Exhibit No. ____ (APB-8T)
Docket No. UE-032065
Witness: Alan P. Buckley

BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PACIFICORP, d/b/a PACIFIC POWER & LIGHT COMPANY, Respondent.	DOCKET NO. UE-032065

SUPPLEMENTAL TESTIMONY OF

ALAN P. BUCKLEY

STAFF OF THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

July 27, 2004

Q. What is the purpose of your Supplemental Testimony?

A. To correct the direct testimony regarding the Utah draft Stipulation's "cap" on the Company's revenue requirements in future Utah rate cases as discussed on pages 5 through 7 of my testimony, and referred to in the testimony of Staff witness Roger Braden.

Q. Please describe your initial interpretation of the "cap" feature in the Utah draft Stipulation.

A. After a brief initial review of the draft language, I described the cap as being the lesser of two outcomes resulting from 1) the Company's Utah revenue requirement resulting from the Utah Revised Protocol, or 2) a 1.25 percent increase until mid-June 2006, and a 1.5 percent increase after June 2006. I also indicated that the cap would be implemented despite the recent or planned acquisition of significant generating facilities in the Wasatch Front and that this cap, at the same time a 13 percent increase was being requested in Washington, was unconscionable. The implication was that Utah would not be paying for resource acquisitions above the capped annual revenue requirements increases of 1.25 and 1.5 percent.

Q. Please describe your interpretation of the cap feature after you have had additional time to review the Utah draft Stipulation.

A. The draft Stipulation's cap language limits the revenue requirements for purposes of setting rates for Utah customers until July, 2008, to the lesser of 1) the Utah revenue requirements determined using the Utah revised Protocol, or 2) a percentage of the Utah revenue requirements calculated under the "rolled-in allocation method" that had been adopted in the Company's last general rate case. The percentage amount is 101.50 percent until June 30, 2006, then 101.25 percent until July 1, 2008.

Q. So there is no annual cap equal to 1.25 or 1.50 percent?

A. That is correct. There is no annual cap equal to 1.25 or 1.50 percent.

Q. But the Company is agreeing to provide Utah with a "choice" of allocation methodologies and capping rate increases based on the lesser results, correct?

A. Yes.

Q. Will Utah revenue requirement calculations include the effect of the new resource acquisitions?

A. Yes. However, the effects of new resource acquisitions only apply to the extent that the results are capped by the choice of allocation methodologies.

Q. Does the correct interpretation of the cap feature change Staff's conclusions regarding the Company's support of the Protocol in this proceeding?

A. No. In fact the terms only serve to further support the conclusion that the credibility of the Company's support of the Protocol in this proceeding is undermined.

Q. Does the correct interpretation of the cap feature change Staff's conclusions regarding the perpetuation of the so-called "regulatory black hole?"

A. No. The Company appears perfectly willing to agree to terms of a stipulation, at least in the largest jurisdictions that will further perpetuate the "black hole." This is at the same time the Company continues to support the original Protocol in this jurisdiction.

Q. Does this conclude your supplemental testimony?

A. Yes.