Exhibit No. ___T (RAB-1T)
Docket No. UE-050684 and UE-050412
Witness: Roger A. Braden

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PACIFICORP, d/b/a Pacific Power & Light Company, Respondent.	DOCKET NO. UE-050684
…………………………………………….. In the Matter of the Petition of PacifiCorp, d/b/a Pacific Power & Light Company for an Order Approving Deferral of Costs Related to Declining Hydro Generation	DOCKET NO. UE-050412

TESTIMONY OF

ROGER A. BRADEN

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

RE: PACIFICORP GENERAL RATE CASE
AND HYDRO POWER DEFERRAL PETITION

November 3, 2005

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Exhibit No. ___ (RAB-2): Qualifications

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Roger A. Braden. My business address is 1300 S. Evergreen Park Dr. S.W., Olympia, Washington 98504. My email is rbraden@wutc.wa.gov.

Q. By whom are you employed and in what capacity?

A. I am employed as the Assistant Director for Energy of the Washington Utilities and Transportation Commission.

Q. Have you prepared an exhibit describing your education and relevant employment experience?

A. Yes. It is attached as Exhibit No. ___ (RAB-2) to my testimony.

II. SCOPE OF TESTIMONY

Q. Will you please explain the purpose of your testimony in this Docket?

A. I will provide an overview of some of the key issues presented in this case and summarize Staff's resulting recommendations to the Commission concerning the Company's (also referred to herein as "PacifiCorp") request for a rate increase.

Specifically, my testimony will introduce and briefly address: (i) Staff's determination of the Washington revenue requirement for the Company, and associated rate of return and capital structure issues; (ii) inter-jurisdictional cost allocation methodology issues; (iii) the Company's proposed power cost adjustment mechanism (PCAM); and (iv) the request by the Company to defer hydropower costs resulting from drought conditions.

I will also list the other Staff witnesses and briefly identify the issues that each will address.

III. WASHINGTON REVENUE REQUIREMENT DETERMINATION AND ASSOCIATED CAPITAL ISSUES

Q. What revenue requirement did Staff determine for PacifiCorp's Washington operations in this case?

A. Staff calculates an overall reduction in the Washington revenue requirement for the Company of $4,189,000. This results in an average overall rate decrease of approximately 1.9%. That determination and references to the supporting data are summarized in the testimony of Thomas E. Schooley, Exhibit No. ___T (TES-1T) at pages 3-5.

Q. What is the appropriate cost of capital for PacifiCorp?

A. As Staff witness James Rothschild explains in detail in his testimony, Exhibit No. ___T (JAR-1T), the Commission should set rates based on an overall return of 7.4%. This is based on a return on common equity of 8.95%. The appropriate capital structure includes 43.5% common equity, 1.2% preferred equity, 4.0% short term debt, and 51.3% long term debt. Mr. Rothschild's Exhibit No. ___ (JAR-3) summarizes the calculation of the cost of capital.

IV. INTER-JURISDICTIONAL COST ALLOCATION

Q. Please provide some general background concerning the nature of and the need for an inter-jurisdictional cost allocation methodology.

A. Whenever a utility provides service in more than one state, there needs to be some workable, accurate and sound means of determining the business costs of the utility that are attributable to serving the customers in each of those states, because cost of service is the fundamental basis upon which retail consumer rates are established.

If such costs are not properly allocated on the basis of the true cost to serve each state, the ratepayers in one state or another will end up paying more or less than their fair share. At the same time, the Company may either over-recover or under-recover its expenses. In other words, a fair and accurate cost allocation mechanism is essential to the proper, equitable and fair distribution of the costs and revenues arising from the provision of utility services by a multistate utility, such as PacifiCorp.

Q. Please provide some background concerning the need for an inter-jurisdictional cost allocation methodology in this case.

A. The cost allocation issues arise in this case from the fact that the Company serves customers in six states, including Washington. For the reasons I mentioned above, an accurate inter-jurisdictional allocation methodology is needed to properly determine Washington's fair share of PacifiCorp's operating costs. Accordingly, Commission approval of an inter-jurisdictional cost allocation methodology is one of the main issues in this case.

The Company is advocating adoption of a methodology referred to as the Revised Protocol. The Revised Protocol is the method the Company used to calculate all of the cost and revenue data that it filed in its direct case.

Testimony of David L. Taylor, Exhibit No. ___T (DLT-1T). The tariffs the Company proposes in this docket are premised upon the Commission's acceptance and use of data obtained through application of the Revised Protocol.

Q. How was the Revised Protocol method developed?

A. The Revised Protocol allocation methodology was developed through a series of meetings, discussions, studies and analyses that occurred over a period of several years involving the Company and parties from the various jurisdictions served by PacifiCorp. The Company called this its Multi-State Process ("MSP"). Staff witness Alan Buckley provides considerable background information concerning the development of the Revised Protocol and how it works. *Exhibit No. ___T (APB-1T) beginning at 35.*

Q. Has the Revised Protocol been adopted as an interstate cost allocation methodology by other commissions in states served by PacifiCorp?

A. Yes. As detailed in the testimony of Company witness Donald N. Furman, Exhibit No. ___T (DNF-1T) at 27, the commissions in Idaho, Oregon, Utah and Wyoming have adopted the Revised Protocol. However, as explained in the testimony of Staff witness Alan P. Buckley, Exhibit No. ___T (APB-1T) beginning at 39, each of these commissions has conditioned its approval of the Revised Protocol. For example, the Oregon Public Utilities Commission has directed PacifiCorp to further develop an alternative allocation methodology known as the Hybrid model, for use as a comparator against the Revised Protocol.[1] The Utah Public Utility Commission has placed certain limits on the amount of rate increases that may result from use of the Revised Protocol during its first five years of application.[2]

Q. Does Staff support adoption of the Revised Protocol for use in allocating costs to Washington?

A. No. Staff recommends that the Revised Protocol be rejected by the Commission. For the limited purposes of resolving the present case, however, Staff is willing to accept a modified version of the Revised Protocol, which Staff calls its Amended Revised Protocol, as a transitional inter-jurisdictional allocation methodology with regard to PacifiCorp's Washington costs. The Amended Revised Protocol makes critical

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[1] *Re PacifiCorp Request to Initiate an Investigation of Multi-Jurisdictional Issues and Approve an Inter-Jurisdictional Cost Allocation Protocol*, in Docket UM 1050, Order No. 05-021 (Oregon PUC, January 12, 2005) at 13, ¶ 3.

[2] *Re Application of PacifiCorp for an Investigation of Inter-Jurisdictional Issues*, Docket No. 02-035-04, Report and Order (Utah PSC, December 14, 2004) at 8, ¶¶ 1-3.

modifications to the Company's cost allocations that are necessary to bring those costs sufficiently into alignment with cost causation principals.

Q. What are the modifications that are included in Staff's Amended Revised Protocol?

A. Staff proposes modifications that exclude or reduce three groups of Eastern Control Area power resource costs.

The first group includes the fixed costs arising from construction of the Currant Creek and Gadsby generation facilities and the operating costs of West Valley, a plant leased by the Company. These are all recently added natural gas generation resources located in Utah.

The second group of excluded resource costs consists of several short-term power supply contracts acquired by the Company to meet Eastern Control Area summer peaking demands.

The third group of excluded resource costs arises from the Company's inclusion of certain Utah Qualifying Facilities (QFs). Staff recommends these Utah QFs be treated in the same manner as QFs in Washington, *i.e.,* by adjusting the cost of those facilities to reflect PacifiCorp's average system cost.

Each of these adjustments is discussed in detail by Alan Buckley, Exhibit No. ___T (APB-1T), beginning at 159.

Q. Does Staff's Amended Revised Protocol proposal include additional modifications to the Company's power resource allocation?

A. Yes. Staff's Amended Revised Protocol also adjusts Washington's share of the Mid-Columbia hydropower resources to a level equivalent to that enjoyed by the state prior to the merger of Pacific Power & Light and Utah Power & Light in 1987. This has the effect of increasing Washington's Mid-Columbia credit under the Revised Protocol.

Q. Does Staff propose any modifications other than those arising from allocation of power resource costs?

A. Yes. Staff also proposes a modification to the administration and general (A&G) expense allocation factor used in the Revised Protocol, referred to as the SO factor. Staff witness Mr. Thomas Schooley explains how the SO factor over allocates A&G expenses to Washington. He proposes a different factor to allocate those expenses for the purpose of resolving the present case. *Testimony of Thomas E. Schooley, Exhibit No. ___T (TES-1T) beginning at 62.*

Q. If the Commission adopts these modifications, does the Staff agree that the Amended Revised Protocol is an appropriate methodology for determining Washington's share of the Company's costs?

A. The Staff's Amended Revised Protocol based on the conditions Staff advocates is not a long term solution to the inter-jurisdictional allocation issue. At best, it is a functional methodology that, on a transitional basis, meets minimum practical and legal requirements. Staff believes that other options discussed in Mr. Buckley's testimony that do not rely on a "rolled-in" approach are likely to produce a superior model that Staff would subsequently recommend to the Commission.

Q. Why does Staff consider the modifications it proposes as an Amended Revised Protocol essential?

A. The Company has the burden of proof in this case. *RCW 80.04.120; WAC 480-07-540.* That includes proving to the Commission that when PacifiCorp wishes to recover the costs of generation resources from Washington ratepayers, that those resources provide actual benefits to the Company's customers in Washington.

Staff does not believe that the Company has presented any credible evidence that the resources Staff has excluded actually provide electric energy benefits to Washington customers. To the contrary, Alan Buckley identifies several physical constraints that limit the feasibility and financial practicality of transmitting energy from the Company's Eastern Control Area to Washington. *Exhibit No. ___T (APB-1T) beginning at 58.* As Mr. Buckley points out, energy generally flows from west to east within PacifiCorp's system, not vice versa. Accordingly, the modifications to the Revised Protocol allocation methodology that Staff proposes are essential to set fair, just and reasonable rates, and otherwise bring the Company's resource costs into conformance with Washington law.

Q. If a major reason for excluding the Eastern Control Area resources identified in Staff's proposed modification relates to a lack of evidence supporting the Company's assertion that those resources provide material energy benefits to Washington, why isn't Staff proposing that all Eastern Control Area resources be excluded?

A. Implicit in acceptance of the Revised Protocol, with or without the Staff's proposed modifications, is an acknowledgement that some energy supply and cost diversity benefits exist on a system-wide basis. In this case, Staff had to make an informed judgment concerning the level of such benefits and set a cut-off point beyond which Eastern Control Area resources needed to be excluded as being over-and-above such level.

As Alan Buckley explains, several events have occurred in recent years relative to shifts in regional load growth profiles, development of Revised Protocol, the size and location of recently added generation plants, and actions by individual state commissions that led Staff to propose exclusion of some but not all Eastern Control Area resources. The resources that Staff has elected to exclude for the purposes of crafting an Amended Revised Protocol are simply the most egregious and recent examples of resources that were added exclusively to serve Utah load growth, without any consideration or demonstration of benefits to Washington customers. *Testimony of Alan Buckley, Exhibit No. ___ (APB-1T), e.g., beginning at 162.*

Exclusion of all Eastern Control Area Resources, except to the extent they contribute to proven energy deliveries to the west, would change the Revised Protocol so radically as to effectively convert it into a Western Control Area allocation methodology. While Staff thinks such a model might be desirable in the long term, numerous details concerning application of such a model to PacifiCorp's system remain to be worked out through cooperative efforts with the Company.

In sum, the resource cost exclusions proposed by Staff represent a reasonable compromise between unqualified acceptance of the Revised Protocol's "rolled-in" methodology and outright rejection of that method. It is a relatively well-balanced, "mid-point" position that will allow the Commission to set fair, just, reasonable and sufficient rates in this case.

Q. Are there other reasons why the Commission should accept the Staff's Amended Revised Protocol rather than the Revised Protocol as filed by the Company?

A. Yes. As I stated above, Staff's modifications in the Amended Revised Protocol allocation methodology are necessary to more closely align the resulting costs with the Company's actual service to Washington consumers. In general, the Revised Protocol as filed by the Company does not equitably allocate power costs to Washington customers because it: (i) relies upon a modified "rolled-in" approach that allocates a share of most PacifiCorp system resources to Washington regardless of their location or use; (ii) assumes unproven benefits to Washington customers from new, higher cost resources in the Company's Eastern Control; (iii) does not adequately reflect the rate of load growth in the various states; and (iv) conflicts with the Company's Integrated Resource Plan (IRP) by allocating new generation resource costs to the Western Control Area despite the IRP's conclusion that no new generation capacity is required to meet Western Control Area loads until after 2011. *See Mr. Buckley's Exhibit No. ___ (APB-5), PacifiCorp's 2004 Integrated Resource Plan at 60.*

However, if the Commission excludes certain Eastern Control Area generation resource costs arising from plants and contracts the Company has recently acquired, adjusts the Utah QF prices, reinstates Washington's original share of the Mid-Columbia resources and appropriately revises the A&G costs, then use of the resulting Amended Revised Protocol can result in fair, just and reasonable rates in this case.

Q. Please describe in more detail Staff's concerns about use of PacifiCorp's version of the Revised Protocol allocation methodology.

A. The testimony of Alan Buckley, Exhibit No. ___T (APB-1T), goes into considerable detail concerning the history and operational impacts of the unmodified version of the Revised Protocol. Mr. Buckley also discusses certain critical system operating limitations that bear directly on the Company's ability to physically transfer energy from the Eastern Control Area to Washington. These are very important factors to consider when evaluating the propriety of using a system-wide methodology like the

Revised Protocol for allocation of costs in a system as geographically wide spread as PacifiCorp's.

The operational factors described by Mr. Buckley substantially undermine the "one system" logic behind the Revised Protocol. In the interest of brevity, I will not repeat that discussion here. I will focus, instead, on assumptions about Washington load growth that the Company relies upon to support its use of the Revised Protocol.

Q. How do assumptions about Washington load growth relate to the Company's use of the Revised Protocol?

A. Growth in energy requirements is a key factor in assessing the need for the Company to acquire additional energy resources. That in turn is a major expense factor that translates directly into the Company's cost of providing service to Washington customers, and thus into Washington rates. It is also an important factor to consider when evaluating relative cost sharing among states as varying load growth rates drive varying costs associated with serving that load growth.

Q. What evidence does the Company offer to suggest that Washington energy requirements within PacifiCorp's service area are growing?

A. Company witness Donald Furman says that Washington's economy is experiencing a "particularly striking" rebound, and that Washington's peak electricity load in the PacifiCorp service area will grow at a rate of 1.8 percent per year. In support of this assertion, Mr. Furman includes a chart showing total employment numbers in Washington from January 1995 to January 2005. Mr. Furman also cites to a Washington State Office of the Forecast Council preliminary forecast of continuing statewide growth through 2007. *Testimony of Donald N. Furman, Exhibit No. ___T (DNF-1T) at 8 and 9.*

Q. Should the Commission accept Mr. Furman's statements at face value?

A. No. Mr. Furman only looks at generalized data for the State of Washington as a whole. The relevant analysis should focus on data from the areas in eastern Washington actually served by PacifiCorp.

Q. What is the data from the area PacifiCorp actually serves in Washington?

A. The available data show that growth in PacifiCorp's service area is very slow. For example, the Washington State Employment Security Department lists Yakima County (the largest population in the Company's Washington service area) as a "Distressed Area" for 2005, with three-year average unemployment of 9.9%, compared to the statewide average of 7% over the same period. *See Exhibit No. ___ (RAB-3), pages 1 and 2, and* ***www.workforceexplorer.com/article.asp?ARTICLEID=5010***.

At the end of 2003, Yakima County had the fourth highest level of unemployment out of the 39 counties in the state. *2004-2005 Washington State Almanac, 18th Ed. at 93.*

Other data show that per capita personal income in Yakima and Walla Walla counties is only 72% and 73%, respectively, of the statewide average in 2003. *See Exhibit No. ___ (RAB-3), pages 5 and 6, and* ***www.beA:doc.gov/bea/regional/reis***.[3]

Also, U.S. Census Bureau data show that the population in Yakima and Walla Walla counties has only increased 2.9% and 3.9% respectively from April 2000 to July 2004, whereas the statewide population growth during the same period was 5.25%. *See Exhibit No. ___ (RAB-3), pages 3 and 4, and* ***http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=04000US53&-_box_head_nbr=GCT-T1&-ds_name=PEP_2004_EST&-_lang=en&-redoLog=false&-format=ST-2&-_sse=on***.[4]

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[3] Statewide 2003 per capita personal income of $33,254, divided by the Yakima per capita personal income of $23,916 yields a result of 71.9%. The same 2003 calculation for Walla Walla is based on dividing the statewide income by the Walla Walla per capita income of $24,417, which yields a result of 73.4%.

[4] Washington state total population increased from 5,894,121 as of the April 2001 Census to 6,203,788 as of the July 2004 U.S. Census Bureau's estimate. This is an increase of 5.25%. The increase in population for Yakima County based on the same data over the same period was from 222,581 to 229,094, an increase of 2.9%. For Walla Walla County, the increase over that period was from 55,180 to 57,354, or 3.9%.

All of this data demonstrates that economic and population growth in PacifiCorp's Washington service territory is substantially below the statewide averages relied on by Mr. Furman.

Q. What is the significance of this data for the present case?

A. The evidence of low economic and population growth rates in the portions of Eastern Washington served by PacifiCorp indicate that electricity load growth in those areas is very slow. The logical extension of this trend is that the Company requires very little, if any, additional generation resources to meet its Washington load requirements.

This, in fact, is the conclusion PacifiCorp itself reached in its 2004 IRP, in which the Company's Preferred Portfolio projects that no new generation resources will be needed in Washington or the entire Western Control Area until around 2012. All load growth can be satisfied until that time through the addition of only 44 MW of demand side management resources by 2008. *See Mr. Buckley's Exhibit No. ___ (APB-5), PacifiCorp's 2004 IRP at 178, Table 9.1.*

Even more telling is the resource development Action Plan that is proposed by the Company based on its Preferred Portfolio. In that Preferred

Portfolio, PacifiCorp does not call for development of <u>any</u> Western Control Area plants within the ten-year plan period. *Id. at 181, Table 9.2.*

Q. What conclusion is appropriate based on this load growth data and the Company's associated resource development plans?

A. PacifiCorp has virtually no need for additional generation resources to serve its Washington customers over the next ten years or more.

Q. What is the significance of that conclusion with regard to adopting the Revised Protocol allocation methodology?

A. The Revised Protocol as filed and advocated by the Company allocates to Washington the cost of several new generation plants located in Utah that the Company has added to its portfolio since 2001. Because Washington is not experiencing material load growth, and existing Western Control Area resources are adequate to meet the Company's Washington load for years to come, the cost of the new Utah based resources should be excluded from the costs generated by application of the Revised Protocol in order to accurately measure the Company's Washington power resource costs.

Q. Are there other concerns that Staff has about use of the Revised Protocol without the modifications it has proposed?

A. Yes. The Revised Protocol as filed is fundamentally a "one size fits all" approach to cost allocation, applicable to six states that have diverse geographic, demographic and energy demand characteristics. Washington's energy needs within PacifiCorp's service territory are essentially flat, whereas energy demands in other jurisdictions are growing rapidly, especially in Utah. *See Mr. Buckley's Exhibit No. ___ (APB-5), PacifiCorp's 2004 IRP, Chapter 3.*

The native generation resource base in each state or control area served by PacifiCorp is also significantly different. The Company's transmission facilities and associated energy transfer capabilities are also significantly different in each state and control area. While there are a few, relatively minor, state-specific provisions in the Revised Protocol, it generally treats all six states as though they were part of an integrated, seamless and homogenous whole.

As Mr. Buckley discusses in considerable detail, PacifiCorp's six-state service territory is actually made up of fragmented subparts that have significantly different energy resources, transfer capabilities and load requirements. The Revised Protocol does not adequately take this diversity into account. To the contrary, Staff believes that the Revised Protocol obscures or ignores material differences among the states and control areas through use of a methodology that is fundamentally a "rolled-in" approach to cost allocation.

Q. What is a "rolled-in" approach?

A. A "rolled-in" approach to cost allocation is one that lumps all of the utility's costs together on a system-wide basis, regardless of the state or control area that gives rise to that cost. This lump sum is then divided among the states based on an allocation factor. While the Revised Protocol uses several different allocation factors which are applied to different subcategories of costs, it still fundamentally allocates costs to each state based on a lump sum or "rolled-in" total of all system costs.

Q. What is Staff's concern with a "rolled-in" allocation method?

A. Staff's primary concern with the "rolled-in" approach taken by Revised Protocol is that it automatically includes most system costs without any proof that the system components included in the lump sum total actually contribute to service to the Company's Washington customers. For the many reasons discussed by Mr. Buckley, Staff does not believe that all PacifiCorp system resources provide such service. If that is true, the cost of those resources should not be included in the Company's Washington rates. Yet PacifiCorp includes them under its version of the Revised Protocol.

Staff's Amended Revised Protocol, because it removes certain recently-added, Utah-based resources and contracts from Washington's share of the Company's system generation costs, sufficiently addresses this concern, at least until a more accurate and equitable method for recognizing the unique circumstances and characteristics of each load service area is developed and adopted.

Q. In light of the concerns you have identified, what is Staff's specific recommendation regarding use the Revised Protocol to determine PacifiCorp's revenue requirements in this and future rate proceedings?

A. Staff is willing to accept use of the Amended Revised Protocol for allocation of the Company's costs in the present case, as I discussed above and as Mr. Buckley discusses in his testimony.

However, for the various reasons discussed in Staff's testimony, particularly the testimony of Mr. Buckley and Mr. Schooley, Staff continues to have serious reservations about whether any type of "rolled-in" allocation methodology, even with the type of changes Staff is recommending, is the best approach to this issue over the long term.

Q. If the Commission determines that the Revised Protocol methodology is unacceptable, either as filed by the Company or as modified by Staff's Amended Revised Protocol proposal, what alternative is available to the Commission in this case?

A. In that instance, the Commission could simply reject the Company's tariffs and retain current rates. The Commission could also direct the Company to submit any subsequent general rate case request utilizing a non-"rolled-in" inter-jurisdictional allocation methodology based on one of the alternative methods described by Alan Buckley in Exhibit No. ___T (APB-1T) beginning at 148, or based on such other guidelines or principles as the Commission specifies.

IV. POWER COST ADJUSTMENT MECHANISM

Q. The Company has proposed a Power Cost Adjustment Mechanism (PCAM) for Commission approval. What is Staff's position on the proposed PCAM?

A. Staff opposes adoption of the proposed PCAM for the reasons discussed in the testimony of Alan Buckley, Exhibit No. ___T (APB-1T) beginning at 186, which primarily focuses on the lack of demonstrated need for a general PCAM such as that proposed by the Company.

Q. Would Staff support any type of PCAM for the Company's system in the future?

A. Yes. Given the predominance of hydropower generation in the Company's Western Control Area, if in the future the Company or the Commission were to adopt an inter-jurisdictional allocation methodology that was based on the Company's Western Control Area resources, such as the alternative methods discussed by Alan Buckley in his testimony, Exhibit No. ___T (APB-1T) beginning at 148, it might be reasonable to adopt a limited form of a PCAM, focused primarily on the impacts of extreme, adverse hydropower conditions, such those resulting from a drought.

Such a PCAM would be appropriate because the Company's broader based, non-hydropower system resources, most of which are located in the Eastern Control Area, would not be available (in a cost mitigation or revenue production sense) as they are under the Revised Protocol to offset adverse hydropower cost impacts in the Western Control Area.

However, until such a Western Control Area based methodology is adopted, PacifiCorp has not justified the need for a PCAM of any type.

VI. HYDROPOWER COST DEFERRAL PETITION

Q. Please describe the issues in Docket No. UE-050412.

A. The Company filed a petition under Docket No. UE-050412 seeking authority to establish deferral accounting related to the effect of low river flows on its hydroelectric-based cost of power. That petition has been consolidated with the general rate case, Docket No. UE-050684.

Q. What is Staff's recommendation with regard to this accounting petition?

A. As explained in the testimony of Alan Buckley, Exhibit No. ___T (APB-1T) beginning at 204, the Commission should allow the Company to recover a one time amount of $2,103,823 in deferred "excess" power costs for the period March 2005 through December 2005. This amount should be amortized over a three-year period, beginning April 2006, or from time that rates from this proceeding take effect, whichever is later. The Commission should deny the deferral of any other "excess" power costs.

VII. IDENTIFICATION OF STAFF WITNESSES AND SUBJECTS

Q. Will you please identify the witnesses who will be providing testimony on behalf of Staff?

A. Yes. The following witnesses are submitting testimony as part of the Staff's responsive case:

1. Yohannes Mariam, Exhibit No. ___T (YKGM-1T), will testify concerning normalization of temperature data to reflect weather variances.
2. Joelle R. Steward, Exhibit No. ___T (JRS-1T), will testify jointly with Kathryn Iverson, a witness for ICNU, and Jim Lazar, a witness for Public Counsel, concerning their review and analysis of PacifiCorp's proposed rate design and rate spread.
3. Danny Kermode, Exhibit No. ___T (DPK-1T), will testify concerning his review of the impact of property taxes and state and federal income taxes on PacifiCorp's Washington revenue requirement.
4. Alan P. Buckley, Exhibit No. ___T (APB-1T), will testify concerning PacifiCorp's inter-jurisdictional cost allocation issues, PCAM, hydropower deferral petition and other power resource issues.

5. James A. Rothschild, Exhibit No. ___T (JAR-1T), will testify as to his analysis and conclusions concerning PacifiCorp's cost of capital, capital structure and the appropriate overall rate of return.
6. Christian J. Ward, Exhibit No. ___T (CJW-1T), will testify as to various accounting adjustments recommended by Staff.
7. Thomas E. Schooley, Exhibit No. ___T (TES-1T), will also testify as to several accounting adjustments proposed by Staff. In addition, Mr. Schooley will testify concerning the overall results of operations and PacifiCorp's resulting Washington revenue requirement.

Q. Does that conclude your testimony?

A. Yes.