Q. Please state your name, business address and present position with the Company (also referred to as Rocky Mountain Power).

A. My name is William R. Griffith. My business address is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232. My present position is Director, Pricing, Cost of Service & Regulatory Operations in the Regulation Department.

Qualifications

Q. Briefly describe your educational and professional background.

A. I have a B.A. degree with High Honors and distinction in Political Science and Economics from San Diego State University and an M.A. in Political Science from that same institution; I was subsequently employed on the faculty. I attended the University of Oregon and completed all course work towards a Ph.D. in Political Science. I joined the Company in the Rates & Regulation Department in December 1983. In June 1989, I became Manager, Pricing in the Regulation Department. In February 2001, I was promoted to my current position.

Q. Have you appeared as a witness in previous regulatory proceedings?

A. Yes. I have testified for the Company in regulatory proceedings in Idaho, Utah, Oregon, Wyoming, Washington, and California.

Q. What are your responsibilities in this proceeding?

A. I am responsible for the Company's proposed rate spread and rate design changes in this case.

Proposed Rate Spread

Q. Please describe Rocky Mountain Power's proposed rate spread in this case.

A. The Company proposes to allocate the price change to customers in line with the

class cost of service results filed in this case. In developing the rate spread, the Company proposes to follow the results of the cost of service study with two exceptions. First, the Company proposes that the rate increase be limited so that all rate schedule classes receive proposed increases less than 20 percent. Second, the Company proposes that for rate schedule classes where the cost of service results suggest the need for price decreases, that those customers receive no change to present rate levels. During a time of rising costs, it is appropriate to maintain price stability for these rate schedules while limiting price impacts on other rate schedule classes requiring price increases. This will assure that movement toward full cost of service responsibility is maintained for all rate schedule classes.

Q. Please describe the Company's proposal for the allocation of the revenue requirement.

A. The overall proposed price increase is 15.0 percent. The Company proposes the following allocation of the base price increase for the major rate schedules:

Customer Class	Proposed Price Change
Residential – Schedule 1	7.2%
Residential – Schedule 36	15.9%
General Service	
Schedule 23/23A	11.8%
Schedule 6/6A	10.8%
Schedule 9	11.2%
Schedule 19	9.7%
Irrigation	
Schedule 10	19.9%
Special Contracts	
Schedule 400	18.7%
Schedule 401	19.9%
Public Street Lighting	
Schedules 7/7A, 11, 12	0%

Q. Please describe Exhibit No. 43.

A. Exhibit No. 43 shows the estimated effect of the proposed price change by rate schedule for the normalized test period. The table displays the present schedule number, the average number of customers during the test year, and the megawatt-hours of energy use in Columns (2) through (4). Revenues by tariff schedule are divided into two columns – one for present revenues and one for proposed revenues. Column (5) shows annualized revenues under present base rates. Column (6) shows annualized revenues under proposed base rates. Columns (7) and (8) show the dollar and percentage changes in base rates. Column (9) shows present revenues expressed on an overall average cents per kilowatt-hour basis and column (10) shows proposed revenues expressed on an overall average cents per kilowatt-hour basis.

Q. Please describe Exhibit Nos. 44 and 45.

A. Exhibit No. 44 contains the Company's proposed revised tariffs in this case. Exhibit No. 45 contains the revised tariff sheets in legislative format.

Q. Including the effects of the Company's proposal, how have the Company's proposed rates in Idaho changed over time?

A. Since 1986, the Company's overall Idaho base rates collected from the rate schedule classes (i.e., standard tariff customers excluding special contracts) have increased only five times, and the overall base rates from these rate schedule classes have increased less than ten percent. Including the effects of the increase proposed in this case, overall base rates for the major rate schedule customers in Idaho will have increased only 26 percent in the last quarter century. Over that

same 25-year period, the Consumer Price Index has increased by over 100 percent. If the Company's proposed increase in this case is approved as filed, changes to overall base rates will have declined on a real basis by 37 percent since 1986--base residential rates will have declined 35 percent; irrigation rates, 29 percent; general service rates, 52 percent; and large general service rates nearly 50 percent. Clearly our Idaho customers have received significant price benefits from the Company's low cost resources.

Residential Rate Design

Q. Please describe the Company's proposed residential rate design proposal.

A. For residential customers, the Company proposes to continue with the Commission-ordered seasonally-differentiated two-tiered inverted block pricing structure for energy use along with a fixed monthly customer service charge. For this case, the Company proposes to increase the residential customer charge by $1.00 per month and to apply the balance of the increase uniformly to the energy charges. We believe that this proposal better reflects cost of service while minimizing structural changes to Schedule 1.

Q. Please explain the Company's proposed Monthly Customer Service Charge for Residential Schedule 1.

A. The Company proposes that the current Monthly Customer Service Charge of be increased from $5.00 to $6.00. A Customer Service charge that achieves a high level of recovery of the fixed costs of serving customers will more appropriately assure that each customer pays its fair share of costs and will allow the Company a better opportunity to recover the fixed costs of serving customers.

The residential Customer Service charge should recover customer-related costs defined in Mr. C. Craig Paice's cost of service study including Distribution-Meter, Distribution-Service, Distribution-P&C, Distribution-Transformer, and Retail costs. These costs do not vary with customer usage and are appropriately recovered through the fixed Monthly Customer Service Charge. Ultimately, the Monthly Customer Service Charge should recover all residential fixed costs. This will assure recovery of fixed costs regardless of usage and will limit subsidies within the customer class.

Based on the cost of service results, the inclusion of these fixed costs in the Monthly Customer Service Charge would result in a rate of approximately $26.51 per month. Exhibit No. 46 contains this calculation. Even though the cost of service results could justify a higher Monthly Customer Service Charge than proposed in this case, the Company is asking for less than that, in order to minimize impacts on small usage customers.

Q. How does Rocky Mountain Power's proposed residential Monthly Customer Service Charge and proposed rate design compare with other Idaho utilities?

A. The Company conducted a survey of the Customer Charges of Idaho electric utilities in May, 2011. The results of the ten utilities surveyed indicated that the average residential Customer Service Charge was $15.53 per month. The highest customer charges in the survey were Fall River Electric Cooperative ($36.00/month), Northern Lights ($25.00/month), and Clearwater Electric Cooperative ($18.00/month). If the Company's proposed $6.00 Customer Service Charge is approved as filed, Rocky Mountain Power's proposed Schedule 1

Customer Service Charge would rank the third lowest out of eleven utilities in the state.

Q. How will the Company's proposed rate design impact residential customers?

A. First, under the Company's proposal all residential customers will see a $1.00 per month increase to the Monthly Customer Service Charge regardless of usage. In addition, charges for energy usage will increase by approximately 6.0 percent across the usage spectrum. The average Idaho residential customer who uses 837 kWh per month year round will see an average rate increase of $4.93 per month for energy usage and $1.00 per month for the Monthly Customer Service Charge. We believe that this rate design balances cost recovery, fairness, and provides customers price signals about the increasing costs of serving customers.

Q. What changes does the Company propose for Schedule 36, Time-of-Use Residential Service?

A. The Company proposes to retain the existing time of use residential rate structure for these customers and to apply increases to both the Customer Service Charge and to the on- and off-peak energy charges. Even with these changes, customers on Schedule 36 will continue to benefit from the time of use rate design. If the Company's proposed rates are approved as filed, the average rate for a time of use customer will be 1.34 cents per kWh or 13 percent lower than the average rate for standard residential Schedule 1 customers.

General Service & Irrigation Rate Design

Q. Please describe the Company's proposed rate design changes for Schedules 6, 6A, and 9.

A. Based on the class cost of survey results which show that higher increases are needed for demand charges than for energy charges, the Company proposes slightly greater increases to demand rates than to energy rates.

Q. Please describe the Company's proposed rate design changes for Schedule 10.

A. Similar to the results for Schedules 6, 6A, and 9, the class cost of service results for Schedule 10 show that higher increases are needed for demand charges than for energy charges. Accordingly, the Company proposes slightly greater increases to demand rates than to energy rates for irrigation customers.

Q. Please describe the Company's proposed rate design changes for Schedules 19, 23, 23A, 400 and 401.

A. For customers served on these schedules, the Company proposes a uniform percentage increase to all billing elements.

Monthly Billing Comparisons

Q. Please explain Exhibit No. 47.

A. Exhibit No. 47 details the customer impacts of the Company's proposed pricing changes. For each rate schedule, it shows the dollar and percentage change in monthly bills for various load and usage levels.

Billing Determinants

Q. Please explain Exhibit No. 48.

A. Exhibit No. 48 details the billing determinants used in preparing the pricing proposals in this case. It shows billing quantities and prices at present rates and proposed rates.

Q. Does this conclude your testimony?

A. Yes, it does.