

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of)
)
)
MIDAMERICAN ENERGY) **Docket No. UE-051090**
HOLDINGS COMPANY AND)
PACIFICORP, d/b/a PACIFIC)
POWER & LIGHT COMPANY)
)
For an Order Authorizing Proposed)
Transaction.)
_____)

EXHIBIT NO. ____ (LW-2)

LINCOLN WOLVERTON QUALIFICATIONS

November 18, 2005

WITNESS QUALIFICATION STATEMENT

Name: Lincoln Wolverton

Business Address: East Fork Economics, PO Box 620, LaCenter, WA 98629

Education: B.A., 1963, Dartmouth College, English and French
M.A., 1971, University of Washington, Economics
Ph.D Candidate, 1971, University of Washington, Economics

Work Experience: Boeing Computer Services, Consulting Division, Seattle,
1973 – 1978
Portland General Electric, 1978 – 1981
Public Power Council, Vancouver, WA, 1981-1986
Resource Management International, Manager, Portland
Office, 1986 – 1987
East Fork Economics, Owner, 1987 – present

November 16, 2005

CAREER SUMMARY

LINCOLN WOLVERTON

Home:

35011 North Fork Road
La Center, WA 98629
(360) 263-2713

East Fork Economics:

P.O. Box 620
La Center, WA 98629
(360) 263-3675 (Same FAX)
lwolv@worldaccessnet.com

CAREER SUMMARY

1/88 - present	Independent Consultant, Owner East Fork Economics La Center, Washington
2/86 - 1/88	Manager, Portland Office Resource Management International Portland, Oregon
1/81 - 2/86	Director of Technical Projects Public Power Council Vancouver, Washington
5/78 - 1/81	Economist Corporate Planning Division Portland General Electric Co. Portland, Oregon
7/73 - 5/78	Project Economist The Consulting Division Boeing Computer Services, Inc. Seattle, Washington
9/71 - 7/73	Research Consultant Institute for Governmental Research University of Washington
1/67 - 9/71	Graduate Student/Research and Teaching Assistant Department of Economics University of Washington
Education:	A.B., English and French Dartmouth College, 1963
	M.A., Economics University of Washington, 1970
	Ph.D. Candidate Economics University of Washington, 1971
	Economic Fields: Natural Resources, Labor

EMPLOYMENT HISTORY

January 1988 - present

Owner, Consultant
East Fork Economics

The firm specializes in litigation support, Pacific Northwest regulated utility rates, forecasting and planning, least cost planning, strategic planning, transmission issues and economic analyses and testimony. Recent work has included:

- Representative of Utah industrial group in PacifiCorp's decision to build its Currant Creek plant, including testimony on its economics and comparisons to alternatives.
- Representative of industrial group in deliberations and development of comments regarding formation of regional transmission organizations, including issues of structure, pricing, reliability and benefits and costs. Organizational deliberations included the Independent Grid Operator (IndeGO), RTO West, Grid West and the Federal Energy Regulatory Commission's Standard Market Design.
- Provision of technical support to deliberations regarding and development of rules to implement open direct access in the state of Oregon. Testimony was prepared and presented regarding rates and structural issues regarding direct access in Oregon proceedings involving PacifiCorp and Portland General Electric.
- Analysis and provision of testimony in merger proceedings involving Scottish Power and PacifiCorp and Portland General Electric and Enron.
- A management audit of the load-forecasting process of the Allegheny Power System's West Penn utility. The audit included examination of the structure of the forecasting group both within the West Penn utility and the Allegheny Power System, evaluation of the process for developing forecasts, including contributions from demand-side resources, and examination of the public-review procedures. Included was a look at the relationship of West Penn and its neighbor utilities to which it sells or for which it transmits power.
- Development of a financial/operating risk analysis model that looks at net revenues to the Bonneville Power Administration given variations in loads, resource performance, markets for sale of surplus power and hydroelectric conditions. The model simulates operations of the BPA system given distributions of weather, economics, hydro conditions and

thermal performance in the several markets into which BPA sells its power.

- Development of a 10-year revenue-requirement/financial-results for BPA that looks at the impacts of load growth, resource selection, rates and financing methods. The model produces rate and cash flow impacts over the 10 years and revenue requirements by utility function.
- Assistance to industries in relations with their local utilities on rate matters and potential cogeneration opportunities.
- Analysis of impact of innovative rate design on telephone company revenues, customer acceptance.
- Support of intervention by large industrial firm in rate proceeding of investor-owned utility on revenue-requirements and rate-design issues. Work included analyses of and testimony on rate-design proposals regarding seasonality and capacity/energy proposals.
- As a member of the Northwest Power Planning Council's Scientific and Statistical Advisory Committee on Demand Forecasting, assistance to primary Northwest electricity planning body on load forecasting.
- Service as Technical Director of the Association of Public Agency Customers (APAC), a group of industries that buy substantial quantities of electric power from consumer-owned utilities in the Pacific Northwest.
- Expert testimony in issues of lost income from automobile accident.
- An analysis of the load/resource impact of the February 1989 cold-weather spell.
- Analyses of BPA's budget and revenue outlooks in support of BPA customer positions on the need for rate increases.
- Analyses and negotiation of open-access pilot programs for Puget Sound Energy, Portland General Electric, and PacifiCorp.
- Consultant for Industrial Customers of Northwest Utilities in Enron/Portland General Electric merger.
- Technical expert in negotiations for Puget Sound Energy Schedule 48, a deregulation tariff for industrial customers.

- Industrial representative on City of Seattle's Rate Advisory Committee, looking at revenue requirements, cost of service and industrial margins.
- Analyses of competitive power bids for industrial customer.

EMPLOYMENT HISTORY (Continued)

February 1986 - January 1988

Manager, Portland Office
Resource Management
International, Inc.

Responsibilities included managing the Portland office of Resource Management International, a Sacramento, California, based energy consulting firm with extensive experience in electric utility rates, load forecasting and strategic planning. Besides management duties, the work involved:

- Service as technical director of the Association of Public Agency Customers (APAC), a group of industries that buy substantial quantities of electric power from consumer-owned utilities in the Pacific Northwest.
- Writing Federal Energy Regulatory Commission license application chapters on Need for Power for a hydroelectric development project on behalf of a Pacific Northwest client.
- Providing expert testimony on rates and revenue requirements in the 1987 Bonneville Power Administration 1987 Rate Proceeding.
- Investigating opportunities for power purchase by California clients from Pacific Northwest utilities.
- Providing analyses and expert testimony on damages for failure to perform under contract in Oregon civil proceeding between resource developer and potential utility purchaser. Analysis including valuation of a business opportunity that was lost.

January 1981 - February 1986

Director of Technical Projects
Public Power Council

Responsibilities in this position included direction of the technical effort of the Public Power Council staff and its member committees in matters involving Bonneville Power Administration wholesale rates, resource costs, cost effectiveness and other regional power planning issues. Performance of these tasks involved

direction of PPC staff work, hiring and supervision of consultants and communication with PPC's Executive Committee, the Northwest Power Planning Council and senior staff at BPA. The work involved:

- Direction of Public Power Council rate proceedings before BPA, including selection and training of consultants and staff witnesses.
- In conjunction with other customer groups of BPA, direction of PPC's portion of a Joint Customer Proposal in 1982 (along with the Direct Service Industries and private utilities in the region), a Northwest utilities rate proposal in 1983 (along with the private utilities in the region) and a three-party customer proposal in 1985.
- Participation in and (as a staff member) facilitation of a strategic planning exercise for public power in the Northwest that resulted in a redirection of PPC's role.
- Negotiation of a 20-year BPA Power Sales Contract for Residential Exchange energy. Negotiations took place over a one-year period and required analyses of many proposals for contract provisions.
- Participation in marathon negotiations among BPA and all its customers on 20-year power sales contracts to be offered to all BPA's utility and Direct Service Industrial customers.
- Participation in the development of the first two Northwest Energy Plans by the Northwest Power Planning Council as a member of the Scientific and Statistical Advisory Committee on Load Forecasting and Rate Design.
- Direction of PPC's technical effort, participation in legal strategy development and design of PPC's proposal for a rate test (ceiling) to protect BPA's preference customers under the Regional Power Act. The proposal was the result of nearly two years of negotiation, analysis and technical modelling.
- Appearance as an expert witness in BPA rate proceedings and in United States District Court on rate and Rate Ceiling matters.
- Direction of PPC's efforts in response to BPA's analysis of its options for the region's aluminum companies. Analysis involved examination of the economics of aluminum smelting worldwide.

In addition to the above specific tasks, I have acted as an adviser on strategy to public power entities in the Northwest.

May 1978 - January 1981

Economist
Corporate Planning Division
Portland General Electric

Responsibilities while in the Load Planning and Policy Analysis Departments included supervision of the 20-year electric energy consumption forecast and of special studies on energy matters. Preparation of the forecast required projections of the local economy, consideration of the social and political environment in which the company operates, an understanding of the regional electricity generation system of which PGE is a part, and knowledge of the rate-making procedures for a regulated utility. The work involved:

- Development of a multi-sector personal income forecasting model for the seven counties served by PGE.
- Estimation of statistical equations for consumption of electricity in several final-demand sectors.
- Direction of the preparation and publication of the 1978 Electric Energy Consumption Forecast document for PGE.
- Validity testing of an econometric load-forecasting model developed for PGE. The tests included a simulation of history.
- Design and direction of the development of a computer system that integrated the forecasting model with models of the regional electric generation system, the construction program of the company and its rate-making process. In the integrated model, the company's cost structure and capital base were linked to the rate-setting process. The model was designed both as a forecasting and "what if" simulation tool.
- Testimony in proceedings before the Oregon Energy Facility Siting Council.
- Consultation with other PGE divisions on macro- and microeconomic issues arising locally and nationally, including interpretation and analysis of the Wharton Econometric Forecasting Associates models.
- Special studies on the economics of home-weatherization and solar water-heating programs.
- Analysis of termination options for company's nuclear power plants.

July 1973 - May 1978

Project Economist
The Consulting Division

Boeing Computer Services, Inc.

Responsibilities included direction of the Washington State Econometric Model and economic and econometric analyses of a wide variety of topics, such as:

- Development of an econometric forecasting model of the State of Washington containing over 200 equations and identities, with extensive industrial-sector detail.
- Preparation and delivery of a quarterly briefing on the national economy for the Boeing Commercial Airplane Company management.
- Development of a passenger traffic forecasting model for Air Panama.
- Design and development of user documentation for the Wharton Econometric Forecasting Associates econometric software system.
- Internal consulting to the Engineering Division of Boeing Commercial Airplane Company on energy economics.

EMPLOYMENT HISTORY (Continued)

These studies required computer analyses, substantial report writing and supervision of others working on the same project, as well as substantial client contact.

I also assisted in the testing and design of a number of the modules of the Wharton Econometric Forecasting System.

September 1971 - July 1973

Research Consultant
Institute for Governmental
Research
University of Washington

Responsibilities included co-direction of a study of the 1970-71 recession in the Seattle area. The study was done under a subcontract to the RAND corporation. It involved an econometric analysis of employment in the Seattle area, preliminary design of a household survey of unemployed persons in the area and selection of a subcontractor to implement the survey. In addition, a major analysis of the preliminary survey results was performed by me before I went to the Boeing Company.

January 1967 - September 1971

Graduate Student/Teaching and
Research Assistant
Department of Economics
University of Washington

While a student at the University of Washington, I was a teaching assistant for introductory macroeconomics and elementary price theory for undergraduates. In addition, I was a research assistant in natural-resource economics.

PROFESSIONAL ASSOCIATIONS

Member, Northwest Power Planning Council's Statistical and Scientific Advisory Committee on Demand Forecasting.

PERSONAL

Family status	Married, two grown children
Citizenship	U.S.A.
Health	Excellent
Pastimes	Winemaking Cooking Music appreciation Gardening Computer programming

NON-PROFESSIONAL AFFILIATIONS

Director, Gardner School Board. Owner, Salishan Vineyards, Inc.

MILITARY SERVICE

U.S. Army, October 1964 - October 1966. Service in Germany and France.

LANGUAGE PROFICIENCY

Fluent in reading, writing and speaking French.

Record of Testimony
Submitted by
Lincoln Wolverton

Utility	Proceeding	Subject of Testimony	Before	Client	Date
Portland General Electric Company		Load forecasts	Oregon Public Utility Commission	PGE	1979
Portland General Electric Company		Load forecasts	Energy Facility Siting Council	PGE	1979
Bonneville Power Administration	1981 Rate Case	BPA costs, restructuring	BPA	Public Power Council	1981
Bonneville Power Administration	WP-83	Revenue requirements, DSI rate design, preference customer rate test,	BPA/FERC	Public Power Council	1983
Bonneville Power Administration	WP-85	Preference customer rate test, revenue crediting, cost allocation, DSI industrial margin	BPA/FERC	Public Power Council	1985
Bonneville Power Administration	VI-86	Aluminum company variable rate	BPA/FERC	Public Power Council	1986
Bonneville Power Administration	WP-87	Aluminum company variable rate, preference customer rate test, cost of service, revenue requirements	BPA/FERC	Association of Public Agency Customers	1987
Bonneville Power Administration	WP-91	Preference customer rate test, revenue crediting, cost allocation, financial goals, interruptible rates, unbundling of transmission costs	BPA/FERC	Association of Public Agency Customers	1991
Bonneville Power Administration	WP-93	Vintaged rates, financial risk planning, interim rate adjustments, preference customer rate test, revenue requirements, cost of service, rate design	BPA/FERC	Association of Public Agency Customers	1993
Bonneville Power Administration	WP/TR-96 TC-96	Rate design, revenue requirements, industrial margins, eligible customer under open-access tariff	BPA	Association of Public Agency Customers	1995
Puget Sound Power & Light and Washington Natural Gas	UE-960195 UE-951270	Puget Power/Washington Natural Gas merger support	Washington Public Utilities Commission	Industrial Customers of Northwest Utilities	1996
Puget Sound Power & Light	OA96-161-000 et al	Open access tariff recommendations, load forecasts	FERC	Industrial Customers of Northwest Utilities	1996-98
Generic	UM827	Marginal cost	OPUC	Industrial Customers of Northwest Utilities	1997
Enron/Portland General Electric	UE102	Competitive Choice (upcoming testimony)	OPUC	Industrial Customers of Northwest Utilities	1997

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Utility	Proceeding	Subject of Testimony	Before	Client	Date
Washington Water Power	UE971422	Banded Rate discrimination, over-earnings	WUTC	Industrial Customers of Northwest Utilities	1997
PacifiCorp	UM918	PacifiCorp / Scottish Power merger	OPUC	Industrial Customers of Northwest Utilities	1999
Bonneville Power Administration	WP-02	BPA general rate case	BPA	Industrial Customers of Northwest Utilities	2000-2001
Bonneville Power Administration	SN-03	Safety Net Cost Recovery Adjustment Clause proceeding	BPA	Industrial Customers of Northwest Utilities	2003
PacifiCorp	UM-1081	Direct Access Transmission	OPUC	Industrial Customers of Northwest Utilities	2004
PacifiCorp	Docket 03-035-29	PacifiCorp Application for Certificate of Convenience for Currant Creek	Utah Public Service Commission	UAE Intevention Group	2004