizon and taking into consideration environmental issues and the energy policies of our states. As stated in Chapter 2 of the 2007 IRP, "PacifiCorp's IRP mandate is to assure, on a long-term basis, an adequate and reliable electricity supply at a reasonable cost and in a manner 'consistent with the long-run public interest.'"

Q. How does this Transmission Project meet those IRP requirements ?

A. The Project is designed to meet load growth and enhance grid reliability. Based on the Company's 2007 Integrated Resource Plan ("IRP") forecasts, PacifiCorp's network load obligation, is expected to grow during the next ten years at an annual average rate of 3 percent. In addition, planning reserves as required to maintain reliability obligations will increase. The existing transmission capacity from southeastern Idaho into Utah is fully utilized and no additional capacity can be made available without the addition of new transmission lines. The primary purpose of this Project is to add significant incremental transmission capacity

between Southeast Idaho and Northern Utah and further to facilitate a stronger interconnection to systems feeding Idaho, Wyoming and the Northwest in general. The Company determined that the best means of making a significant incremental increase in transmission capacity necessary to continue to reliably and economically serve these growing electrical loads would be to construct a new double circuit transmission line connecting the southeast Idaho transmission system to the Utah load center in the Wasatch Front. The addition of these new 345 kV circuits will not only provide access to existing and future generating resources, but will enhance the reliability of the existing system. I believe the recognized need for such improved transmission capability was what led MidAmerican Energy Holdings Company and other parties to agree upon the commitment to increase the transmission capacity from Idaho to Utah by June 2010. This commitment was made as part of the acquisition of PacifiCorp in 2006.

Q. Were alternatives to the Project considered?

A. Yes, two other alternatives were considered, but rejected. The first alternative was to not build the line. This option was rejected since it did not provide any new incremental transmission capacity and precluded the ability of new resources to be delivered into Utah from Wyoming, Idaho, or the Northwest in general. New incremental transmission capacity is needed for both load service and for contingencies. Another alternative considered was to rebuild some of the existing 138 kV lines interconnecting Utah and Southeast Idaho. This alternative provided only a small incremental increase of 300 MWs in transmission capacity across the

currently constrained path between Southeast Idaho and Utah. In addition to the marginal increase in transmission capacity this alternative had serious constructability issues as it required key segments of the path to be removed from service for extended periods as existing facilities were upgraded. This placed significant exposure to the overall transmission system serving the area and exposure to Rocky Mountain Power customers during construction. As this alternative did not meet the long-range resource plans for the 10 and 20-year periods, but had only small increases in over all transmission capacity and unacceptable reliability exposures during construction it was determined that this option was insufficient to meet long -term customer needs.

Q. Please describe further why the Project was selected?

A. The Project was selected based on several factors:

- The Project will add significant incremental transmission capacity (planned rating 1,400 MWs) across the current constrained transmission path
- The Project will allow import of up to 1,400 MWs of forecast renewable resources capacity from Wyoming and Southern Idaho. This new capacity is required based on long-term planning horizons of 10 years or more.
- The Project will use some existing corridors that were acquired just for this purpose and optimizes use of limited and scarce transmission corridor lands.
- The Project can be constructed with existing facilities remaining in

service without increased reliability exposure to the current system.

- Currently line and station maintenance windows are limited. When completed, this Project will improve our ability to perform required maintenance without significant derate of the system, and it will reduce outage risks when portions of transmission facilities are removed from service for maintenance.

As I have indicated, flows across Path C, which is the existing transmission path that the Populus-to-Terminal line will supplement, is a heavily used path within Rocky Mountain Power's system and the WECC. The Project satisfies not only the load growth requirement, but strengthens the system for Rocky Mountain Power customers generally.

Q. How will the Transmission Project benefit Rocky Mountain Power customers?

A. The Transmission Project will provide an efficient and reliable supply of transmission capacity to meet existing and future electrical loads by June 2010. Without the new capacity, PacifiCorp would have to rely on the existing transmission interconnections to the Desert Southwest, Central Utah, Four Corners, and Eastern Wyoming. These transmission paths are currently fully utilized and do not provide any meaningful transmission capacity required for future projected load. Without the increased transmission capacity provided by the Project, PacifiCorp would be faced with an increased and unacceptable risk of not being able to meet its load service obligations during all periods. The Project will enhance the Company's ability to provide reliable and efficient service to all

customers. Further, in order to provide low-cost energy, the Company must have the ability to acquire power from numerous generation sources in order to negotiate the most competitive pricing. By adding transmission capacity we expand our ability and options to obtain additional generation sources at competitive pricing. Currently there is only one 345 kV line from Idaho to the Wasatch Front in Utah. The Transmission Project will result in a stronger interconnection with Idaho Power Company and the existing Wyoming-to-Idaho transmission system, as well as providing better transmission system access to the Northwest Power Pool and electrical generation reserves. The Transmission Project, especially when complemented with the other proposed Energy Gateway projects, will also facilitate the development of renewable and other generation sources in Idaho and Wyoming by providing transmission capacity from proven areas of resource development to load centers. Generally, the addition of the Transmission Project will be an important piece in strengthening the Western grid's transmission infrastructure, which I believe is necessary, based upon our customers long-term load growth projections, and the contingencies and restrictions we are beginning to see on the network during outage conditions. The Project is widely regarded as necessary, as indicated in the Rocky Mountain Area Transmission Study (RMATS) report dated September 2004 Executive Summary Pages III, IV and V, and Chapter 3 pages 3-1 to 3-5. Also, reports initiated by the Western Governor's Association showed Path C as a constraint that needs to be addressed.

Q. Will the Transmission Project provide increased reliability for the Company's wholesale transmission customers?

A. Yes. Besides PacifiCorp, Utah Associated Municipal Power Systems ("UAMPS"), relies on Utah-based generation to support loads in Idaho. Increased capacity in the northbound direction provides better reliability for long-term load service in Idaho. Without increased northbound transmission capacity, both PacifiCorp and UAMPS would be required to find alternative resource suppliers for Idaho loads, potentially increasing their purchased power costs. In addition, the current Path C is utilized by other transmission customers as a means to move short-term and non-firm energy into and from the northwest. Increasing capacity across this path will significantly improve a point of constraint on the system that currently affects numerous transmission customers.

Q. Will the Transmission Project provide other benefits to the Company's transmission system?

A. Yes. As has been seen in the West as well as other parts of the country, the transmission grid can be affected in its entirety by what happens on an individual transmission line. For example; the transmission path between Idaho and Utah is comprised of several individual transmission lines or line segments. A single outage on any of the individual lines due to storm, fire, or other external human interference can and does cause significant reductions in transmission capacity. This reduction occurs on a portion of the system between Idaho and Utah that is already constrained at times with all elements in service, and can cause adverse impacts on other portions of the Company's transmission serving Idaho and Utah.

Additionally, these lines improve our ability to send energy from the northwest to the southwest and from the southwest to the northwest depending on economic conditions. Limitations on our ability to move energy across these lines can impact costs to serve our customers and can reduce potential revenue credits from third-party wheeling purchases. Strengthening this path with the new transmission line will benefit all customers due to these factors.

Q. Are there other benefits you see from this Project?

A. Yes. While this Project provides the next necessary increment of transmission capacity it also supports and complements other future transmission investments that are currently proposed by PacifiCorp and other utilities in the region. This Project positions PacifiCorp to be strongly interconnected to other regional projects currently being planned and provides options for access to additional resources.

Q. Is the Company seeking a determination of rate treatment for the cost of the Transmission Project at this time?

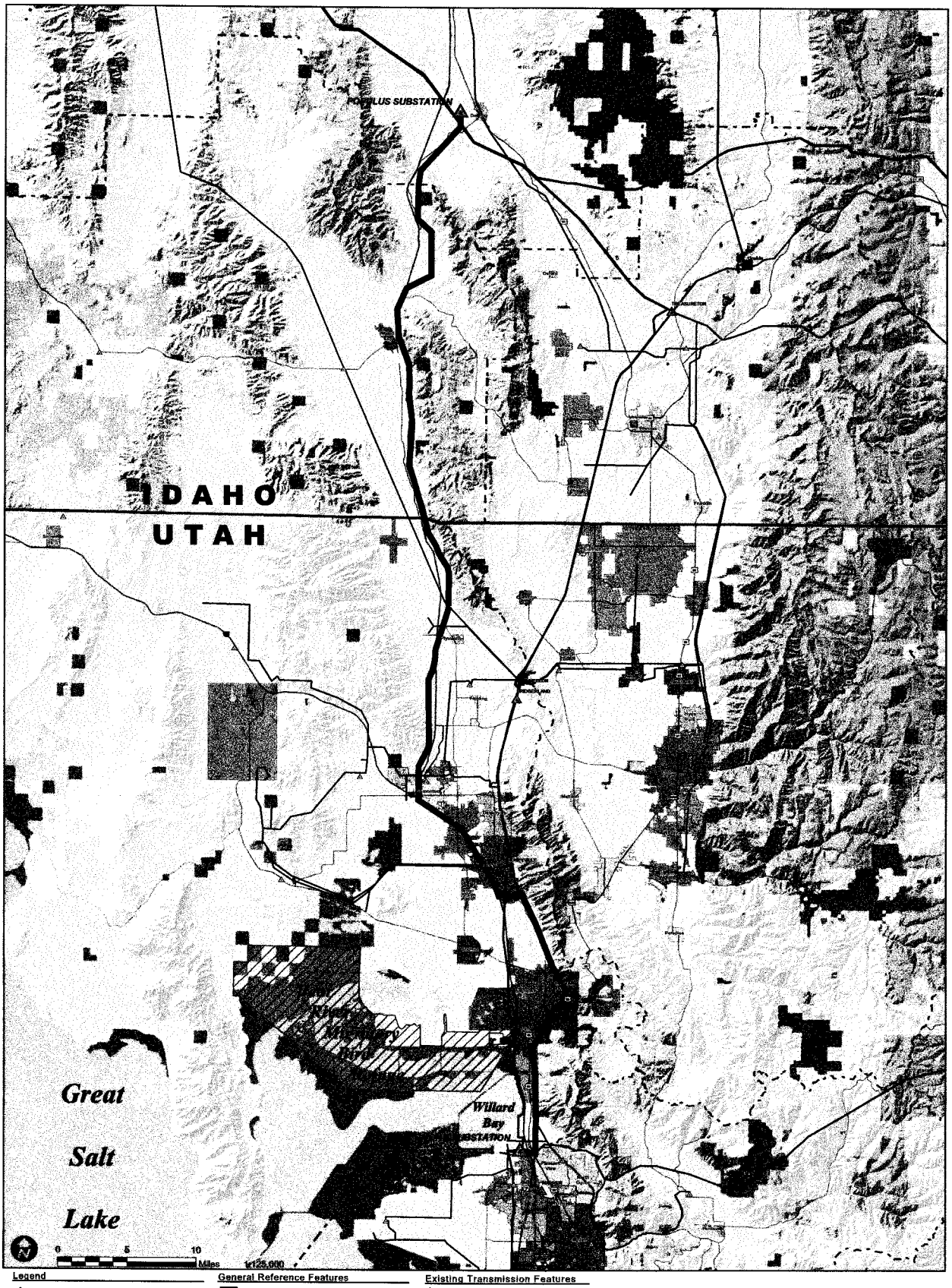
A. No. Cost recovery is not being sought through this filing but will be made through a future general rate case.

Q. Does this conclude your direct testimony?

A. Yes.

EXHIBIT A

TRANSMSSION LINE CORRIDOR ROUTE MAP



Legend

- Selected 345kV Transmission Corridor (approximate location)

General Reference Features

- U.S. Forest Service
- Bureau of Land Management
- Department of Defense
- National Park Service
- U.S. Fish and Wildlife Service
- Utah Department of Wildlife Resources
- State of Utah / State of Idaho

Existing Transmission Features

- 345kV Transmission Line
- 230kV Transmission Line
- 115/138kV Transmission Line
- 46kV Subtransmission Line
- Power Plant
- Substation
- Substation

D R A F T

SOURCES: Imagery, NAIP 2006; Political Boundaries and Transportation, ESRI; Transmission Lines and Substations, PacifiCorp
NOTE: Transmission systems and substation locations are from PacifiCorp GIS Department. Information is schematic and does not necessarily represent accurate locations.

March 31, 2007

ROCKY MOUNTAIN POWER

345kV Transmission Line Route

POPULUS TO BEN LOMOND 345KV TRANSMISSION PROJECT