

**PacifiCorp
Status Report
On Inter-Jurisdictional Cost Allocations
To Washington Utilities & Transportation Commission
March 30, 2005**

Executive Summary

The following Status Report on PacifiCorp Inter-jurisdictional Cost Allocation was prepared in response to the Commission's Order No. 06 in Docket No. UE-032065 and the resulting discussions between PacifiCorp, Commission Staff, Industrial Customers of Northwest Utilities (ICNU), and the Public Counsel Section of the Office of the Attorney General (Public Counsel). That order directed PacifiCorp to initiate discussions aimed at development of an agreed methodology for inter-jurisdictional cost allocation to be used by PacifiCorp in Washington.

The report begins with a section that provides the historical background of PacifiCorp allocations beginning with the Utah Power - Pacific Power merger in 1989 and progressing through the recent Multi-State Process which resulted in the Revised Protocol allocation method¹. The next section provides an update of the status of the Revised Protocol in PacifiCorp's other states, followed by a section on Washington's unique procedural history.

Section 4 focuses on the activities since the Commission issued its Order in October 2004, initiating the discussions about PacifiCorp allocations in Washington. It provides a summary of the procedural history of the discussions, outlines the issues discussed, and explains that, despite best efforts, parties did not agree on a common allocation method for Washington.

In the final section, PacifiCorp provides three recommendations for further proceedings in Washington. The recommendations are to: 1) hold a public session with Commissioners, parties to these discussions, and other interested parties to provide the opportunity to clarify perspectives, comment on the Status Report, and respond to questions about allocations; 2) recognize the opportunity for Washington parties to participate in continued dialog about PacifiCorp inter-jurisdictional allocations through the Revised Protocol workgroups that have been established; and 3) proceed with PacifiCorp's current plan to file a general rate case in Washington this Spring, which will include a proposal to adopt Revised Protocol.

¹ See Appendix A for a copy of the Revised Protocol

Section 1 – Background and History of PacifiCorp Allocations

Inter-jurisdictional cost allocation has been a contentious issue for PacifiCorp since the 1989 merger between Pacific Power and Utah Power. Prior to the merger, PacifiCorp followed a Rolled-In cost allocation methodology that allocated the costs of the Company’s joint facilities across the six states in which PacifiCorp operated.² In approving the merger, each state commission found the merger would result in cost savings and would be in the public interest,³ but left undecided the issue of inter-jurisdictional cost allocation. The primary allocation issue at the time of the merger was how to equitably combine the higher-cost Utah Power system with the relatively lower-cost Pacific Power system.

At the time of the merger, the Utah Public Service Commission (Utah PSC) indicated its preference for a Rolled-In allocation method (essentially an average system cost allocation method), but it recognized the need for a period of transition. The Utah PSC anticipated a 10 year transition period to Rolled-In with a shrinking “fairness adjustment” over that time. In contrast, Washington and Oregon indicated their preference for retaining the low cost hydro-electric resources for the benefit of customers in their respective jurisdictions. Allocation methods that recognized a “hydro-endowment” were therefore preferred in the former Pacific Power States.

The PacifiCorp Inter-jurisdictional Task Force on Allocations (PITA) was convened shortly after the 1989 merger approval and continued for approximately 10 years. During that time, inter-jurisdictional allocation methods evolved and four different methods were utilized by the Company for filings and reporting purposes. These methods had varying degrees of support among the states until 1999, when the Utah PSC adopted a Rolled-In allocation method in conflict with the rest of the states. The lack of agreement on an inter-jurisdictional cost allocation method among PacifiCorp’s states resulted in an “allocation gap” of between \$30 and \$50 million per year which denied PacifiCorp a reasonable opportunity to recover its prudently incurred costs.

In addition – and of growing importance – slower growing states began raising concerns regarding perceived inequities related to Utah’s relatively higher load growth as compared with the rest of the system. Utah’s relatively higher load growth combined with the construction of new generating facilities raised concerns that the slower growing states may be unfairly paying for Utah’s load growth. These concerns raised the specter of a large and growing risk of allocation shortfalls related to investment in new resources.

To address these and other emerging allocation risks, the Company filed the Structural Realignment Proposal (SRP) in December 2000 that proposed the creation of six individual state distribution companies, a generation company, and a service company. The proposal allowed individual states to more freely pursue state specific policies without impact to other states or to

² See Cause No. U-86-02, Second Supplemental Order at 33-34 (Sep. 1986).

³ WUTC Docket No. U-87-1388-AT, Second Supplemental Order (July 1988). In its order, the Commission found that “there are substantial economies to be gained in the first five years of the merger,” and directed the Company to provide Washington ratepayers with their allocated share of \$59 million in merger benefits in a subsequent rate filing.

PacifiCorp's shareholders while retaining benefits associated with PacifiCorp's six-state integrated system.

The SRP filings proved to be controversial – in large measure because of a concern that the proposed restructuring would result in a loss of jurisdiction from state commissions to the Federal Energy Regulatory Commission and the Securities and Exchange Commission. Ultimately, a number of parties and some state commissioners encouraged the Company to seek other means of resolving the Company's concerns without requiring a legal restructuring of the Company. PacifiCorp was strongly encouraged to initiate an informal process aimed at achieving consensus among interested parties regarding a number of important issues facing the Company. In March 2002, PacifiCorp invited parties from all six of the states where it serves customers to join in the Multi-State Process (MSP).

For a year and a half, more than 50 individuals representing 18 separate parties attended a series of 9 collaborative meetings to discuss allocation issues among the states. A facilitator was engaged to help manage conversations toward a consensus. More than 40 separate studies were completed to examine potential allocation mechanisms. There were technical sessions to review the details of different methods. By the spring of 2003, there were two allocation methods under consideration – the Hybrid and the Dynamic. The Hybrid method split the Company's territory into two control areas for accounting purposes only and envisioned a complex interchange accounting methodology to create market-based transfer pricing between control areas on an after-the-fact basis. The Dynamic method involved allocation of generation resources on a load ratio share across the entire system with an adjustment for hydro resources to the former Pacific Power States that phased out over a few years.

In July 2003, the final MSP group meeting was held in Las Vegas. No consensus was reached among the parties as to the appropriate mechanism to adopt for all states. The Company was encouraged to develop and file a mechanism that reflected the feedback received at the group meetings. In September 2003, PacifiCorp filed a method referred to as the "Protocol" with commissions in Idaho, Oregon, Utah and Wyoming. Due to unique procedural considerations discussed in Section 3 below, the Protocol was filed in Washington as part of the Company's general rate proceeding in December 2003.

Following the September 2003 filing, procedural schedules were established in Oregon and Utah. The commissions and other parties in each of those states expressed a preference for a continued exchange of information among the states and a continued attempt to achieve a consensus solution to MSP issues. Therefore, the schedules in Utah and Oregon provided for a number of technical conferences, public meetings and meetings among commissioners from different states – all aimed at achieving a consensus among the parties. A mediator was re-engaged in April 2004 to help facilitate discussions and preside over a multi-party meeting in late April.

As a result of the April 2004 meeting and following discussions and stipulations with parties, PacifiCorp filed the method known as the "Revised Protocol" with Idaho, Oregon, Utah and Wyoming in July 2004. Revised Protocol was included in the Washington rate proceeding shortly thereafter as part of the Company's rebuttal case, although the Company did not formally

propose adoption of the Revised Protocol in that proceeding due to unique procedural considerations discussed in Section 3 below.

Section 2 – Status of Revised Protocol in Other States

At this time, the Company has received final orders approving the use of the Revised Protocol and related Stipulations from the state commissions in Idaho, Oregon, Utah and Wyoming. Details of each state process leading up to the approval are provided below.⁴

Idaho – The Idaho Public Utilities Commission (Idaho PUC) issued an order on February 28, 2005, approving the use of Revised Protocol⁵ and adopting the terms of the settlement agreement signed by PacifiCorp, Idaho PUC Staff and Monsanto Company. Revised Protocol allocates more costs to Idaho than the previously utilized allocation method. In order to smooth the transition to Revised Protocol, the settlement includes provisions to cap the impact of the difference between allocation methods to 1.67% above the revenue requirement as calculated under the Rolled-In allocation methodology for a four-year period. A copy of the Idaho PUC's order is included as Appendix B to this Status Report.

Oregon – The Public Utility Commission of Oregon (Oregon PUC) issued an order on January 12, 2005, approving the use of Revised Protocol⁶ and adopting the terms of the settlement signed by PacifiCorp, Oregon PUC Staff, Citizens' Utility Board and AARP. The order also included a directive to develop a hybrid method for use as a reporting comparison on an ongoing basis. A copy of the Oregon PUC's order is included as Appendix C to this Status Report.

Utah – The Utah PSC issued an order on December 14, 2004, approving use of the Revised Protocol⁷ and adopting terms of the settlement agreement signed by all 8 Utah parties to the MSP proceeding. As in Idaho, use of Revised Protocol represents a significant rate increase compared to Rolled-In. Therefore, the settlement in Utah includes a series of caps for the revenue requirement difference between Rolled-In and Revised Protocol, followed by a series of rate premiums and finally a monitoring period. A copy of the Utah PSC's order is included as Appendix D to this Status Report.

Wyoming – The Wyoming Public Service Commission (Wyoming PSC) issued an oral bench order approving use of the Revised Protocol at the conclusion of hearings on October 19, 2004. The bench order also adopted terms of the settlement reached with PacifiCorp, the Office of Consumer Advocate, AARP, and Wyoming Industrial Energy Consumers. A written order was issued on March 2, 2005, and is included as Appendix E to this Status Report.⁸

Each state that has adopted Revised Protocol recognized that it accepted certain trade-offs in order to reach a consistent regional solution. Language in several of the state commission orders

⁴ California elected to monitor the MSP proceedings but not formally participate. The Company anticipates resolution of use of Revised Protocol in its next general rate proceeding in California.

⁵ Idaho Public Utilities Commission – Case No. PAC-E-02-3, Order No. 29708, dated February 28, 2005

⁶ Oregon Public Utility Commission – Docket No. UM-1050, Order No. 05-021, dated January 12, 2005

⁷ Public Service Commission of Utah – Docket No. 02-035-04, dated December 14, 2004

⁸ Public Service Commission of Wyoming – Docket No. 20000-E1-02-183, Record No 7395, dated March2, 2005.

indicates the value the various commissions placed on agreement among the states. For example:

Idaho PUC:

We note of significance that the Company dispatches resources on a company or system-wide basis. This method of resource utilization, we believe, seemingly argues for a Rolled In approach as to allocation of costs. Recognizing, however, that there are some perceived inequities of this approach on the west side of the Company's system, we find the Revised Protocol to be a reasoned and acceptable methodology.

(Appendix B, Order No. 29708, page 10)

Oregon PUC:

We agree with Staff and hold that ratification of the Revised Protocol is in the public interest. While the Revised Protocol does not eliminate all subsidization [due to load growth], as previously discussed, the Revised Protocol maintains a large majority of the hydroelectric resources and Mid-Columbia contracts for the Northwest. The agreement to accept a larger share of existing qualifying facilities contract cost, in consideration of revising the treatment of the Mid-Columbia contracts, is appropriate.

(Appendix C, Order No. 05-021, page 8)

Further, in his concurring opinion, Oregon PUC Commissioner Savage explains a trade-off represented in the adoption of Revised Protocol:

I concur with the finding that ratification of the Revised Protocol is in the public interest.

I believe, however, that the Hybrid Method of cost allocation (Staff/102, Hellman/62-66) is superior to Revised Protocol in some ways. . . . Its failing is that it is not acceptable to the other states, just as Utah's preferred approach – the Rolled-In Method – is not acceptable to Oregon.

As the record shows, there would be a cost to Oregon ratepayers if the states fail to adopt a common cost-allocation method that allows Pacific the opportunity to recover reasonable and prudently incurred costs. The Revised Protocol is acceptable to other states, and on balance, adopting it is in the public interest.

(Appendix C, Order No. 05-021, page 13)

Utah PSC:

We recognize the problem articulated by the parties and find it important to work with the Company's other states to find an equitable resolution that will provide the Company the confidence to make needed investments in infrastructure and continue least-cost system planning and operation. We find the Stipulation's use of Rolled-In and rate mitigation measures together with the Revised Protocol, which was unopposed at the hearing, is a reasonable resolution of the problem and with protective conditions, will provide just and reasonable rates for Utah customers.

(Appendix D, Order No.02-035-04, page 40)

Wyoming PSC:

Both our review of the Stipulation, the Protocol and its Appendices and the evidence in this case show us that the parties have, with the Revised Protocol, the Stipulation and the related documentation, done hard and thoughtful work for Wyoming and PacifiCorp's other retail jurisdictions, to achieve agreement on a new, positive and workable approach to interjurisdictional allocation. The agreement overall is not perfect in itself and wisely does not attempt to solve all of the potential problems which might arise. There are many tasks remaining for PacifiCorp and the states, but the agreement recognizes this and provides constructive mechanisms to solve problems and dispose fairly of issues as they arise in the future, i.e., the Standing Committee, the work groups and the carefully thought out general guidance of the Protocol. It has been very carefully drafted to allow for the concurrence of a number of parties which have not always been in agreement in the past. This careful draftsmanship also recognizes that the economies of the six states served by PacifiCorp and their energy needs are dynamic and complex, all of which is reflected in the ongoing Standing Committee and work groups provided for.

(Appendix E, Record No. 7395, page 12)

Section 3 – Unique Washington Procedural History

PacifiCorp's last fully litigated rate case in Washington was in 1986, which was also the last time the Commission issued an order regarding inter-jurisdictional allocations. In its Second Supplemental Order in Cause No. U-86-02, the Commission stated:

“As the company provides electric service to customers in six states including Washington, the company's joint facilities must be allocated to each of the states. During the pendency of this rate case, meetings were held among the staffs of the commissions of the states in which the company operates. The purpose of these meetings was to establish a new allocation method. As a result of these meetings, consensus was reached among company representatives and representatives of Washington, Oregon, California, Idaho, and Montana commission staffs regarding

a transition from the old method to the new method”. (Cause No. U-86-02, Second Supplemental Order, page 33)

The order further described the load-based methodology for allocating joint facility costs among the six states then served by PacifiCorp.

PacifiCorp made no rate case filings in Washington between 1986 and 1999. However, as mentioned above, the PacifiCorp Task Force on Allocations was established in 1989 as a means for dealing with inter-jurisdictional allocation issues arising from the Pacific Power/Utah Power merger. Members of the Commission Staff were active participants in PITA during the 1990s.

Absent an explicit order from the Commission, the Company’s routine filings since 1990 have been made based upon the methodologies developed by the PITA group. Most recently, from 1997-2003, the Modified Accord methodology has been used as the basis for allocating costs to Washington for annual basis reports and other routine filings.

In November 1999, PacifiCorp filed a general rate case with hearings on the Company’s direct case held in April 2000. In June 2000, prior to the filing of intervenor direct testimony, an all-party settlement (Rate Plan Stipulation) was reached. The terms of the Stipulation were adopted by the Commission in its Third Supplemental Order in Docket No. UE-991832. The Stipulation approved a Rate Plan that commenced with the signing of the order and continued through December 2005. The Rate Plan Stipulation called for a series of rate increases over the period. Additionally, the Rate Plan Stipulation called for an examination of resource acquisitions since the Company’s 1986 Washington general rate case to be completed by October 1, 2001, resulting in a “Joint Report” from the parties as to the prudence of the identified resources. The Joint Report was to be presented to the Commission in the Company’s next general rate proceeding. The Rate Plan Stipulation and the order did not address inter-jurisdictional cost allocations.

The Joint Report was filed with the Commission on December 7, 2001. In the Joint Report, the participating parties found that the Company had demonstrated the prudence of the resource acquisitions on a system-wide basis. In the Joint Report, Commission Staff reserved its ability to evaluate the prudence of the resource acquisitions with respect to inclusion in Washington rates. These resources included in the Joint Report were Craig, Hayden, Cholla, James River, Foote Creek and Hermiston.

In April 2002, PacifiCorp sought accounting treatment to defer and subsequently recover costs related to the Western energy crisis of 2000-2001. In July 2003, in its Sixth Supplemental Order in Docket No. UE-020417, the Commission denied PacifiCorp’s request for deferred accounting treatment but found that it was in the public interest for the Rate Plan to be modified to permit PacifiCorp to file a general rate case prior to December 31, 2005, the termination date of the Rate Plan.

In December 2003, PacifiCorp filed a general rate case to affect a \$26.8 million rate increase. Based on the order from the previous rate case, the Joint Report regarding prudence of resource acquisitions was included as part of PacifiCorp’s direct testimony as Exhibit No. __(MTW-4). Inter-jurisdictional cost allocations in the filing were based on the Protocol methodology. This is

the same methodology the Company filed in Utah, Oregon, Wyoming and Idaho in separate allocation proceedings in September 2003, as described in Section 1 above. While the general rate case continued in Washington, discussions and exchanges continued with the other states resulting in the Revised Protocol. As described in Section 1 above, PacifiCorp filed the Revised Protocol in Idaho, Oregon, Utah and Wyoming in July 2004. This was approximately the same time that Staff and the other intervening parties in Washington filed their direct testimony in the general rate case. Given that the Washington proceeding was at the rebuttal stage at the time that Revised Protocol was filed in the other states, it was not procedurally feasible for the Commission to evaluate Revised Protocol in the context of the general rate case. Subsequently, in August 2004, the Company, Commission Staff and the Natural Resources Defense Council entered into a Settlement Agreement that called for a \$15.5 million annual rate increase to be based on Protocol for purposes of setting rates in this proceeding only. Given that Staff's preferred inter-jurisdictional cost allocation methodology would not have required a determination regarding the prudence of the resources located in the Company's Eastern Control Area (West Valley, Gadsby, Craig, Hayden, Foote Creek and Cholla), the Settlement Agreement preserved Staff's ability to evaluate the prudence of these resources with respect to Washington rates. The Settlement Agreement included a finding that the prudence of the Western Control Area resources (Hermiston and James River) had been demonstrated.

The Commission's Order No. 06 in Docket No. UE-032065 covered a number of items including inter-jurisdictional cost allocations. The Order reviewed and accepted the Settlement Agreement among PacifiCorp, Commission Staff and Natural Resources Defense Council. It specifically recognized that the settling parties utilized different allocation methodologies in testimony, that Protocol offered the only common basis for review of the proposals, and that Protocol would be used for purposes of this proceeding only. (¶ 21) Finally, the Order recognized that parties will initiate discussions related to allocations and that, "[p]ending the conclusion of discussions, and without agreeing that a particular allocation methodology is 'sufficient or proper for use in any future proceedings before the Commission,' the settling parties agree that 'the Company will use the Revised Protocol as the basis for routine regulatory filings with the Commission.'" (¶ 22)

The Commission imposed the following conditions related to inter-jurisdictional cost allocations:

- (3) Our approval of the Settlement Agreement is conditioned by the following requirements:
 - a) Immediately following commission orders in the pending proceedings concerning inter-jurisdictional cost allocation in Utah and Oregon – and no later than December 1, 2004 – PacifiCorp will initiate discussions in Washington aimed at development of an agreed methodology for inter-jurisdictional cost allocation to be used by PacifiCorp in this jurisdiction.
 - b) On or before April 1, 2005, PacifiCorp will present a detailed status report to the Commission concerning inter-jurisdictional cost allocation, including recommendations for further proceedings in Washington.

- c) By October 31, 2005, PacifiCorp will file, either in a general rate proceeding, or in an independent proceeding, a proposal to resolve inter-jurisdictional cost allocation in Washington. (§ 95)

The treatment of resources added on the East side of the PacifiCorp system was not addressed by the Order. There were differing views expressed by the settling parties in their respective testimonies.

The following section explains the process and results of the discussions ordered above.

Section 4 – Discussions since Order in Docket No. UE-032065

Procedural Background:

Representatives from Commission Staff, ICNU, Public Counsel and PacifiCorp met initially on December 1, 2004, in the Commission’s offices to discuss the Order and to form a plan for continued discussions about inter-jurisdictional allocations. In addition, each party explained the issues it would like to include in the discussions.

As a result of the initial meeting, PacifiCorp provided a packet of information to all parties. The packet included: a draft workplan, outlining a series of six meetings and two conference calls to be held, culminating in the filing of the “detailed status report to the Commission” on April 1, 2005; a summary of issues raised by the parties at the December 1 meeting; a draft agenda for the next meeting; and a number of background items related to MSP proceedings in other states.

A conference call was held on December 21, 2004, to review the workplan, issue summary and agenda for the next proposed meeting. The group agreed to the proposed workplan schedule, made minor modifications to the issue summary and meeting agenda, and acknowledged receipt of the background materials.

A subsequent set of materials was provided to the parties on January 3, 2005, in preparation for the January 11, 2005, meeting. These materials provided background details of the studies and analyses utilized in the broader MSP proceedings.

The parties met again on January 11, 2005, in the Commission’s offices in Olympia. The discussion included background and context surrounding the Revised Protocol and associated Stipulations with each of the States, review of issues raised in MSP, and a discussion of alternative approaches to determination of PacifiCorp’s Washington revenue requirement.

The next meeting of the parties was held on January 27, 2005, at the Commission’s Offices in Olympia. A packet of discussion material was delivered on January 25. The focus of this meeting was to review the standards in Washington governing alternative forms or regulation, or AFOR, discuss standards for review, and review example analyses of Washington loads and resources and some dispatch examples from the Company’s GRID model. At the conclusion of the discussions, Commission Staff and Public Counsel requested additional information and background about the “Hybrid Method” that had been explored during the MSP proceedings. It

was agreed that the next scheduled meeting time could be utilized to discuss the Hybrid Methodology.

The February 10, 2005, meeting focusing on the Hybrid Method was held in the PacifiCorp offices in Portland and included parties from Oregon, Utah and Idaho as well as Commission Staff, Public Counsel and ICNU. The broader set of parties provided background about the Hybrid Method as well as a perspective about the issues that require additional discussion. As noted above, the Oregon PUC's Order in the MSP Docket directed Oregon parties to work to develop a Hybrid allocation model to use as an additional comparator to Revised Protocol. The deadline for development of this comparator is December 1, 2005.⁹ Therefore, this meeting included some discussion about how parties would like to proceed with continued development of the Hybrid Method. At the conclusion of the meeting, Commission Staff representatives indicated they would like to absorb some of the data from the meeting and provide an update on their position at the next meeting.

The parties met again on February 24, 2005, at the Commission's Offices in Olympia. The parties provided an update on their respective positions related to allocations, and the group reviewed a draft outline of the Status Report to be filed with the Commission. At the conclusion of this meeting, it was agreed that continued conversations should focus on reviewing this Status Report.

The scheduled March 10 meeting was cancelled as PacifiCorp was continuing work on the Status Report.

A draft of the Status Report was circulated to the parties for comment on March 21. A teleconference was held on March 24, 2005, to review comments on the Draft Status Report.

Issue Identification and Scoping:

The primary issues identified and discussed during the process included:

- Review of Revised Protocol and state stipulations
- Dynamics of load growth and cost shifts under different allocation methods
- Treatment of hydro resources and Mid-C Contracts
- New Resources, system integration and least cost planning
- Review of Hybrid Method from MSP and of future Hybrid discussions

Results of Discussions:

Parties engaged in candid discussions in a good faith effort to develop a mutually acceptable allocation method for Washington. A great deal of information was shared related to Revised Protocol and the analyses and discussions that occurred throughout the two years of MSP meetings. Various alternative allocation mechanisms were discussed. Commission Staff has concluded that it may be able to use the Revised Protocol methodology for allocation of Washington's share of PacifiCorp's administrative & general, distribution and transmission costs,

⁹ OPUC, Order NO. 05-021, page 13

at least until a better method is developed. Specifically with regard to transmission costs, Staff remains uncertain how well the Revised Protocol will work in the future if regional network operations are altered significantly as a result Grid West or some other central operating organization. The treatment of PacifiCorp's power costs and resources on the East side of PacifiCorp's system remained an issue throughout the discussions. In the end, agreement was not reached.

Section 5 – Recommendation for further proceedings in Washington

As ordered in the Commission's Order No. 06, page 35,

- b) On or before April 1, 2005, PacifiCorp will present a detailed status report to the Commission concerning inter-jurisdictional cost allocation, including recommendations for further proceedings in Washington.

In accordance with this directive, PacifiCorp recommends the following further proceedings for addressing inter-jurisdictional cost allocations in Washington:

1. At the discretion of the Commission, offer to hold a public session with the Commissioners, parties to these discussions and other interested parties to provide the opportunity to clarify perspectives, comment on the Status Report, and respond to questions about allocations. This session could provide Commissioners with a greater understanding of the issues surrounding PacifiCorp allocations as well as a forum for balanced discussion of parties' perspectives.
2. Recognize the opportunity for Washington parties to participate in continued dialog about PacifiCorp inter-jurisdictional allocations via the Revised Protocol workgroups that have been established. Three primary workgroups are forming: a group focusing on the impact of load growth and potential cost shifts, a group focused on Seasonal Resources and a group focused on development of a Hybrid Method for reporting purposes.
3. PacifiCorp currently plans to file a general rate case in Washington in late Spring 2005, which will include a proposal to adopt Revised Protocol. This will fulfill the obligation imposed on the Company in the Order to file by October 31, 2005 "a proposal to resolve inter-jurisdictional cost allocation in Washington," either in a general rate proceeding or in an independent proceeding. (Order No. 06 at ¶ 95(c))