

Exhibit No. ___ (WE-2)
Docket No. UE-03 _____
2003 PP&L Rate Case
Witness: William Eaquinto

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

vs.

PACIFICORP dba Pacific Power & Light
Company,

Respondent.

Docket No. UE-03 _____

PACIFICORP

EXHIBIT OF WILLIAM EAQUINTO

Chronology of Relicensing of the North Umpqua Project

December 2003

Chronology of Relicensing of the North Umpqua Project

Background - The parties to the Agreement are PacifiCorp, USDA Forest Service, National Marine Fisheries Service, USDI Fish and Wildlife Service, USDI Bureau of Land Management, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, and Oregon Water Resources Department (the "Parties"). The Settlement Agreement is accompanied by an Explanatory Statement that explains the science and policy basis of the Settlement Agreement

June 13, 2001

Resource Agencies, PacifiCorp, Announce North Umpqua Agreement
Innovative Agreement to be submitted as basis for a new FERC license.

PORTLAND, OR – Oregon state and federal resource agencies and PacifiCorp today announced they had reached a comprehensive Agreement to resolve issues in the relicensing of PacifiCorp's North Umpqua Hydroelectric Project. The Agreement will result in significantly increased stream flows, substantial watershed restoration, and continued supply of electricity to customers in the region.

Relicensing Chronology

1947 - Original 50-year license issued for the North Umpqua Hydroelectric Project.

1948-1956 - North Umpqua Hydroelectric Project constructed.

October 28, 1988 - The reach of the North Umpqua River immediately downstream of the Soda Springs powerhouse is designated as a federal Wild and Scenic River.

December 1991 - PacifiCorp initiates the formal process of relicensing the Project with the Federal Energy Regulatory Commission (FERC). Numerous studies are conducted and scientific information collected as necessary to develop and submit the license application.

April 1994 - Secretaries of Agriculture and Interior issue the Record of Decision (ROD) for the Northwest Forest Plan (NFP).

January 1995 - PacifiCorp files an application with FERC for a new license under the Federal Power Act (FPA) for the project.

June 1995 - PacifiCorp initiates a watershed analysis with the USDA Forest Service and other interested parties to address issues raised in the licensing process and to conform to the NFP. The watershed analysis emphasizes fisheries, water quality, geomorphology and terrestrial wildlife, and is established with multi-agency and non-governmental organization participation.

January 1997 - FERC license for the Project expires. Project continues to operate under an annual license with the same conditions as the original license.

Summer 1997 - Settlement negotiations begin. The following parties form the North Umpqua Resource Management Team (Resource Team) to negotiate a settlement agreement based on the watershed analysis: PacifiCorp, USDA Forest Service, National Marine Fisheries Service (NMFS), USDI Fish and Wildlife Service (USFWS), Oregon Department of Environmental Quality (ODEQ), Oregon Department of Fish and Wildlife (ODFW), Oregon Water Resources Department (OWRD), Douglas County Board of Commissioners and non-governmental organizations (NGOs), including American Rivers, Pacific Rivers Council, Oregon Trout, Water Watch of Oregon, Umpqua Watersheds, Umpqua Valley Audubon Society, Umpqua Fisherman's Association, Oregon Natural Resources Council and Steamboaters. The Resource Team meets for two years.

March 1998 - The Resource Team issues the North Umpqua Cooperative Watershed Analysis Synthesis Report, which is the first of its kind for hydro re-licensing. It incorporates new methodologies, developed by Stillwater Sciences and other expert scientists, and is conducted by scientists from Stillwater, government agencies, NGOs, and PacifiCorp.

Chronology of Relicensing of the North Umpqua Project

November 1999 - PacifiCorp withdraws from settlement negotiations. In December 1999, PacifiCorp petitions FERC for postponement of the National Environmental Policy Act (NEPA) process until September 2000, to allow for an update of record and application. NMFS, USDA Forest Service, USFWS and State of Oregon support the request for stay.

January 5, 2000 - FERC denies request for postponement and orders final revision to PacifiCorp's 1995 application to be filed by February 21, 2000.

February 2000 - PacifiCorp files an addendum to its 1995 application with FERC to update the relicensing record with information developed since the 1995 filing.

May 2000 - In response to requests from state and federal agencies, NGOs, PacifiCorp and other stakeholders, FERC postpones issuing a notice that the application to relicense the Project is Ready for Environmental Analysis (REA) until September 30, 2000. This allows for a new round of settlement talks of 120-day duration.

June 2000 - Members of the Resource Team, and additional members, agree to re-initiation of settlement talks. The parties to this round of mediation sessions, the Mediation Team, consist of PacifiCorp, USDA Forest Service, USDI Bureau of Land Management (BLM), National Marine Fisheries Service, USDI Fish and Wildlife Service, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Water Resources Department, and non-governmental organizations, which include American Rivers, Pacific Rivers Council, Oregon Trout, Water Watch of Oregon, Umpqua Watersheds, Umpqua Valley Audubon Society, Oregon Natural Resources Council and Steamboaters.

September 2000 - This Mediation Team does not reach agreement and does not have consensus to continue with the current mediated process, per the ADR Agreement. However, the majority of the Mediation Team chooses to continue the mediated process. The Parties to the continued mediation consist of PacifiCorp, USDA Forest Service, USDI Fish and Wildlife Service, USDI Bureau of Land Management, National Marine Fisheries Service, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, and Oregon Water Resources Department.

November 2000 - FERC issues a Notice of Application Ready for Environmental Analysis, requiring that comments, recommendations, terms and conditions, and prescriptions for PacifiCorp's 1995 application be submitted to FERC by March 1, 2001.

December 2000 - The Parties reach an agreement in principle, and agree to continue negotiations toward a final settlement agreement.

February 2001 - The Parties extend the ADR process through May 30, 2001, to allow for completion of a settlement agreement and submission of the agreement to FERC.

March 2001 - State and federal Parties file terms and conditions related to PacifiCorp's 1995 application and February 2000 ADR addendum with FERC.

March 23, 2001 - The Oregon Fish and Wildlife Commission approves the Memorandum of Understanding (MOU) submitted by PacifiCorp. The MOU waives the State's statutory requirements for providing upstream fish passage at 5 of the 8 project dams. The MOU contains alternative mitigation measures in lieu of providing fish passage at these facilities.

June 13, 2001 - The Parties sign a Settlement Agreement for the North Umpqua Hydroelectric Project and subsequently submit to FERC. The Settlement Agreement will be evaluated as part of the FERC environmental review process. The Parties request that FERC adopt the Settlement Agreement as its preferred licensing alternative. The agencies will file modified terms and conditions with FERC that are consistent with the Settlement Agreement.

July 3, 2002 - ODEQ issues a 401 Water Quality Certification for the project.

November 1, 2002 - Parties submit an amendment to the Settlement Agreement to FERC.

December 13, 2002 - National Marine Fisheries Service's Final Biological Opinion submitted to FERC.

December 18, 2002 - U.S. Fish and Wildlife Service's Final Biological Opinion submitted to FERC.

2003 - 2004 - FERC is expected to issue a license for the project.