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August 8, 2008

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Attention: David Danner
Executive Director and Secretary

Re: Docket No. UE-080220

Dear Mr. Danner:

Pursuant to WAC 480-07-730(1) and 740(2), enclosed for filing are an original and twelve (12) copies of the following:

- Prefiled Joint Testimony of Thomas E. Schooley, Michael B. Early, Glenn A. Watkins, Charles Eberdt, and Andrea Kelly Supporting Settlement Stipulation, Exhibit No. __ (JT-1T);
- Estimated Effect of Proposed Prices, Exhibit No. __ (JT-2);
- Professional Qualifications of Thomas E. Schooley, Exhibit No. __ (TES-1);
- Professional Qualifications of Michael B. Early, Exhibit No. __ (MBE-1);
- Professional Qualifications of Glenn A. Watkins, Exhibit No. __ (GAW-1); and
- Professional Qualifications of Charles Eberdt, Exhibit No. __ (CE-1).

Electronic copies of the same have been filed through the Commission's Web Portal.

Sincerely,

Andrea L. Kelly
Vice President, Regulation

Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I certify that I have cause to be served the foregoing Prefiled Joint Testimony Thomas E. Schooley, Michael B. Early, Glenn A. Watkins, Charles Eberdt, and Andrea Kelly Supporting Settlement Stipulation, Exhibit No. __ (JT-1T), Estimated Effect of Proposed Prices, Exhibit No. __ (JT-2); Professional Qualifications of Thomas E. Schooley, Exhibit No. __ (TES-1); Professional Qualifications of Michael B. Early, Exhibit No. __ (MBE-1); Professional Qualifications of Glenn A. Watkins, Exhibit No. __ (GAW-1); and Professional Qualifications of Charles Eberdt, Exhibit No. __ (CE-1) in WUTC Docket UE-080220 upon all parties of record in this proceeding via email and overnight mail, as listed below:

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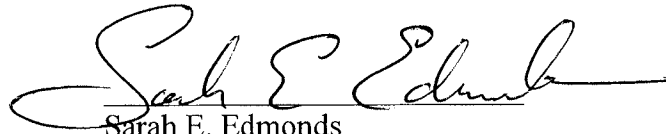
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DATED this 8th day of August, 2008.

A handwritten signature in black ink, appearing to read "Sarah E. Edmonds". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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**EXHIBIT NO. __ (JT-1T)
DOCKET UE-080220**

WITNESSES:

**THOMAS E. SCHOOLEY,
MICHAEL B. EARLY,
GLENN A. WATKINS,
CHARLES EBERDT,
ANDREA KELLY**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

DOCKET UE-080220

PREFILED JOINT TESTIMONY OF

**THOMAS E. SCHOOLEY, MICHAEL B. EARLY, GLENN A. WATKINS,
CHARLES EBERDT AND ANDREA KELLY
SUPPORTING SETTLEMENT STIPULATION**

AUGUST 8, 2008

**PREFILED JOINT TESTIMONY
SUPPORTING SETTLEMENT STIPULATION**

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1 **PREFILED JOINT TESTIMONY**

2 **SUPPORTING SETTLEMENT STIPULATION**

3 **I. INTRODUCTION**

4 **Q. What is the purpose of this Joint Testimony?**

5 A. This Joint Testimony recommends that the Commission approve the settlement
6 stipulation (“Stipulation”) that was executed by PacifiCorp d/b/a Pacific Power
7 (“PacifiCorp” or “the Company”), the Staff of the Washington Utilities and
8 Transportation Commission (“Commission Staff”), the Industrial Customers of
9 Northwest Utilities (“ICNU”), the Public Counsel Section of the Washington
10 State Attorney General’s Office (“Public Counsel”), and The Energy Project
11 (referred to hereinafter jointly as the “Parties” and individually as a “Party”) on
12 August 1, 2008. The Stipulation represents a full settlement of the issues in this
13 proceeding by all Parties. The Stipulation is the culmination of a significant
14 expenditure of time and effort by the Parties. Approval of the Stipulation is
15 consistent with the public interest, and will result in rates that are just, fair,
16 reasonable and sufficient. The purpose of this Joint Testimony is to present the
17 common recommendation of the Parties for Commission approval.

18 **Q. Please state your names, titles, and the Party you represent in this matter.**

19 A. My name is Thomas E. Schooley. I am a Regulatory Analyst providing this
20 testimony on behalf of Commission Staff. Exhibit No.__(TES-1), filed with this
21 Joint Testimony, describes my education and relevant experience.

22 A. My name is Michael B. Early. I provide this testimony on behalf of ICNU. I am
23 the Executive Director of Industrial Customers of Northwest Utilities (“ICNU”).

1 Please see Exhibit No. ___(MBE-1), filed with this Joint Testimony, which
2 includes my education and relevant experience.

3 A. My name is Glenn A. Watkins. I provide this testimony on behalf of Public
4 Counsel. I am a Principal and Senior Economist with Technical Associates, Inc.,
5 which is an economics and financial consulting firm with offices in Richmond,
6 Virginia. Please see Exhibit No. ___(GAW-1) filed with this Joint Testimony, for
7 an exhibit of my education and relevant experience.

8 A. My name is Charles Eberdt. I provide this testimony on behalf of The Energy
9 Project. I am Director for The Energy Project, which is a non-profit organization
10 that represents low-income customers and Community Action Agencies in energy
11 matters before the Commission and other state agencies. Please see Exhibit
12 No. ___(CE-1), filed concurrently with this Joint Testimony, for an exhibit
13 describing my education and relevant experience.

14 A. My name is Andrea Kelly. I provide this testimony on behalf of PacifiCorp. I am
15 Vice President of Regulation of PacifiCorp. Please see Exhibit No. ___(ALK-1T),
16 filed on February 6, 2008, for testimony describing my education and relevant
17 experience.

18 II. BACKGROUND

19 **Q. Please describe the filing that gave rise to this proceeding.**

20 A. On February 6, 2008, PacifiCorp filed with the Commission revisions to its
21 currently effective Tariff WN U-74, designed to affect a general rate increase for
22 electric service. In the filing, the Company requested a revenue increase of
23 \$34.9 million, or 14.6 percent. The Company's filing also requested authorization

1 to begin amortization of \$12.5 million of costs related to poor hydro conditions
2 during 2005, which a previous Commission order authorized the Company to
3 defer.¹ The Commission suspended the filing by order dated February 14, 2008.
4 A prehearing conference was convened by the Commission on March 6, 2008, at
5 which time the Commission granted the requests to intervene by ICNU and The
6 Energy Project.

7 **Q. Did the Parties conduct discovery on the Company's direct testimony?**

8 A. Yes. The Parties conducted extensive discovery on the Company's direct
9 testimony.

10 **Q. How did this Stipulation develop?**

11 A. The Parties participated in a settlement conference on July 24, 2008. The Parties
12 agreed to this date because, as we stated in our earlier letter to the Commission,
13 the June 30, 2008, date scheduled in the Commission's Order 03 in this docket
14 was not an optimal time for the Parties to discuss settlement. At the settlement
15 conference and over subsequent days, the Parties presented proposals and
16 counter-proposals that resulted in agreement among all Parties on a resolution of
17 this proceeding in the form of the Stipulation.

18 **Q. Do all Parties to the proceeding join in support of the Stipulation?**

19 A. Yes. The Stipulation addresses all the contested issues in the proceeding and is a
20 full settlement under WAC 480-07-730(1).

¹ *Utilities and Transp. Comm'n v. PacifiCorp d/b/a Pacific Power & Light Co.*, Docket UE-050684, Order 04, *In the Matter of the Petition of PacifiCorp d/b/a Pacific Power & Light Co. for an Order Approving Deferral of Costs Related to Declining Hydro Generation*, Docket UE-050412, Order 03 (Cons.) (Apr. 17, 2006).

1 **Q. Have you prepared any exhibits in support of your Joint Testimony?**

2 A. Yes. Exhibit No.__(JT-2), shows the estimated effect of proposed prices on
3 revenues from electric sales to Washington customers for the pro forma year
4 ending June 2008. These calculations are based on an agreed overall rate increase
5 of \$20.4 million, or 8.5 percent, as described below. The actual proposed prices
6 and monthly billing comparisons are shown in Exhibit No.__(JT-2).

7 **III. THE SCOPE OF THE STIPULATION AND**
8 **ITS PRINCIPAL ASPECTS**

9 **Q. Please describe the scope of the Stipulation and its principal aspects.**

10 A. The Stipulation is a full settlement of all issues presented in this proceeding,
11 which all of the Parties have executed. It recommends a revenue increase lower
12 than that proposed by the Company in its original filing. The Stipulation sets
13 forth the Parties' agreements on the Company's rate design and rate spread. The
14 Stipulation recommends that the Company's authorized rate of return remain at
15 8.060 percent. The Stipulation sets forth agreements related to the Company's
16 Low Income Bill Assistance and Low Income Weatherization programs. Finally,
17 the Stipulation outlines the Company's commitments and other issues related to
18 future rate case filings and Generation Cost Adjustment Mechanism ("GCAM")
19 filings.

20 **Revenue Increase**

21 **Q. Please describe the revenue increase agreed upon by the Parties.**

22 A. The Parties agree that the Commission should authorize PacifiCorp to implement
23 rate changes designed to increase annual revenues from Washington customers by

1 \$20.4 million (or 8.5 percent). *Stipulation ¶ 10.*

2 **Q. When will this rate increase be effective?**

3 A. The Parties recommend that the agreed rate changes be effective October 15,
4 2008. *Stipulation ¶ 10.*

5 **Q. What is the structure of the rate increase?**

6 A. The rate increase consists of two components that result in an overall increase of
7 8.5 percent: (1) an increase to base rates; and (2) a surcharge to recover the
8 Company's deferred expenses related to low hydro conditions in 2005.

9 The Parties agree that the Company should increase its base rates by
10 \$18.4 million. This results in an increase to rates of 7.7 percent. *Stipulation ¶ 11.*
11 The Parties also agree that, consistent with the Commission's Order 04 issued in
12 Docket UE-050684 and Order 03 in Docket UE-050412 (Consolidated), the
13 Company should amortize \$6.25 million plus interest (based on the Company's
14 authorized rate of return) related to low hydro conditions in 2005, by means of a
15 \$2 million annual surcharge collected over an approximate three-year period.
16 This results in an increase to rates of 0.8 percent. *Stipulation ¶ 12.*

17 **Q. Does this proposed revenue increase represent a reasonable result in this**
18 **case?**

19 A. Yes, the Parties agree the proposed revenue increase will result in rates that are
20 just, fair, reasonable and sufficient.

21 **Rate Spread**

22 **Q. Have the Parties agreed on a rate spread?**

23 A. Yes. The Parties agree to the rate spread shown in Appendix A to the Stipulation,

1 which shows the class-by-class results of the agreed rate spread. Appendix A
2 reflects the following rate spread for the base rate increase of 7.7 percent, or
3 \$18.4 million, consistent with the following (*Stipulation ¶ 15*):

- 4 • No increase for lighting schedules;
- 5 • 85 percent of the overall average percentage increase for small general
6 service;
- 7 • The balance spread equally among all other classes.

8 The Parties agree that the hydro deferral amount will be spread on an equal
9 percentage of revenue basis to all rate schedules and will be applied as a cents per
10 kWh surcharge. *Stipulation ¶ 16*.

11 **Q. What policy considerations support this rate spread?**

12 A. This rate spread is supported by the cost to serve each class when determining the
13 revenue responsibility for each class, and other factors that the Commission has
14 considered in making rate spread decisions, such as gradualism, rate stability, and
15 perceptions of equity.

16 **Rate Design**

17 **Q. Have the Parties reached an agreement on the proposed rate design?**

18 A. Yes. The Parties agree that the Commission should accept the Company's rate
19 design proposals as set forth in the Company's direct testimony in this
20 proceeding, with three exceptions: 1) The residential basic charge will be
21 increased to \$6.00; 2) The primary voltage discount for Schedule 48T will be
22 \$0.75/kW; and 3) All other billing components of Schedule 48T will be increased
23 on an equal percentage basis. *Stipulation ¶ 13*.

1 **Q. Have the Parties agreed to continue to review Schedule 48T cost of service**
2 **and rate design issues following the conclusion of this docket?**

3 A. Yes. The Parties plan to continue to review these issues in advance of the
4 Company's next general rate case. The Company agrees to consult with ICNU
5 and other interested parties to review Schedule 48T cost of service and rate design
6 issues. Such consultation will occur sufficiently in advance of the Company's
7 next general rate case in order to allow time to consider inclusion of any
8 recommendations in the general rate case filing. *Stipulation ¶ 14.*

9 **Q. What policy considerations support this rate design?**

10 A. Considerations of gradualism while reflecting costs within each customer class.

11 **Q. Have the Parties agreed on other tariff changes?**

12 A. Yes. The Parties agree that the Commission should accept the Company's
13 proposals for Rule changes and Schedule 300 charges as set forth in the
14 Company's direct testimony in this proceeding, subject to the following
15 (*Stipulation ¶ 15*):

- 16 • The Company will not increase its Field Visit Charge; it will remain at
17 \$15.00;
- 18 • The Company will increase Reconnection Charges to the following levels:
 - 19 ○ Normal Business - \$25.00
 - 20 ○ Evening - \$50.00
 - 21 ○ Weekend and holiday - \$75.00.

1 **Rate of Return**

2 **Q. Does the Stipulation address the Company’s authorized rate of return?**

3 A. Yes. The Company’s authorized rate of return will remain at 8.060 percent,
4 unchanged from the rate of return adopted by the Commission in Docket UE-
5 061546. This provision will allow the Company to satisfy future reporting
6 requirements implicating the Company’s authorized rate of return in Washington.
7 *Stipulation ¶ 18.*

8 **Low Income Bill Assistance and Low Income Weatherization**

9 **Q. Please describe the Parties’ agreement on low-income issues.**

10 A. First, the Parties addressed the Low Income Bill Assistance (“LIBA”) Program
11 credit, available through Schedule 17, and funded by other customers through
12 Schedule 91. The Parties agree the Company will increase the LIBA credit by the
13 same percentage as the overall percentage change in residential rates. All of the
14 increase in funding will be applied to increase the Schedule 17 energy credit to
15 partially offset the impact of the rate increase for those customers who participate
16 in the Schedule 17 rates. *Stipulation ¶ 19.*

17 Second, with respect to Low Income Weatherization, the Company agrees
18 that on or before October 15, 2008, the Company will schedule a meeting with the
19 appropriate members of the Low Income and Demand-Side Management
20 Advisory Groups, subject to schedules and availability of the participating
21 members, to explore and consider an increase to the Company’s application of
22 funding (currently at 50 percent of the cost of cost-effective measures) of the low-
23 income weatherization program. The Company and The Energy Project will

1 work jointly to develop a presentation for the group that outlines key
2 considerations on that issue, with the goal of reaching a consensus
3 recommendation. Based on the feedback from the Advisory Group members, the
4 Company will make a filing with the Commission by November 15, 2008, to
5 initiate a proceeding before the Commission for resolving this issue. *Stipulation*
6 ¶ 20.

7 **Future Filings by the Company**

8 **Q. Did the Company agree to forgo filing a general rate case for a period of time**
9 **in the Stipulation?**

10 A. Yes. The Company agrees that it will not file a general rate case until after
11 January 31, 2009. *Stipulation* ¶ 22.

12 **Q. Did the Company also agree to withdraw its request for a Generation Cost**
13 **Adjustment Mechanism (“GCAM”)?**

14 A. Yes. The Company had proposed implementation of a GCAM in this docket.
15 The Company agrees to withdraw its request and will not propose a GCAM or
16 similar mechanism in its next general rate case or by other means (*e.g.*, by
17 petition) until after its next general rate case. *Stipulation* ¶ 23.

18 **Q. Have the Parties agreed to further discussion on presentation of the**
19 **Company’s next general rate case filing?**

20 A. Yes. The Company will consult with Staff and other interested parties on
21 accounting presentation, test period conventions, and appropriate documentation
22 to demonstrate the prudence of new resources. These consultations will take
23 place prior to the Company filing its next general rate case, and, to the extent

1 possible, in time for the Company to reflect the recommendations in the
2 Company's next general rate case filing, if not as part of the Company's
3 presentation, then as part of its work papers. *Stipulation ¶ 24.*

4 **IV. THE STIPULATION SATISFIES THE PARTICIPATING PARTIES'**
5 **INTERESTS AND**
6 **IS CONSISTENT WITH THE PUBLIC INTEREST**

7 **Q. Please explain why the Stipulation satisfies the interests of Commission Staff.**

8 A. Commission Staff supports the Stipulation and considers the resulting rates to be
9 fair, just, and reasonable. Staff recommends the Commission approve the
10 Stipulation.

11 From Staff's perspective, the Stipulation provides a resolution of the
12 issues in this case that is in the public interest. If accepted by the Commission,
13 the Stipulation would result in appropriate rate levels. According to Stipulation ¶
14 33, the settlement sets no precedent, other than as to matters expressly resolved
15 by the Stipulation, such as the prudence of Goodnoe Hills and Marengo I wind
16 projects, and the Stipulation properly preserves the Commission's discretion in
17 future cases.

18 **Rate increase (Stipulation ¶¶ 10-12).** The rates resulting from the
19 Stipulation are fair, just, reasonable, and sufficient. Staff extensively analyzed
20 the Company's filing, including reviewing the Company's responses to over 500
21 data requests, retaining an expert on cost of capital issues, and visiting the
22 Company's Portland offices to review documents and to directly question
23 Company personnel about the filing.

1 Based on its investigation, Staff is comfortable concluding that the 8.5
2 percent rate increase called for under Stipulation ¶¶ 10-12 is reasonable, and not
3 excessive. Increases in net generation expenses and rate base investments
4 constitute the primary need for increased rates. (Staff notes that under ¶ 18 of the
5 Stipulation, the rate of return of 8.060 percent previously authorized by the
6 Commission will not change. This affects only the figures contained in certain
7 accounting reports the Company will file with the Commission. Based on Staff’s
8 consultant’s review of cost of capital issues, Staff believes this is reasonable).

9 **Next general rate case (Stipulation ¶ 22).** The Company’s agreement to
10 not file a general rate case until after January 31, 2009, while not a significant
11 delay, does preclude the possibility of PacifiCorp filing its next rate case prior to
12 the end of the suspension period in the present docket. Staff will use this brief
13 respite to attend certain of the meetings agreed upon in this settlement.

14 **GCAM (Stipulation ¶ 23).** Because the GCAM is an area of contention
15 between the Parties, the Company has agreed in Stipulation ¶ 23 not to seek
16 Commission authorization for a “generation cost adjustment mechanism” or
17 similar mechanism before the Company’s next rate case is concluded. The
18 moratorium applies only to Company proposals; it does not preclude proposals by
19 any other party during that time frame.

20 Staff understands the Company has a long-term interest in this issue. In
21 the meantime, the Company may use the existing rate case procedures to seek
22 rates that recover the impact of new generation projects.

23 **Rate case filing considerations (Stipulation ¶ 24).** In Stipulation ¶ 24,

1 the Company agrees to meet with Staff and other interested parties on a timely
2 basis regarding the manner in which the Company presents rate cases in this state.
3 Simply put, Staff faced certain difficulties with PacifiCorp's revenue
4 requirements presentation in this case. Staff was able to complete its accounting
5 analysis, but only after a significant effort to recast the Company's unadjusted
6 results of operations and pro forma adjustments to conform with the
7 Commission's traditional rate case practices.

8 Staff believes the Company now understands the need for Staff to get an
9 acceptable accounting presentation at the time the Company files its direct case in
10 order to optimize Staff's efforts in analyzing that information during the course of
11 the case. The Company has agreed to work through these case presentation issues
12 with Staff and other interested parties before the Company's next rate case filing.

13 Similarly, on the issue of the prudence of resource acquisitions, Staff
14 believes the Company's direct case should have included more information.
15 Again, this did not prevent Staff from concluding that the Company acted
16 prudently in acquiring the Goodnoe Hills and Marengo I wind projects
17 (*Stipulation ¶ 26*). The Company has agreed to work with Staff to reach a mutual
18 understanding of the information the Company should file in its direct case in
19 future proceedings.

20 PacifiCorp's agreement to discuss and implement improvements to its rate
21 case presentation is a welcome development which will enhance all Parties'
22 ability to review the Company's future rate requests. The results of these
23 discussions on accounting and prudence matters do not bind the Commission or

1 any party to any particular position or decision on such matters.

2 **Q. Please explain why the Stipulation satisfies the interests of ICNU.**

3 A. ICNU believes that this “black box” settlement is a reasonable compromise of the
4 position of the Parties. It is in the interests of ICNU's members to avoid litigation
5 when possible and to ensure no further rate related filings until February 2009. It
6 is especially important to ICNU's members to avoid another dispute over a power
7 cost recovery mechanism in this case as well as the next general rate case. While
8 this settlement represents a significant rate increase, it is hoped that perhaps
9 customers could see a period of some rate stability as a result of this settlement.

10 **Q. Please explain why the Stipulation satisfies the interests of Public Counsel.**

11 A. Public Counsel believes that this settlement stipulation is in the interest of
12 PacifiCorp’s residential and small business customers because it minimizes the
13 rate impact for these classes while allowing the company a sufficient revenue
14 increase to cover additional costs. Primarily, the Stipulation includes a
15 substantially smaller overall rate increase than the Company’s original request.
16 *Stipulation ¶ 10.*

17 Public Counsel also supports the rate spread and rate design settlements.
18 The Parties’ rate spread agreement includes a less-than-average increase to small
19 business customers who are currently considerably above parity (*Stipulation ¶*
20 *15*). The Parties’ rate design agreement includes a smaller increase to the
21 residential fixed customer charge than the company originally requested;
22 minimizing residential fixed charges encourages conservation and ensures that
23 low-income households are not more heavily burdened (*Stipulation ¶ 13*).

1 Additionally, the Stipulation reduces the amount of the requested increase for the
2 field visit and reconnection charges, most commonly charged to limited-income
3 residential customers. *Stipulation ¶ 17.*

4 Finally, Public Counsel believes that the withdrawal of the Company’s
5 GCAM proposal is in the public interest and that it is instead preferable to review
6 PacifiCorp’s cost requests in a general rate case where company earnings as well
7 as costs are considered (*Stipulation ¶ 23*). Generally, Public Counsel is wary of
8 such mechanisms because they carry the possibility of shifting additional risk, but
9 not benefits, to customers. Public Counsel also opposes such mechanisms to the
10 extent that they lead to single-issue ratemaking.

11 **Q. Please explain why the Stipulation satisfies the interests of The Energy**
12 **Project.**

13 A. The Energy Project believes that the settlement balances the needs of the
14 Company with those of its customers reasonably. With particular reference to
15 low income customers, any increase in rates makes maintaining access to
16 essential services more difficult. While low income customers will not be able to
17 completely avoid being affected by the proposed rate increase, the Company’s
18 increase in funding for the LIBA program will at least offset that impact for the
19 current level of LIBA enrollment, thus better maintaining the program’s
20 effectiveness for those the Energy Project can serve. We also appreciate the
21 Company’s willingness to consider a more effective application of its low income
22 energy efficiency funding.

1 **Q. Please explain why the Stipulation satisfies the interests of PacifiCorp.**

2 A. The Company believes that its proposed revenue increase in this case is well
3 supported and reasonable. Nevertheless, the Company recognizes that settlement
4 can replace the cost and risk of litigation with efficiency and certainty. From the
5 Company's perspective, there is a clear benefit to implementing an appropriate
6 revenue increase before the end of the suspension period in January 2009,
7 avoiding the delay associated with the full rate case hearing and decision-making
8 process. The Company also values the intangible aspects of settled outcomes,
9 including good will from other Parties. For these reasons, the Company was
10 willing to accept a revenue increase that was lower than it requested, along with
11 other concessions from its case position, in return for an all-party Stipulation
12 supporting an 8.5 percent overall rate increase, effective October 15, 2008. The
13 Company was willing to drop and not immediately refile its GCAM proposal
14 because, at this time, the Parties appeared to prefer to address new generation
15 costs in the context of a general rate case. As such, the Company retained ability
16 to file a general rate case on February 1, 2009 for rates effective January 1, 2010.

17 **Q. What action do the Parties recommend the Commission take with respect to**
18 **the Stipulation?**

19 A. The Parties recommend that the Commission find that this Stipulation is in the
20 public interest and would produce rates for the Company that are fair, just,
21 reasonable, and sufficient. Accordingly, the Parties recommend that the
22 Commission adopt this Stipulation in its entirety. *Stipulation ¶¶ 28 & 30.*

1 **Q. Do the Parties have specific findings they recommend that the Commission**
2 **make in an order accepting the Stipulation?**

3 A. Yes. The Parties agree that the Commission should make the following findings
4 as part of an order accepting the Stipulation (*Stipulation ¶¶ 26 & 27*):

5 • Prudence of New Resources. The Commission should find that the
6 Company’s Goodnoe Hills and Marengo I wind projects are prudent and used and
7 useful for service to Washington customers.

8 • Net Power Cost Baseline. The Commission should establish a net power cost
9 (“NPC”) for the West Control Area for purposes of reporting and historical
10 comparisons. The NPC baseline is \$430,880,359 million on a West Control Area
11 basis, or \$96,757,278 million on a Washington-allocated basis. The Parties do
12 not agree to the use of the NPC baseline for any other purposes, including but not
13 limited to a power cost or hydro deferral, but the Parties are not precluded from
14 proposing the use of the NPC baseline for other purposes.

15 **V. CONCLUSION**

16 **Q. Does this conclude your joint testimony?**

17 A. Yes.

Exhibit No. ___ (JT-2)
Docket UE-080220

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

DOCKET UE-080220

Estimated Effect of Proposed Prices

August 8, 2008

**TABLE A. PRESENT AND TARGET RATES
PACIFIC POWER & LIGHT COMPANY
ESTIMATED EFFECT OF PROPOSED PRICES
ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS
IN WASHINGTON
12 MONTHS ENDED JUNE 2008 PRO FORMA**

7.7% Base Rate Increase with 0.8% Hydro Deferral Surcharge

Line No.	Description (1)	Curr. Sch. No. (2)	Avg. Cust. (3)	MWH (4)	Base Revenues (\$000) (5)	Proposed		Base Increase (\$000) (8)	Base % (9)	Change		Net Increase (\$000) (12)	Net % (13)	Hydro Deferral Surcharge (cents/kWh) (14)
						Base Revenues (\$000) (6)	Net Revenues (\$000) (7)			Hydro Deferral Increase (\$000) (10)	Hydro Deferral % (11)			
1	Residential Residential Service	16/18	102,489	1,581,587	\$103,498	\$111,735	\$112,602	\$8,237	8.0%	\$867	0.8%	\$9,103	8.8%	0.055
2	Total Residential		102,489	1,581,587	\$103,498	\$111,735	\$112,602	\$8,237	8.0%	\$867	0.8%	\$9,103	8.8%	
	Commercial & Industrial													
3	Small General Service	24	17,493	529,663	\$34,688	\$36,959	\$37,249	\$2,270	6.5%	\$290	0.8%	\$2,561	7.4%	0.055
4	Partial Requirements Service	33	0	0	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	-
5	Large General Service <1,000 kW	36	1,066	909,585	\$49,464	\$53,400	\$53,814	\$3,936	8.0%	\$414	0.8%	\$4,350	8.8%	0.046
6	Agricultural Pumping Service	40	5,293	151,117	\$9,177	\$9,907	\$9,984	\$730	8.0%	\$77	0.8%	\$807	8.8%	0.051
7	Partial Requirements Service => 1,000 kW	47	1	2,437	\$238	\$256	\$257	\$19	8.0%	\$1	0.4%	\$20	8.3%	0.038
8	Large General Service => 1,000 kW	48	63	892,786	\$40,277	\$43,482	\$43,819	\$3,205	8.0%	\$337	0.8%	\$3,543	8.8%	0.038
9	Recreational Field Lighting	54	28	235	\$19	\$19	\$19	\$0	0.0%	\$0	0.8%	\$0	0.8%	0.067
10	Total Commercial & Industrial		23,944	2,485,823	\$133,862	\$144,024	\$145,143	\$10,161	7.6%	\$1,119	0.8%	\$11,281	8.4%	
	Public Street Lighting													
11	Outdoor Area Lighting Service	15	2,797	3,795	\$481	\$481	\$485	\$0	0.0%	\$4	0.8%	\$4	0.8%	0.106
12	Street Lighting Service	51	156	2,952	\$531	\$531	\$536	\$0	0.0%	\$4	0.8%	\$4	0.8%	0.151
13	Street Lighting Service	52	20	454	\$60	\$60	\$60	\$0	0.0%	\$0	0.8%	\$0	0.8%	0.110
14	Street Lighting Service	53	283	4,439	275	\$275	\$277	\$0	0.0%	\$2	0.8%	\$2	0.8%	0.052
15	Street Lighting Service	57	49	2,076	225	\$225	\$227	\$0	0.0%	\$2	0.8%	\$2	0.8%	0.091
16	Total Public Street Lighting		3,306	13,716	\$1,573	\$1,573	\$1,586	\$0	0.0%	\$13	0.8%	\$13	0.8%	
17	Total Sales to Standard Tariff Customers		129,738	4,081,126	\$238,934	\$257,331	\$259,331	\$18,398	7.7%	\$1,999	0.8%	\$20,397	8.5%	0.049
18	Total AGA				\$311	\$311	\$311							
19	Total Sales to Ultimate Consumers		129,738	4,081,126	\$239,245	\$257,643	\$259,642	\$18,398	7.7%	\$1,999	0.8%	\$20,397	8.5%	

**TABLE B. PRESENT AND PROPOSED RATES
PACIFIC POWER & LIGHT COMPANY
ESTIMATED EFFECT OF PROPOSED PRICES
ON REVENUES FROM ELECTRIC SALES TO ULTIMATE CONSUMERS
IN WASHINGTON
12 MONTHS ENDED JUNE 2008 PRO FORMA**

7.7% Base Rate Increase with 0.8% Hydro Deferral Surcharge

Line No.	Description	Curr. Sch. No.	Avg. Cust.	MWH	Base Revenues (\$000)		Proposed		Change				Hydro Deferral Surcharge (cents/kWh) (14)	
					(5)	(6)	Base Revenues (\$000)	Net Revenues (\$000)	Base Increase (\$000)	Hydro Deferral Increase (\$000)	Hydro Deferral %	Net Increase (\$000)		Net %
1	Residential	16/18	102,489	1,581,587	\$103,498	\$111,735	\$112,602	\$8,237	8.0%	\$867	0.8%	\$9,104	8.8%	0.055
2	Total Residential		102,489	1,581,587	\$103,498	\$111,735	\$112,602	\$8,237	8.0%	\$867	0.8%	\$9,104	8.8%	
3	Commercial & Industrial													
4	Small General Service	24	17,493	529,663	\$34,688	\$36,959	\$37,249	\$2,270	6.5%	\$290	0.8%	\$2,561	7.4%	0.055
5	Partial Requirements Service	33	0	0	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	-
6	Large General Service <1,000 kW	36	1,066	909,585	\$49,464	\$53,400	\$53,814	\$3,936	8.0%	\$414	0.8%	\$4,350	8.8%	0.046
7	Agricultural Pumping Service	40	5,293	151,117	\$9,177	\$9,908	\$9,984	\$730	8.0%	\$77	0.8%	\$807	8.8%	0.051
8	Partial Requirements Service => 1,000 kW	47	1	2,437	\$238	\$257	\$258	\$19	8.0%	\$1	0.4%	\$20	8.4%	0.038
9	Large General Service => 1,000 kW	48	63	892,786	\$40,277	\$43,481	\$43,818	\$3,204	8.0%	\$337	0.8%	\$3,541	8.8%	0.038
10	Recreational Field Lighting	54	28	235	\$19	\$19	\$19	\$0	0.00%	\$0	0.8%	\$0	0.8%	0.067
11	Total Commercial & Industrial		23,944	2,485,823	\$133,862	\$144,023	\$145,142	\$10,160	7.6%	\$1,119	0.8%	\$11,280	8.4%	
12	Public Street Lighting													
13	Outdoor Area Lighting Service	15	2,797	3,795	\$481	\$481	\$485	\$0	0.00%	\$4	0.8%	\$4	0.8%	0.106
14	Street Lighting Service	51	156	2,952	\$531	\$531	\$536	\$0	0.00%	\$4	0.8%	\$4	0.8%	0.151
15	Street Lighting Service	52	20	454	\$60	\$60	\$60	\$0	0.00%	\$0	0.8%	\$0	0.8%	0.110
16	Street Lighting Service	53	283	4,439	275	\$275	\$277	\$0	0.00%	\$2	0.8%	\$2	0.8%	0.052
17	Street Lighting Service	57	49	2,076	225	\$225	\$227	\$0	0.00%	\$2	0.8%	\$2	0.8%	0.091
18	Total Public Street Lighting		3,306	13,716	\$1,573	\$1,573	\$1,586	\$0	0.00%	\$13	0.8%	\$13	0.8%	
19	Total Sales to Standard Tariff Customers		129,738	4,081,126	\$238,934	\$257,331	\$259,330	\$18,397	7.7%	\$1,999	0.8%	\$20,396	8.5%	0.049
20	Total AGA				\$311	\$311	\$311							
21	Total Sales to Ultimate Consumers		129,738	4,081,126	\$239,245	\$257,642	\$259,641	\$18,397	7.7%	\$1,999	0.8%	\$20,396	8.5%	

PACIFIC POWER & LIGHT COMPANY
STATE OF WASHINGTON
12 MONTHS ENDED JUNE 2008 PRO FORMA
(Including Effects of Unbilled Revenue, Unbilled MWh and Weather Normalization)

	Units	Present Price	Present Dollars	Proposed Price	Proposed Dollars
SCHEDULE 15					
Outdoor Area Lighting Service-Grand Combined					
Mercury Vapor Lamp Charges					
7,000 Lumens	30,989	\$9.60	\$297,494	\$9.60	\$297,494
21,000 Lumens	5,043	\$18.28	\$92,186	\$18.28	\$92,186
55,000 Lumens	677	\$37.82	\$25,605	\$37.82	\$25,605
High Pressure Sodium Vapor Lamp Charges					
5,800 Lumens	2,097	\$10.92	\$22,899	\$10.92	\$22,899
22,000 Lumens	1,858	\$16.04	\$29,802	\$16.04	\$29,802
50,000 Lumens	495	\$25.88	\$12,811	\$25.88	\$12,811
Pole Charges	647	\$1.00	\$647	\$1.00	\$647
Total Bills	2,797				
Subtotal	3,794,905		\$481,444		\$481,444
Unbilled	0		\$0		\$0
Total	3,794,905		\$481,444		\$481,444

SCHEDULE 16/18					
Residential Service-Combined					
Basic Charge	1,229,864	\$5.25	\$6,456,787	\$6.00	\$7,379,184
1st 600 kWh	643,146,747	4.569 ¢	\$29,385,375	4.914 ¢	\$31,604,232
All addtl kWh	938,440,103	7.208 ¢	\$67,642,762	7.751 ¢	\$72,738,492
kW demand	6,540	\$1.55	\$10,137	\$1.55	\$10,137
Minimum kW Charge	1,086	\$3.00	\$3,258	\$3.00	\$3,258
kW demand in minimum	53	(\$1.55)	(\$82)	(\$1.55)	(\$82)
Subtotal	1,581,586,849		\$103,498,237		\$111,735,221
Unbilled	0		\$0		\$0
Total	1,581,586,849		\$103,498,237		\$111,735,221

SCHEDULE 24					
Small General Service-Grand Combined					
Seasonal					
Single Phase	1	\$84.00	\$84	\$90.36	\$90
Three Phase	109	\$124.80	\$13,603	\$134.16	\$14,623
Load Size > 15 kW	3,312	\$8.28	\$27,423	\$9.36	\$31,000
Basic Charge					
Single Phase	152,395	\$7.00	\$1,066,765	\$7.53	\$1,147,534
Three Phase	59,583	\$10.40	\$619,663	\$11.18	\$666,138
Load Size > 15 kW	1,215,298	\$0.69	\$838,556	\$0.78	\$947,933
Total Basic Charges	211,978				
Total Bills	208,714				
All kW >15	798,223	\$2.81	\$2,243,006	\$2.88	\$2,298,883
1st 1,000 kWh	126,408,223	7.587 ¢	\$9,590,592	8.089 ¢	\$10,225,160
Next 8,000 kWh	282,142,702	5.237 ¢	\$14,775,814	5.584 ¢	\$15,754,849
All additional kWh	121,112,284	4.513 ¢	\$5,465,798	4.810 ¢	\$5,825,501
Excess Kvar	92,605	45.00 ¢	\$41,673	45.00 ¢	\$41,673
Discounts		-1.0%		-1.0%	
Single Phase	49	\$7.00	(\$3)	\$7.53	(\$4)
Three Phase	89	\$10.40	(\$9)	\$11.18	(\$10)
Load Size > 15 kW	1,792	\$0.69	(\$12)	\$0.78	(\$14)
All kW	721	\$2.81	(\$20)	\$2.88	(\$21)
1st 1,000 kWh	83,451	7.587 ¢	(\$63)	8.089 ¢	(\$68)
Next 8,000 kWh	256,310	5.237 ¢	(\$134)	5.584 ¢	(\$143)
All additional kWh	48,376	4.513 ¢	(\$22)	4.810 ¢	(\$23)
Excess Kvar	2,413	45.00 ¢	(\$11)	45.00 ¢	(\$11)
High Voltage Charge	107	\$60.00	\$6,420	\$60.00	\$6,420
Load Size Discount	2,283	(30.00) ¢	(\$685)	(30.00) ¢	(\$685)
Subtotal	529,663,209		\$34,688,438		\$36,958,825
Unbilled	0		\$0		\$0
Total	529,663,209		\$34,688,438		\$36,958,825

PACIFIC POWER & LIGHT COMPANY
STATE OF WASHINGTON
12 MONTHS ENDED JUNE 2008 PRO FORMA
(Including Effects of Unbilled Revenue, Unbilled MWh and Weather Normalization)

	Units	Present Price	Present Dollars	Proposed Price	Proposed Dollars
SCHEDULE 33					
Partial Requirements Service					
Basic Charge					
<=100 kW	0	\$205.00	\$0	\$225.00	\$0
101 - 300 kW	0	\$75.00	\$0	\$83.00	\$0
>300 kW	0	\$150.00	\$0	\$166.00	\$0
Total Basic Charges	0				
101 - 300 kW	0	\$1.38	\$0	\$1.47	\$0
>300 kW	0	\$1.13	\$0	\$1.20	\$0
Demand Charges					
All kW	0	\$3.64	\$0	\$3.75	\$0
Energy Charges					
1st 40,000 kWh	0	3.981 ¢	\$0	4.357 ¢	\$0
All additional kWh	0	3.649 ¢	\$0	3.993 ¢	\$0
Excess Kvar	0	45.0 ¢	\$0	45.0 ¢	\$0
Excess Kvarh	0	\$0.06000	\$0	\$0.06000	\$0
Discounts		-1.0%		-1.0%	
<=100 kW	0	\$205.00	\$0	\$225.00	\$0
101 - 300 kW	0	\$75.00	\$0	\$83.00	\$0
>300 kW	0	\$150.00	\$0	\$166.00	\$0
101 - 300 kW	0	\$1.38	\$0	\$1.47	\$0
>300 kW	0	\$1.13	\$0	\$1.20	\$0
All kW	0	\$3.64	\$0	\$3.75	\$0
1st 40,000 kWh	0	3.981 ¢	\$0	4.357 ¢	\$0
All additional kWh	0	3.649 ¢	\$0	3.993 ¢	\$0
Excess kVar	0	45.0 ¢	\$0	45.0 ¢	\$0
Excess kVarh	0	0.06 ¢	\$0	0.06 ¢	\$0
High Voltage Charge--Primary	0	\$60.00	\$0	\$60.00	\$0
Load Size Discount - Primary	0	(30.00) ¢	\$0	(30.00) ¢	\$0
Standby kW	0	\$1.82		\$1.88	\$0
Overrun kW	0	\$14.56		\$15.00	\$0
Overrun kWh	0	14.6 ¢	\$0	16.0 ¢	\$0
Subtotal	0		\$0		\$0
Unbilled	0		\$0		\$0
Total	0		\$0		\$0

SCHEDULE 36
Large General Service < 1,000 kW-Grand Combined

Basic Charge					
<=100 kW	292	\$205.00	\$59,860	\$225.00	\$65,700
101 - 300 kW	8,972	\$75.00	\$672,900	\$83.00	\$744,676
>300 kW	3,525	\$150.00	\$528,750	\$166.00	\$585,150
Total Basic Charges	12,789				
101 - 300 kW	1,549,871	\$1.38	\$2,138,822	\$1.47	\$2,278,311
>300 kW	1,776,216	\$1.13	\$2,007,124	\$1.20	\$2,131,459
Demand Charges					
All kW	2,528,566	\$3.64	\$9,203,980	\$3.75	\$9,482,123
Minimum kW	29,702	\$3.64	\$108,115	\$3.75	\$111,383
Energy Charges					
1st 40,000 kWh	402,768,334	3.981 ¢	\$16,034,207	4.357 ¢	\$17,548,616
All additional kWh	506,816,374	3.649 ¢	\$18,493,730	3.993 ¢	\$20,237,178
Excess Kvar	528,143	45.0 ¢	\$237,664	45.0 ¢	\$237,664
Discounts		-1.0%		-1.0%	
<=100 kW	0	\$205.00	\$0	\$225.00	\$0
101 - 300 kW	36	\$75.00	(\$27)	\$83.00	(\$30)
>300 kW	97	\$150.00	(\$146)	\$166.00	(\$161)
101 - 300 kW	5,851	\$1.38	(\$81)	\$1.47	(\$86)
>300 kW	55,664	\$1.13	(\$629)	\$1.20	(\$668)
All kW	50,667	\$3.64	(\$1,845)	\$3.75	(\$1,900)
Minimum kW	0	\$3.64	\$0	\$3.75	\$0
1st 40,000 kWh	5,145,947	3.981 ¢	(\$2,049)	4.357 ¢	(\$2,242)
All additional kWh	16,019,655	3.649 ¢	(\$5,845)	3.993 ¢	(\$6,396)
Excess Kvar	9,336	45.0 ¢	(\$42)	45.0 ¢	(\$42)
High Voltage Charge	132	\$60.00	\$7,920	\$60.00	\$7,920
Load Size Discount	61,515	(30.00) ¢	(\$18,455)	(30.00) ¢	(\$18,455)
Subtotal	909,584,708		\$49,463,953		\$53,400,200
Unbilled	0		\$0		\$0
Total	909,584,708		\$49,463,953		\$53,400,200

PACIFIC POWER & LIGHT COMPANY
STATE OF WASHINGTON
12 MONTHS ENDED JUNE 2008 PRO FORMA
(Including Effects of Unbilled Revenue, Unbilled MWh and Weather Normalization)

	<u>Units</u>	<u>Present Price</u>	<u>Present Dollars</u>	<u>Proposed Price</u>	<u>Proposed Dollars</u>
SCHEDULE 40					
Agricultural Pumping Service-Grand Combined					
Annual Load Size Charge					
Single Phase Bills	1,055	\$0.00	\$0	\$0.00	\$0
Three Phase Bills					
< 51 kW	3,832	\$0.00	\$0	\$0.00	\$0
< 301 kW	394	\$275.00	\$108,350	\$301.00	\$118,594
> 300 kW	12	\$1,110.00	\$13,320	\$1,215.00	\$14,580
Total Bills	5,293				
Monthly Bills	34,530				
Customer Count	5,752				
Annual Load Size kW Charge					
Single Phase kW	3,767	\$18.15	\$68,371	\$19.87	\$74,851
Three Phase kW					
< 51 kW	49,068	\$18.15	\$890,585	\$19.87	\$974,981
< 301 kW	34,737	\$12.40	\$430,738	\$13.64	\$473,813
> 300 kW	4,281	\$9.65	\$41,312	\$10.62	\$45,464
Single Phase Minimum Bills	368	\$54.45	\$20,037	\$59.61	\$21,936
Three Phase <51kW Minimum Bills	876	\$108.90	\$95,396	\$119.22	\$104,436
KW in Minimum					
Single Phase kW	518	(\$18.15)	(\$9,402)	(\$19.87)	(\$10,293)
Three Phase <51kW, kW	2,004	(\$18.15)	(\$36,373)	(\$19.87)	(\$39,820)
Energy Charges					
All kWh	151,116,862	4.991 ¢	\$7,542,243	5.371 ¢	\$8,116,487
Excess Kvar	26,281	45.00 ¢	\$11,826	45.00 ¢	\$11,826
Discounts		-1.0%		-1.0%	
Single Phase	0	\$0.00	\$0	\$0.00	\$0
Three Phase					
< 51 kW	1	\$0.00	\$0	\$0.00	\$0
< 301 kW	0	\$275.00	\$0	\$301.00	\$0
> 300 kW	0	\$1,110.00	\$0	\$1,215.00	\$0
Single Phase	0	\$18.15	\$0	\$19.87	\$0
Three Phase					
< 51 kW	39	\$18.15	(\$7)	\$19.87	(\$8)
< 301 kW	0	\$12.40	\$0	\$13.64	\$0
> 300 kW	0	\$9.65	\$0	\$10.62	\$0
Single Phase Min	0	\$54.45	\$0	\$59.61	\$0
Three Phase <51kW Min	0	\$108.90	\$0	\$119.22	\$0
KW in Minimum					
Single Phase kW	0	(\$18.15)	\$0	(\$19.87)	\$0
Three Phase <51kW, kW	0	(\$18.15)	\$0	(\$19.87)	\$0
Energy Charges					
All kWh	36,727	4.991 ¢	(\$18)	5.371 ¢	(\$20)
Excess Kvar	0	45.00 ¢	\$0	45.00 ¢	\$0
High Voltage Charge	13	\$60.00	\$780	\$60.00	\$780
Load Size Discount	270	(30.00) ¢	(\$81)	(30.00) ¢	(\$81)
Subtotal	151,116,863		\$9,177,077		\$9,907,526
Unbilled	0		\$0		\$0
Total	151,116,863		\$9,177,077		\$9,907,526

PACIFIC POWER & LIGHT COMPANY
STATE OF WASHINGTON
12 MONTHS ENDED JUNE 2008 PRO FORMA
(Including Effects of Unbilled Revenue, Unbilled MWh and Weather Normalization)

	Units	Present Price	Present Dollars	Proposed Price	Proposed Dollars
SCHEDULE 47T					
Large Partial Requirements Service					
Basic Charge					
<=3000 kW	12	\$1,100.00	\$13,200	\$1,205.00	\$14,460
>3000 kW	0	\$1,325.00	\$0	\$1,450.00	\$0
Total Basic Charges	12				
<=3000 kW variable	22,366	\$0.83	\$18,564	\$0.91	\$20,353
>3000 kW variable	0	\$0.76	\$0	\$0.83	\$0
All kW	15,841	\$5.52	\$87,442	\$6.03	\$95,521
Energy Charges					
All kWh	2,436,796	3.205 ¢	\$78,099	3.499 ¢	\$85,263
Excess Kvar	70,179	\$0.45	\$31,581	\$0.45	\$31,581
Excess Kvarh	0	\$0.00060	\$0	\$0.00060	\$0
Discounts		-1.0%		-1.0%	
<=3000 kW	0	\$1,100.00	\$0	\$1,205.00	\$0
>3000 kW	0	\$1,325.00	\$0	\$1,450.00	\$0
<=3000 kW variable	0	\$0.83	\$0	\$0.91	\$0
>3000 kW variable	0	\$0.76	\$0	\$0.83	\$0
All kW	0	\$5.52	\$0	\$6.03	\$0
All kWh	0	3.205 ¢	\$0	3.499 ¢	\$0
Excess Kvar	0	\$0.45	\$0	\$0.45	\$0
High Voltage Charge	0	\$60.00	\$0	\$60.00	\$0
Load Size Discount	0	(\$0.30)	\$0	(\$0.75)	\$0
Standby kW	268	\$2.760	\$740	\$3.015	\$808
Overrun kW	322	\$22.08	\$7,110	\$24.12	\$7,767
Overrun kWh	6,498	12.820 ¢	\$833	13.996 ¢	\$909
Subtotal	2,436,796		\$237,569		\$256,662
Unbilled	0		\$0		\$0
Total	2,436,796		\$237,569		\$256,662

SCHEDULE 48T
Large General Service 1,000 kW and over-Grand Combined

Basic Charge					
<=3000 kW	680	\$1,100.00	\$748,000	\$1,205.00	\$819,400
>3000 kW	74	\$1,325.00	\$98,050	\$1,450.00	\$107,300
Total Basic Charges	754				
<=3000 kW variable	950,060	\$0.83	\$788,550	\$0.91	\$864,554
>3000 kW variable	1,043,203	\$0.76	\$792,834	\$0.83	\$865,858
All kW	1,745,147	\$5.52	\$9,633,212	\$6.03	\$10,523,236
Energy Charges					
All kWh	892,786,384	3.205 ¢	\$28,613,803	3.499 ¢	\$31,238,595
Excess Kvar	423,788	\$0.45	\$190,705	\$0.45	\$190,705
Discounts		-1.0%		-1.0%	
<=3000 kW	152	\$1,100.00	(\$1,672)	\$1,205.00	(\$1,832)
>3000 kW	49	\$1,325.00	(\$650)	\$1,450.00	(\$711)
<=3000 kW variable	213,423	\$0.83	(\$1,771)	\$0.91	(\$1,942)
>3000 kW variable	935,824	\$0.76	(\$7,112)	\$0.83	(\$7,767)
All kW	1,048,404	\$5.52	(\$57,872)	\$6.03	(\$63,218)
All kWh	579,479,682	3.205 ¢	(\$185,723)	3.499 ¢	(\$202,760)
Excess Kvar	222,465	\$0.45	(\$1,001)	\$0.45	(\$1,001)
High Voltage Charge	201	\$60.00	\$12,060	\$60.00	\$12,060
Load Size Discount	1,149,247	(\$0.30)	(\$344,774)	(\$0.75)	(\$861,936)
Subtotal	892,786,385		\$40,276,639		\$43,480,541
Unbilled	0		\$0		\$0
Total	892,786,384		\$40,276,639		\$43,480,541

PACIFIC POWER & LIGHT COMPANY
STATE OF WASHINGTON
12 MONTHS ENDED JUNE 2008 PRO FORMA
(Including Effects of Unbilled Revenue, Unbilled MWh and Weather Normalization)

	Units	Present Price	Present Dollars	Proposed Price	Proposed Dollars
SCHEDULE 51					
High Pressure Sodium Vapor Street Lighting Service					
Per Lamp Charges					
5,800 Lumens	15,700	\$7.61	\$119,477	\$7.61	\$119,477
9,500 Lumens	15,016	\$9.13	\$137,096	\$9.13	\$137,096
22,000 Lumens	18,075	\$13.33	\$240,940	\$13.33	\$240,940
50,000 Lumens	1,522	\$22.32	\$33,971	\$22.32	\$33,971
Total Bills	1,874				
Subtotal	2,951,535		\$531,484		\$531,484
Unbilled	0		\$0		\$0
Total	2,951,535		\$531,484		\$531,484

SCHEDULE 52					
Company-Owned Street Lighting Service					
Operation, Maintenance, Depreciation & Fixed Costs					
Dusk to Dawn kWh	453,966	6.405 ¢	\$29,077	6.405 ¢	\$29,077
Dusk to Midnight kWh	0	7.167 ¢	\$0	7.167 ¢	\$0
Total Bills	241				
Subtotal	453,966		\$59,531		\$59,531
Unbilled	0		\$0		\$0
Total	453,966		\$59,531		\$59,531

SCHEDULE 53					
Customer-Owned Street Lighting Service - Grand Combined					
Operation, Maintenance, Depreciation & Fixed Costs					
Option A (Co. O&M) kWh	128,106	6.146 ¢	\$7,873	6.146 ¢	\$7,873
Option B (Cust. O&M) kWh	4,311,224	6.146 ¢	\$264,968	6.146 ¢	\$264,968
Total Bills	3,401				
Subtotal	4,439,330		\$275,190		\$275,190
Unbilled	0		\$0		\$0
Total	4,439,330		\$275,190		\$275,190

SCHEDULE 54					
Recreational Field Lighting					
Basic Charge 1 Phase	191	\$3.50	\$669	\$3.50	\$669
Basic Charge 3 Phase	144	\$6.50	\$936	\$6.50	\$936
Total Bills	335				
All kWh	235,030	7.293 ¢	\$17,141	7.293 ¢	\$17,141
Subtotal	235,030		\$18,746		\$18,746
Unbilled	0		\$0		\$0
Total	235,030		\$18,746		\$18,746

PACIFIC POWER & LIGHT COMPANY
STATE OF WASHINGTON
12 MONTHS ENDED JUNE 2008 PRO FORMA
(Including Effects of Unbilled Revenue, Unbilled MWh and Weather Normalization)

	Units	Present Price	Present Dollars	Proposed Price	Proposed Dollars
SCHEDULE 57					
Mercury Vapor Street Lighting Service					
Overhead System on Wood Poles					
Horizontal Lamp Charges					
7,000 Lumens	10,394	\$8.78	\$91,259	\$8.78	\$91,259
21,000 Lumens	1,886	\$16.08	\$30,327	\$16.08	\$30,327
55,000 Lumens	12	\$32.53	\$390	\$32.53	\$390
Vertical Lamp Charges					
7,000 Lumens	5,664	\$8.23	\$46,615	\$8.23	\$46,615
21,000 Lumens	8	\$15.00	\$120	\$15.00	\$120
Overhead System on Metal Poles					
Horizontal Lamp Charges					
7,000 Lumens	88	\$11.47	\$1,009	\$11.47	\$1,009
21,000 Lumens	313	\$19.26	\$6,028	\$19.26	\$6,028
55,000 Lumens	0	\$35.75	\$0	\$35.75	\$0
Vertical Lamp Charges					
7,000 Lumens	0	\$10.86	\$0	\$10.86	\$0
21,000 Lumens	0	\$18.21	\$0	\$18.21	\$0
Underground System					
Horizontal Lamp Charges					
7,000 Lumens	0	\$11.47	\$0	\$11.47	\$0
21,000 Lumens	0	\$18.65	\$0	\$18.65	\$0
55,000 Lumens	0	\$35.13	\$0	\$35.13	\$0
Vertical Lamp Charges					
7,000 Lumens	0	\$10.86	\$0	\$10.86	\$0
21,000 Lumens	0	\$17.60	\$0	\$17.60	\$0
Post 1977 System					
7,000 Lumens	2,195	\$9.18	\$20,150	\$9.18	\$20,150
21,000 Lumens	1,638	\$16.08	\$26,339	\$16.08	\$26,339
55,000 Lumens	0	\$34.34	\$0	\$34.34	\$0
Contract					
21,000 Lumens	93	\$32.95	\$3,064	\$32.95	\$3,064
Total Bills	588				
Subtotal	2,075,988		\$225,301		\$225,301
Unbilled	0		\$0		\$0
Total	2,075,988		\$225,301		\$225,301
Washington TOTALS	4,081,125,561		\$238,933,610		\$257,330,672
AGA			\$311,007		\$311,007
Washington TOTALS with AGA	4,081,125,561		\$ 239,244,616		\$ 257,641,678

Pacific Power & Light Company
Monthly Billing Comparison
Schedule 16 - Residential Service

kWh	Monthly Billing *		Difference	Percent Difference
	Present Schedule 16	Proposed ** Schedule 16		
50	\$8.00	\$8.99	\$0.99	12.38%
100	\$10.34	\$11.53	\$1.19	11.51%
150	\$12.69	\$14.07	\$1.38	10.87%
200	\$15.03	\$16.62	\$1.59	10.58%
300	\$19.72	\$21.71	\$1.99	10.09%
400	\$24.41	\$26.80	\$2.39	9.79%
500	\$29.11	\$31.89	\$2.78	9.55%
600	\$33.80	\$36.99	\$3.19	9.44%
700	\$41.13	\$44.91	\$3.78	9.19%
800	\$48.46	\$52.84	\$4.38	9.04%
900	\$55.79	\$60.77	\$4.98	8.93%
1,000	\$63.12	\$68.70	\$5.58	8.84%
1,100	\$70.45	\$76.62	\$6.17	8.76%
1,200	\$77.78	\$84.55	\$6.77	8.70%
1,300 ***	\$85.11	\$92.48	\$7.37	8.66%
1,400	\$92.44	\$100.41	\$7.97	8.62%
1,500	\$99.77	\$108.33	\$8.56	8.58%
1,600	\$107.10	\$116.27	\$9.17	8.56%
2,000	\$136.42	\$147.98	\$11.56	8.47%
3,000	\$209.72	\$227.25	\$17.53	8.36%

Notes:

- * Includes SBC Charge and Low Income Charge
- ** Includes Hydro Deferral Surcharge
- *** Indicates Average Residential Customer

Pacific Power & Light Company
Monthly Billing Comparison
Schedule 24 - Small General Service

kW Load Size/ Demand	kWh	Monthly Billing *						Percent Difference	
		Present Price Schedule 24		Proposed Price Schedule 24 **		Single Phase	Three Phase	Single Phase	Three Phase
		Single Phase	Three Phase	Single Phase	Three Phase				
15	5,000	\$299	\$303	\$322	\$325	7.43%	7.41%	7.43%	7.41%
	7,500	\$433	\$437	\$466	\$469	7.45%	7.43%		
	10,000	\$560	\$564	\$602	\$606	7.47%	7.45%		
25	3,750	\$267	\$271	\$286	\$290	7.04%	7.02%	7.04%	7.02%
	5,000	\$334	\$338	\$358	\$362	7.13%	7.11%		
	10,000	\$595	\$599	\$639	\$642	7.30%	7.29%		
50	7,500	\$556	\$559	\$594	\$597	6.82%	6.82%	6.82%	6.82%
	10,000	\$683	\$686	\$730	\$734	6.95%	6.95%		
	20,000	\$1,146	\$1,150	\$1,229	\$1,233	7.21%	7.21%		
75	25,000	\$1,466	\$1,469	\$1,570	\$1,574	7.11%	7.11%	7.11%	7.11%
	37,500	\$2,045	\$2,049	\$2,194	\$2,197	7.24%	7.24%		
	50,000	\$2,625	\$2,628	\$2,817	\$2,821	7.32%	7.32%		
100	25,000	\$1,553	\$1,557	\$1,661	\$1,665	6.97%	6.97%	6.97%	6.97%
	37,500	\$2,133	\$2,136	\$2,285	\$2,289	7.14%	7.14%		
	50,000	\$2,712	\$2,716	\$2,909	\$2,912	7.23%	7.23%		

Notes:

* Includes SBC Charge and Low Income Charge

** Includes Hydro Deferral Surcharge

Pacific Power & Light Company
Monthly Billing Comparison
Schedule 36 - Large General Service < 1,000 kW

kW Load Size/ Demand	kWh	Monthly Billing *		Percent Difference
		Present Schedule 36	Proposed ** Schedule 36	
100	25,000	\$1,617	\$1,753	8.38%
	37,500	\$2,127	\$2,316	8.84%
	50,000	\$2,605	\$2,842	9.12%
200	60,000	\$3,482	\$3,778	8.52%
	100,000	\$4,982	\$5,435	9.08%
	140,000	\$6,483	\$7,091	9.38%
300	90,000	\$5,109	\$5,542	8.48%
	150,000	\$7,360	\$8,027	9.06%
	210,000	\$9,610	\$10,511	9.37%
400	120,000	\$6,711	\$7,282	8.50%
	200,000	\$9,712	\$10,594	9.08%
	280,000	\$12,713	\$13,906	9.39%
600	180,000	\$9,916	\$10,756	8.47%
	300,000	\$14,417	\$15,725	9.07%
	420,000	\$18,918	\$20,693	9.38%
800	240,000	\$13,121	\$14,230	8.46%
	400,000	\$19,122	\$20,855	9.06%
	560,000	\$25,124	\$27,480	9.38%
1000	300,000	\$16,325	\$17,705	8.45%
	500,000	\$23,827	\$25,986	9.06%
	700,000	\$31,329	\$34,267	9.38%

Notes:

* Includes SBC Charge and Low Income Charge

** Includes Hydro Deferral Surcharge

Pacific Power & Light Company
Billing Comparison
Schedule 40 - Agricultural Pumping Service

kW Load Size/ Demand	kWh	Present Price Schedule 40 *			Proposed Price Schedule 40 **			Percent Difference			
		Present Schedule 40 ***		Annual Load Size Charge	Proposed Schedule 40 ***		Annual Load Size Charge	Monthly Bill		Monthly Bill	Annual Load Size Charge
		Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill	Monthly Bill
<u>Single Phase</u>											
10	2,000	\$102	\$190	\$111	\$208	8.44%	\$208	8.44%	8.44%	9.52%	
	3,000	\$153	\$190	\$166	\$208	8.44%	\$208	8.44%	8.44%	9.52%	
	5,000	\$255	\$190	\$277	\$208	8.44%	\$208	8.44%	8.44%	9.52%	
<u>Three Phase</u>											
20	4,000	\$204	\$371	\$221	\$406	8.44%	\$406	8.44%	8.44%	9.50%	
	6,000	\$306	\$371	\$332	\$406	8.44%	\$406	8.44%	8.44%	9.50%	
	10,000	\$510	\$371	\$553	\$406	8.44%	\$406	8.44%	8.44%	9.50%	
100	20,000	\$1,021	\$1,523	\$1,107	\$1,674	8.44%	\$1,674	8.44%	8.44%	9.90%	
	30,000	\$1,531	\$1,523	\$1,660	\$1,674	8.44%	\$1,674	8.44%	8.44%	9.90%	
	50,000	\$2,552	\$1,523	\$2,767	\$1,674	8.44%	\$1,674	8.44%	8.44%	9.90%	
300	60,000	\$3,062	\$4,003	\$3,321	\$4,402	8.44%	\$4,402	8.44%	8.44%	9.96%	
	90,000	\$4,594	\$4,003	\$4,981	\$4,402	8.44%	\$4,402	8.44%	8.44%	9.96%	
	150,000	\$7,656	\$4,003	\$8,302	\$4,402	8.44%	\$4,402	8.44%	8.44%	9.96%	

Notes:

- * Includes SBC Charge and Low Income Charge
- ** Includes SBC Charge, Low Income Charge and Hydro Deferral Surcharge
- *** Does not include November Load Size Charge

**Pacific Power & Light Company
Monthly Billing Comparison
Schedule 48T - Large General Service - Secondary
1,000 kW and Over**

kW Load Size/ Demand	kWh	Monthly Billing *			Percent Difference
		Present Price Schedule 48T	Proposed ** Price Schedule 48T		
1,000	300,000	\$17,447	\$19,151	9.77%	
	500,000	\$24,023	\$26,391	9.86%	
	700,000	\$30,599	\$33,631	9.91%	
2,000	600,000	\$33,661	\$36,951	9.77%	
	1,000,000	\$46,813	\$51,430	9.86%	
	1,400,000	\$59,965	\$65,909	9.91%	
4,000	1,200,000	\$66,034	\$72,475	9.75%	
	2,000,000	\$92,338	\$101,433	9.85%	
	2,800,000	\$118,642	\$130,391	9.90%	
6,000	1,800,000	\$98,322	\$107,913	9.76%	
	3,000,000	\$137,778	\$151,351	9.85%	
	4,200,000	\$177,234	\$194,789	9.91%	

Notes:

- * Includes SBC Charge and Low Income Charge
- ** Includes Hydro Deferral Surcharge

**Pacific Power & Light Company
Monthly Billing Comparison
Schedule 48T - Large General Service - Primary
1,000 kW and Over**

kW Load Size/ Demand	kWh	Monthly Billing *			Percent Difference
		Present Price Schedule 48T	Proposed ** Price Schedule 48T		
1,000	300,000	\$17,033	\$18,272	7.27%	
	500,000	\$23,544	\$25,440	8.06%	
	700,000	\$30,054	\$32,608	8.50%	
2,000	600,000	\$32,785	\$35,145	7.20%	
	1,000,000	\$45,806	\$49,481	8.02%	
	1,400,000	\$58,826	\$63,817	8.48%	
4,000	1,200,000	\$64,512	\$68,816	6.67%	
	2,000,000	\$90,553	\$97,488	7.66%	
	2,800,000	\$116,594	\$126,160	8.20%	
6,000	1,800,000	\$96,015	\$102,403	6.65%	
	3,000,000	\$135,077	\$145,410	7.65%	
	4,200,000	\$174,138	\$188,418	8.20%	

Notes:
* Includes SBC Charge and Low Income Charge
** Includes Hydro Deferral Surcharge

**Pacific Power
Washington Low Income
Schedule 91 Surcharge Rates Proposal**

	Current Program	Proposed Program with 8.00% Increase	Estimated Monthly Surcharge		Estimated Annual Proposed Revenues
			Increase	Customers	
Annual Revenues Collections	\$1,041,505	\$1,124,826			
Administrative Costs (\$48/cust)	\$214,800	\$214,800			
Credit	\$826,705	\$910,026			
Schedule 91 Charges					
Sch. 15	\$0.07	\$0.08	\$0.01	2,797	\$2,685
Sch. 16	\$0.40	\$0.44	\$0.04	98,014	\$493,886
Sch. 18	\$0.40	\$0.44	\$0.04	-	-
Sch. 24	\$0.81	\$0.89	\$0.08	17,493	\$186,825
Sch. 33	\$132.50	\$147.00	\$14.50	0	\$0
Sch. 36	\$19.34	\$21.41	\$2.07	1,066	\$273,877
Sch. 40	\$8.05	\$8.90 (1)	\$0.85	5,293	\$47,108
Sch. 47T	\$132.50	\$147.00	\$14.50	1	\$1,764
Sch. 48T	\$132.50	\$147.00	\$14.50	63	\$111,132
Sch. 51	\$1.11	\$1.22	\$0.11	156	\$2,284
Sch. 52	\$1.11	\$1.22	\$0.11	20	\$293
Sch. 53	\$1.11	\$1.22	\$0.11	283	\$4,143
Sch. 54	\$0.37	\$0.42	\$0.05	28	\$141
Sch. 57	\$1.11	\$1.22	\$0.11	<u>49</u>	<u>\$717</u>
				125,263	\$1,124,855
Number of Qualifying Customers	4,475	4,475			

(1) Annual Amount

			Increase /Customer	% Increase /Customer
Cost per Qualifying Customer				
Average Credit per Customer - (Credit/Customers)	\$184.74	\$203.36	\$18.62	10%
Agency Charge per Qualifying Customer	<u>\$48.00</u>	<u>\$48.00</u>		
Average Cost per Qualifying Customer	\$232.74	\$251.36		
Annual Revenues - (Average Cost x Customers)	\$1,041,505	\$1,124,826		
Proposed Credit Increase				
Current Credit per Participant	\$184.74	=(826,705/4,475)		
Additional Proposed Credit - 75% of increase	<u>\$18.62</u>	=(83,320/4,475)		
Proposed Credit per Participant	\$203.36			
Increased Program Funding		\$83,320		

**Pacific Power
Washington Low Income
Energy Rate Credit Proposal**

<u>% of Federal Poverty Level (FPL)</u>	<u>Estimated Customers</u>	<u>Total Credit</u>	<u>Discount/ Customer</u>	<u>Rate ¢/kWh</u>	<u>Estimated kWh</u>
0-75%	2,260	\$568,424.71	\$251.48	3.812	14,909,552
76-100%	1,383	\$244,175.29	\$176.52	2.565	9,519,065
101-125%	831	\$97,425.89	\$117.18	1.603	6,076,490
Total Customers	4,475	\$910,025.89	\$203.36	2.983	30,505,107

Exhibit No. __ (TES-1)
Docket UE-080220
Witness: Thomas E. Schooley

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

DOCKET UE-080220

EXHIBIT TO JOINT TESTIMONY

Professional Qualifications of Thomas E. Schooley

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

August 8, 2008

Professional Qualifications of Thomas E. Schooley
Regulatory Analyst
Washington Utilities and Transportation Commission

The Richard Hemstad Building
1300 S. Evergreen Park Drive Southwest
P.O. Box 47250, Olympia, WA 98504
email address: tschoole@utc.wa.gov.

Thomas E. Schooley has been employed by the Commission since 1991. He received a Bachelor of Science degree from Central Washington University in 1986, meeting the requirements for a double major in Accounting and Business Administration-Finance. He also has a Bachelor of Science degree in geology from the University of Michigan. Tom passed the Certified Public Accountant exam in 1989. He has attended several regulatory accounting courses, including a summer session of the Institute of Public Utilities.

Tom testified in Docket UE-960195 involving the merger of Washington Natural Gas Company and Puget Sound Power & Light Company, which is now Puget Sound Energy, Inc. (PSE). He was the lead Staff analyst in several applications for accounting treatment, including PSE Dockets UE-971619 and UE-991918. He testified in the Avista general rate case, Docket UE-991606, and Avista's energy recovery mechanism proceedings, Dockets UE-000972, UE-010395, UE-011595, and UE-030751. He also assisted in the development of Staff testimony in PSE's "PRAM 2" case, Docket UE-920630, and he presented the Staff recommendation on environmental remediation in PSE Docket UE-911476.

Tom analyzed PacifiCorp's proposed accounting treatment of Clean Air Act allowances in Docket UE-940947, and participated in meetings of PacifiCorp's inter-jurisdictional task force on inter-jurisdictional cost allocations. More recently, he testified in PSE's Power Cost Only Rate Case, Docket UE-031725; PacifiCorp's general rate cases, Dockets UE-032065, UE-

050684, and UE-061546; Avista's general rate case, Dockets UE-070804 and UG-070805; and PSE's general rate cases, Dockets UE-072300 and UG-072301.

Tom has participated in the development of Commission rules, prepared detailed statistical studies for commissioners and other Commission employees, and examined utility reports for rule compliance. He has also presented Staff recommendations at numerous open public meetings.

Exhibit No. __ (MBE-1)
Docket UE-080220
Witness: Michael B. Early

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

DOCKET UE-080220

Professional Qualifications of Michael B. Early

August 8, 2008

Exhibit No. __ (GAW-1)
Docket UE-080220
Witness: Glenn A. Watkins

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

DOCKET UE-080220

Professional Qualifications of Glenn A. Watkins

August 8, 2008

BACKGROUND & EXPERIENCE PROFILE
GLENN A. WATKINS
VICE PRESIDENT/SENIOR ECONOMIST
TECHNICAL ASSOCIATES, INC.

EDUCATION

1982 - 1988	M.B.A., Virginia Commonwealth University, Richmond, Virginia
1980 - 1982	B.S., Economics; Virginia Commonwealth University
1976 - 1980	A.A., Economics; Richard Bland College of The College of William and Mary, Petersburg, Virginia

POSITIONS

Jul. 1995-Present	Vice President/Senior Economist, Technical Associates, Inc.
Mar. 1993-1995	Vice President/Senior Economist, C. W. Amos of Virginia
Apr. 1990-Mar. 1993	Principal/Senior Economist, Technical Associates, Inc.
Aug. 1987-Apr. 1990	Staff Economist, Technical Associates, Inc., Richmond, Virginia
Feb. 1987-Aug. 1987	Economist, Old Dominion Electric Cooperative, Richmond, Virginia
May 1984-Jan. 1987	Staff Economist, Technical Associates, Inc.
May 1982-May 1984	Economic Analyst, Technical Associates, Inc.
Sep. 1980-May 1982	Research Assistant, Technical Associates, Inc.

EXPERIENCE

I. Public Utility Regulation

- A. Costing Studies -- Conducted, and presented as expert testimony, numerous embedded and marginal cost of service studies. Cost studies have been conducted for electric, gas, telecommunications, water, and wastewater utilities. Analyses and issues have included the evaluation and development of alternative cost allocation methods with particular emphasis on ratemaking implications of distribution plant classification and capacity cost allocation methodologies. Distribution plant classifications have been conducted using the minimum system and zero-intercept methods. Capacity cost allocations have been evaluated using virtually every recognized method of allocating demand related costs (e.g., single and multiple coincident peaks, non-coincident peaks, probability of loss of load, average and excess, and peak and average).
Embedded and marginal cost studies have been analyzed with respect to the seasonal and diurnal distribution of system energy and demand costs, as well as cost effective approaches to incorporating energy and demand losses for rate design purposes. Economic dispatch models have been evaluated to determine long range capacity requirements as well as system marginal energy costs for ratemaking purposes.
- B. Rate Design Studies -- Analyzed, designed and provided expert testimony relating to rate structures for all retail rate classes, employing embedded and marginal cost studies. These rate structures have included flat rates, declining block rates, inverted block rates, hours use of demand blocking, lighting rates, and interruptible rates. Economic development and special industrial rates have been developed in recognition of the competitive environment for specific customers. Assessed alternative time differentiated rates with diurnal and seasonal pricing structures. Applied Ramsey (Inverse Elasticity) Pricing to marginal costs in order to adjust for embedded revenue requirement constraints.

- C. Forecasting and System Profile Studies -- Development of long range energy (Kwh or Mcf) and demand forecasts for rural electric cooperatives and investor owned utilities. Analysis of electric plant operating characteristics for the determination of the most efficient dispatch of generating units on a system-wide basis. Factors analyzed include system load requirements, unit generating capacities, planned and unplanned outages, marginal energy costs, long term purchased capacity and energy costs, and short term power interchange agreements.
- D. Cost of Capital Studies -- Analyzed and provided expert testimony on the costs of capital and proper capital structures for ratemaking purposes, for electric, gas, telephone, water, and wastewater utilities. Costs of capital have been applied to both actual and hypothetical capital structures. Cost of equity studies have employed comparable earnings, DCF, and CAPM analyses. Econometric analyses of adjustments required to electric utilities cost of equity due to the reduced risks of completing and placing new nuclear generating units into service.
- E. Accounting Studies -- Performed and provided expert testimony for numerous accounting studies relating to revenue requirements and cost of service. Assignments have included original cost studies, cost of reproduction new studies, depreciation studies, lead-lag studies, Weather normalization studies, merger and acquisition issues and other rate base and operating income adjustments.

II. Transportation Regulation

- A. Oil and Products Pipelines -- Conducted cost of service studies utilizing embedded costs, I.C.C. Valuation, and trended original cost. Development of computer models for cost of service studies utilizing the "Williams" (FERC 154-B) methodology. Performed alternative tariff designs, and dismantlement and restoration studies.
- B. Railroads -- Analyses of costing studies using both embedded and marginal cost methodologies. Analyses of market dominance and cross-subsidization, including the implementation of differential pricing and inverse elasticity for various railroad commodities. Analyses of capital and operation costs required to operate "stand alone" railroads. Conducted cost of capital and revenue adequacy studies of railroads.

III. Insurance Studies

Conducted and presented expert testimony relating to market structure, performance, and profitability by line and sub-line of business within specific geographic areas, e.g. by state. These studies have included the determination of rates of return on Statutory Surplus and GAAP Equity by line - by state using the NAIC methodology, and comparison of individual insurance company performance vis a vis industry Country-Wide performance.

Conducted and presented expert testimony relating to rate regulation of workers compensation, automobile, and professional malpractice insurance. These studies have included the determination of a proper profit and contingency factor utilizing an internal rate of return methodology, the development of a fair investment income rate, capital structure, cost of capital.

Other insurance studies have included testimony before the Virginia Legislature regarding proper regulatory structure of Credit Life and P&C insurance; the effects on competition and prices resulting from proposed insurance company mergers, maximum and minimum expense multiplier limits, determination of specific class code rate increase limits (swing limits); and investigation of the reasonableness of NCCI=s administrative assigned risk plan and pool expenses.

IV. Anti-Trust and Commercial Business Damage Litigation

Analyses of alleged claims of attempts to monopolize, predatory pricing, unfair trade practices and economic losses. Assignments have involved definitions of relevant market areas(geographic and product) and performance of that market, the pricing and cost allocation practices of manufacturers, and the economic performance of manufacturers' distributors.

Performed and provided expert testimony relating to market impacts involving automobile and truck dealerships, incremental profitability, the present value of damages, diminution in value of business, market and dealer performance, future sales potential, optimal inventory levels, fair allocation of products, financial performance; and business valuations.

MEMBERSHIPS AND CERTIFICATIONS

Member, Association of Energy Engineers (1998)
Certified Rate of Return Analyst, Society of Utility and Regulatory Financial Analysts (1992)
Member, American Water Works Association
National Association of Business Economists
Richmond Association of Business Economists
National Economics Honor Society

**Exhibit No. ___ (CE-1)
Docket UE-080220
Witness: Charles Eberdt**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,**

Respondent.

DOCKET UE-080220

Professional Qualifications of Charles Eberdt

August 8, 2008

EXPERIENCE AND SKILLS

Chuck Eberdt has over 30 years experience in the field of residential energy efficiency, from housing construction to renewable energy to appropriate energy policy. In Washington he has designed, implemented and supervised statewide programs on energy efficient construction, the state energy code, and indoor air quality for building professionals, code officials, utilities, and the general public. As director of the Energy Project since 1993, he has helped secure funds, effective program designs, and policies that keep low-income households connected to home energy services they can afford. Chuck currently participates on conservation program advisory groups and in the integrated resource planning processes for PSE, Avista, Cascade Natural Gas, and PacifiCorp. He has been an expert witness on behalf of the Energy Project in numerous rate cases and other dockets before the Washington utilities and Transportation Commission. In 1996 he co-chaired the sub-committee on low-income issues in a four state review of the northwest electric system. In 1994 he co-founded a national peer exchange on low-income energy program advocacy that is ongoing. He has made numerous presentations at national conferences on residential energy efficiency and advocacy for low-income energy programs.

AWARDS AND AFFILIATIONS

Secretary and Contracts Officer, A World Institute for a Sustainable Humanity, 1996 - present.

National Center for Appropriate Technology Board Member, 1996 - present.

Northwest Energy Coalition Board Member, 1993 – present. **Recipient of the Headwaters Award,** Spring 2006.

Recipient of national recognition award for Outstanding Achievement in Weatherization Programs, DOE, October 1997.

RELEVANT WORK HISTORY

The Energy Project, Opportunity Council, Bellingham, WA: Director; March 1993 - present.

Washington State Energy Office, Seattle, WA: Supervisor, trainer, energy specialist; 1987 - 1993.

Washington Energy Extension Service, Seattle, WA: Energy educator; *1982-1987*

EDUCATION AND TRAINING

Harvard University

Masters of Arts in Teaching, 1971.

University of Wisconsin, Madison

Bachelor of Science, 1970, Secondary Education.

