Exhibit ___T (TES-1T)
Docket UE-090205
Witness: Thomas E. Schooley

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 UE-090205**

TESTIMONY OF

THOMAS E. SCHOOLEY

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

IN SUPPORT OF SETTLEMENT

September 22, 2009

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Thomas E. Schooley. My business address is 1300 South Evergreen Park Drive SW, Olympia, Washington, 98504-7250. My email address is tschoole@utc.wa.gov.

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

A. I am employed by the Washington Utilities and Transportation Commission (the Commission) as a Regulatory Analyst.

Q. How long have you been employed by the Commission?

A. Since September 1991.

Q. Please describe your relevant background and professional qualifications.

A. I received a Bachelor of Science degree from Central Washington University in 1986. I met the requirements for a double major in Accounting and Business Administration-Finance. Additionally, I have a Bachelor of Science degree in geology from the University of Michigan. I passed the Certified Public Accountant exam in May 1989. Since joining the UTC, I have attended several regulatory accounting courses, including the summer session of the Institute of Public Utilities.

I testified in Docket UE-960195 involving the merger of Washington Natural Gas Company and Puget Sound Power & Light Company ("PSE"). I was the lead

Staff analyst in several applications for accounting treatment, including PSE Dockets UE-971619 and UE-991918. I testified in the Avista Corp. (Avista) general rate case, Docket UE-991606, and energy recovery mechanism proceedings, Dockets UE-000972, UE-010395, UE-011595, and UE-030751. I also assisted in the development of Staff testimony in PSE's "PRAM 2" case, Docket UE-920630, and I presented the Staff recommendation on environmental remediation in PSE Docket UE-911476.

I 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 allocations. Most recently, I 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; and Avista's general rate case, Dockets UE-070804 and UG-070805.

I have participated in the development of UTC rules, prepared detailed statistical studies for use by commissioners and other UTC employees, and examined utility reports for compliance with UTC regulations. I have also presented Staff recommendations at numerous open public meetings.

II. SCOPE OF TESTIMONY

Q. What is the scope of your testimony?

A. I provide Commission Staff's overall support for the Settlement Stipulation. I discuss the following specific elements of Section III of the Settlement Stipulation:

- Rate Increase and Effective Date (Section III.A, ¶ 11)
- Recovery of the Chehalis Regulatory Asset (other than findings) (Section III.B, ¶ 13)
- Rate Spread and Rate Design (Section III.C & D, ¶¶ 14 & 15)
- Authorized Return on Rate Base (Section III.E, ¶ 16)
- Low Income Bill Assistance (Section III.F, ¶ 17)
- Pension Curtailment (Section III.G, ¶ 18)
- Temperature Normalization Methodology (Section III.H, ¶ 19)
- Reporting Related to Renewable Energy Credits (Section III.I, ¶¶ 20-22)

I also discuss Staff's investigation of service quality.

Q. Does Staff offer other testimony in support of the Settlement Stipulation?

A. Yes. Staff witness Mr. David Nightingale testifies to the following elements of Section III of the Settlement Stipulation:

- Recovery of the Chehalis Regulatory Asset (the finding aspect of Section III.B, ¶ 12)
- Request for Prudence Findings (Section III.M, ¶¶ 26 &27)

III. COMMISSION'S SETTLEMENT APPROVAL STANDARD

Q. What is the Commission's settlement approval standard?

A. The Commission's settlement approval standard is whether the proposed settlement is "consistent with the public interest." (WAC 480-07-750(1)).

Q. Does the Settlement Stipulation satisfy that standard?

A. Yes, for the reasons stated in Staff's testimony.

IV. STAFF'S REVIEW OF PACIFICORP'S RATE FILING

Q. Please describe Staff's review of PacifiCorp's filing.

A. Staff conducted a complete review of PacifiCorp's rate case filing. For example, Staff reviewed responses to nearly 600 data requests, retained an expert on cost of capital issues, engaged in several telephone conferences with the Company and other parties, and visited the Company's Portland offices to review documents and to directly question Company personnel about the filing. Staff's cost of capital expert, Mr. David Parcel, performed a rate of return analysis based on the Discounted Cash Flow method, as supported by other methods. Staff completed a results of operations analysis including an increase in revenue requirements to which it would have testified.

Staff gave particular attention to the following issues: prudence of the Company's resource acquisitions, namely, the Chehalis Generating Plant (Chehalis Plant) and the expansion of the Marengo wind farm (Marengo II)); the recovery of deferred Chehalis Plant costs; net power costs; and the Company's proposed revisions to the temperature normalization method.

Based on Staff's extensive review of this filing, Staff believes the resolution of this case on the terms described in the Settlement Stipulation is consistent with the public interest.

V. STAFF'S REVIEW OF THE SETTLEMENT STIPULATION

Q. What do you address in Section V of your testimony?

A. I address Sections III.A through III.I of the Settlement Stipulation. The lettering of each topic in my testimony aligns with the lettering in the corresponding sections of the Settlement Stipulation.

A. RATE INCREASE AND RATE EFFECTIVE DATE

Q. What revenue change does the Settlement Stipulation call for?

A. According to Settlement Stipulation Section III.A, Paragraph 11, the Company will receive additional annual revenues of $13.5 million, implemented through a 5.3 percent rate increase, effective January 1, 2010.

Q. How does this compare to the rate increase the Company is requesting in its filing?

A. From a ratepayer perspective, it compares very favorably. The Company filed for an overall revenue increase of $38.5 million, which is an overall 15.1 percent increase in rates.[1] In addition, the Company proposed to recover Chehalis Plant-related deferred costs through the existing Schedule 96, the Hydro Deferral Surcharge.[2] That Surcharge currently collects about $2 million per year. The Company's proposal would have extended the surcharge 13 years beyond 2011. Customers otherwise would have seen a rate reduction in this amount in 2011, when the Surcharge is expected to expire.

By comparison, the rate increase called for in the Settlement Stipulation is a much lower increase ($13.5 million versus $38.5 million; 5.3 percent increase versus 15.1 percent plus the continuation of the Surcharge), it includes a faster amortization of Chehalis Plant deferred costs ($3 million per year over six years versus about $2 million per year for 13 years), and the Hydro Deferral Surcharge will expire on its current terms, likely in 2011.

Finally, the rate increase in the Settlement Stipulation will take effect on January 1, 2010, about the same time a Commission order in the rate case would otherwise have been expected.

Q. Is the proposed revenue increase reasonable in other respects?

A. Yes. Based on Staff's overall analysis, the settlement rate level is within a reasonable range. PacifiCorp's investments in new wind and gas generation plants constitute the primary need for increased rates. The findings called for in the Settlement Stipulation related to these projects (i.e., prudence, used and useful, compliance with Greenhouse Gases Emissions Standard) are findings the

[1] Testimony of Richard P. Reiten, Exhibit ___ (RPR-1T) at 2:13-15.
[2] Testimony of R. Bryce Dalley, Exhibit ___ (RBD-1T) at 35:4-18.

Commission typically would make in including these facilities in rate base for ratemaking purposes. Based on Mr. Nightingale's testimony, Staff believes these findings are well supported. For these reasons, the settlement result is reasonable and sufficient from Staff's perspective.

B. RECOVERY OF THE CHEHALIS REGULATORY ASSET

Q. Please identify the specific parts of the Settlement Stipulation regarding recovery of Chehalis Plant deferred costs that you and Mr. Nightingale address.

A. I address the reasonableness of the $18 million level of deferred costs referenced in the Settlement Stipulation Section III.B, Paragraph 13. Staff witness Mr. Nightingale addresses Settlement Stipulation Section III.B, Paragraph 12, which requests a Commission finding that the Chehalis Plant complies with the Greenhouse Gases Emissions statute (RCW 80.80), and therefore it was appropriate for PacifiCorp to defer certain costs associated with that plant.

Q. Please describe the circumstances surrounding PacifiCorp's deferral of costs associated with the Chehalis Plant.

A. The Greenhouse Gases Emissions statute (RCW 80.80) permits PacifiCorp to defer costs from the date it purchases a qualifying baseload generation unit until the effective date of a Commission order in a general rate case, or similar proceeding for the recovery of such costs. (RCW 80.80.060(6)). Commission rules require the utility to notify the Commission of its intent to defer costs. (WAC 480-100-

435(2)(a)). PacifiCorp provided such notice, which the Commission docketed as Docket UE-082252, and began to defer certain costs of the Chehalis Plant beginning on the date it acquired the plant in mid-September 2008. PacifiCorp is entitled to continue to defer costs until the effective date of the order in this case.

Q. What categories of costs are eligible for deferral?

A. It is my understanding that, under the Greenhouse Gases Emissions statute and as recognized in Commission rules, PacifiCorp may defer "operating and maintenance costs, depreciation, taxes, and cost of invested capital." (RCW 80.80.060(6) and WAC 480-100-435(1)).

Q. What amount of deferred costs may PacifiCorp recover under the Settlement Stipulation?

A. $18 million.

Q. Is this amount reasonable?

A. Yes.

Q. Please explain Staff's perspective on why this amount is reasonable.

A. By PacifiCorp's most recent calculation, the deferral was about $9.5 million as of the end of March 2009, and was projected to reach nearly $23 million by the end of 2009.

Staff takes a different view of the allowed costs to be deferred than PacifiCorp; however, the difference between the $18 million in the Settlement Stipulation and the total amount PacifiCorp would likely have requested for recovery adequately offsets the amounts associated with Staff's issues. Therefore, the $18 million is reasonable.

C. RATE SPREAD AND RATE DESIGN

Q. From Staff's perspective, are the rate spread and rate design provisions of the Settlement Stipulation reasonable?

A. Yes. As described in the Settlement Stipulation, the rate spread applies a 5.3% increase across all classes of service. Within each rate schedule, the rate design is consistent with the concepts contained in the direct testimony of Mr. Griffith, Exhibit ___ (WRG-1T) with one exception. The Residential Basic Charge will remain at $6.00, reflecting the $1.00 increase the Commission approved in PacifiCorp's last general rate case, Docket UE-080220.

The uniform percentage rate spread maintains the existing share each customer class contributes to the overall revenue requirement. Staff reviewed the rate spread calculations and proposed tariff sheets in Appendices A and B to the Settlement Stipulation, and confirmed that they represent the terms of the Settlement Stipulation.

For these reasons, the rate spread and rate designs described in the Settlement Stipulation are reasonable.

D. AUTHORIZED RETURN ON RATE BASE

Q. Did the Parties agree on how the rate of return should be calculated?

A. No. While the Parties agreed the Company's overall rate of return may remain at 8.06 percent, the Parties did not agree on the capital ratios or the rate of any individual component underlying this figure. (Settlement Stipulation, Section III.E, ¶ 16).

Q. What return on equity will the Company use for reporting and accounting purposes?

A. For reporting and accounting purposes, the Parties agree that the Company will use the rate of return on equity (ROE) of 10.2 percent, which is the figure the Commission determined in the last litigated rate case for PacifiCorp, Docket UE-061546. (Settlement Stipulation, Section III.E, ¶ 16, and footnote 10).

Q. Please explain why the Company needs a return on equity for reporting purposes.

A. For financial reporting to the Commission, the Company needs an ROE with which to compare its achieved returns. In addition, the Company needs an ROE from each state in which it provides service, in order to develop its AFUDC rate (Allowance for Funds Used During Construction). The Company is allowed to book AFUDC as part of the cost of certain investments it makes in its system.

In calculating the AFUDC rate, PacifiCorp uses the formula prescribed by the Federal Energy Regulatory Commission (FERC). The FERC formula weighs each state's ROE by each state's share of the system.

Q. If the Parties settled on an ROE of, say, 9.5 percent or 10.5 percent, would that affect the AFUDC rate?

A. Not materially. Because Washington constitutes a very small share of PacifiCorp's system, such a change in PacifiCorp's ROE in this state would not affect the resulting AFUDC rate. This is one reason why, from Staff's perspective, the Settlement Stipulation on rate of return is acceptable.

E. LOW INCOME BILL ASSISTANCE

Q. What is the effect of the Low Income Bill Assistance Program changes proposed in the Settlement Stipulation Section III.F, Paragraph 17?

A. The monies collected through Schedule 91, the surcharge that funds the low income credit, will increase 5.3 percent, or $60,550, to a total of $1,202,000. These funds will be distributed to 4,475 eligible customers through the Low Income Bill Assistance in Schedule 17. This is the same number of eligible customers covered under the current tariff, thereby maintaining administrative costs at the same level. Staff supports these changes as reasonable in the overall context of the settlement.

F. PENSION CURTAILMENT

Q. Please explain the pension issue in Settlement Stipulation Section III.G, Paragraph 18.

A. Staff and the other Parties agree that the Commission should approve a specific accounting treatment for two pension-related issues, i.e., the Company should amortize a "curtailment gain" of $2.901 million over three years, and should not defer or amortize any amount associated with a "measurement date change." I explain these terms below.

Once the Commission issues its order accepting the Settlement Stipulation and approving this accounting treatment, the Company will seek to withdraw its accounting petition filed in Docket UE-081997.

Q. Please describe PacifiCorp's petition for deferred pension accounting in Docket UE-081997.

A. In that petition, PacifiCorp is seeking Commission approval to record the net impact of a "curtailment gain" and a "measurement date change" associated with the Company's pension and postretirement welfare assets. If the Commission granted the petition as filed, the Company would amortize a net pre-tax benefit to customers of $26.746 million (total company) over a ten-year period.

Q. Please explain the "curtailment gain."

A. "Curtailment gain" refers to a gain recognized by the Company due to a change in its pension plan. In August 2008, PacifiCorp offered its non-union employees a choice to continue on the defined benefit cash balance formula or to switch to enhanced contributions in a defined contribution 401(k) plan. Over 40 percent of the participants elected to join the 401(k) plan. From a financial perspective, this triggered a curtailment in the defined benefit plan, which resulted in a curtailment gain of $38.656 million on the Company's books. A similar change to a union retirement plan resulted in an additional $1.863 million curtailment gain. These figures are total company amounts. In its petition, the Company proposes to amortize the gains over ten years.

Q. Please explain the "measurement date" change.

A. In order to measure the pension obligation and expense, a corporation such as PacifiCorp must collect certain information about the employees and retirees participating in the plan. Prior to 2009, PacifiCorp collected this data as of September 30 each year. In 2008, the Financial Accounting Standards Board (FASB) issued the Statement of Financial Accounting Standard 158, which requires that each corporation measure plan assets and benefit obligations as of the end of its fiscal year. For PacifiCorp, this is December 31.

The accounting standard requires PacifiCorp to record, in the year of the change in measurement date, an additional three months of expense in the account Accumulated Other Comprehensive Income (AOCI, an equity section account). For

PacifiCorp, this amounts to $13.773 million (total company). This debit to AOCI does not affect the cash contribution by the company. In its petition, PacifiCorp requests that the $13.773 million effect of the measurement date change be amortized over ten years.

The net effect of these items is the $26.746 million[3] which I identified earlier.

Q. From Staff's perspective, is the Settlement Stipulation's resolution of this issue reasonable?

A. Yes. As I mentioned earlier, in the Settlement Stipulation, the Parties agree that the Commission should approve a three-year amortization of Washington's share of the curtailment gain ($2.901 million),[4] with no deferral or amortization of the effect of the measurement date change. This captures a greater and more prompt reduction in cost than PacifiCorp requested in its petition. Moreover, Staff was prepared to contest the measurement date change issue. Consequently, the proposed resolution of this issue is reasonable from Staff's perspective.

G. TEMPERATURE NORMALIZATION METHODOLOGY

Q. What is temperature normalization and how is it used in ratemaking?

A. Part of the risk a utility usually bears is the variation in revenues caused by the difference in energy usage that occurs by year-to-year variations in the weather.

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[3] This figure is calculated by taking the total curtailment gain ($38.656 million plus $1.863 million = $40.519 million) and subtracting $13.773 million for the measurement date change. This equals $26.746 million which is the amount PacifiCorp reflected in its petition (total company).

[4] Washington's share of the total curtailment gain is calculated by multiplying the total curtailment gain ($40.519 million) by the System Overhead allocation factor (7.16%), which equals $2.901 million.

Therefore, electric rates typically are based on "normal" weather, using a "temperature normalization" method. Such a method typically calculates "normal" weather by averaging weather data over a long period of time. This is because in any given test year, temperatures may vary widely from long-term averages.

From a regulatory point of view, rates should not be based on energy use in a test year marked by temperature extremes (such as an extraordinarily hot summer), nor by a year with very moderate temperatures (such as an extraordinarily mild winter), because this likely would lead the utility to over- or under-recover the revenue requirement if the rate year exhibits a different temperature regimen.

Q. Does temperature affect only total energy usage for the utility?

A. No. Temperature also has a strong impact on the utility's need to meet electricity demands at any point in time. This is called "peak" demand, and it is often measured in one hour increments. The utility must meet peak demands either by additional generation or by short-term market purchases. Over a large utility system, such as PacifiCorp's, the peak demand of the system will not necessarily occur at the same time as the peak in any given state. Therefore, the utility must have the capacity to meet the "coincident peak," (i.e., the peak that occurs at one time across all states in the control area), and the customers in each state of the control area should be responsible for their state's relative contribution to the electricity demanded in the coincident peak hour.

Q. How does the temperature normalization method evaluate these peaks?

A. Averages over an extended period of time are also used to evaluate peaks. The time of an hourly or daily system peak is typically, but not always, at that period's extreme hot or cold temperature. However, the date that extreme peak occurs varies from year to year, just as overall annual temperatures vary from year to year. Consequently, an average is used to equitably share the expense of enabling the electric system to meet that peak electricity demand.

Q. What changes to the temperature normalization methodology does the Company propose in its direct case?

A. Company proposes several changes to the method PacifiCorp previously used. In her testimony, Company witness Romita Biswas identifies changes related to the time period for normalizing temperatures and to the method for calculating peak. Staff reviewed these and other changes to the method.

Q. Please explain the time period PacifiCorp previously used to calculate normal weather.

A. The temperature normalization method PacifiCorp has used for the past several years was based on a 30-year average of the maximum and minimum temperature on each day of the year, as published by the National Oceanic and Atmospheric Administration (NOAA). The most recent NOAA data is for the 30 years ending in the year 2000.

Q. Please explain the change PacifiCorp proposes in this case.

A. PacifiCorp's proposes to use the averages of the 24 hourly temperatures for each calendar day over the past 20 years, 1988 through 2007. While a shorter time period is used, the data is more robust. However, in this particular rate filing, the shift in temperature data from 30 years to 20 years has a relatively minor impact on the adjustment.

Q. Please explain how PacifiCorp calculated peak under the previous method.

A. PacifiCorp used the temperature on the day of peak consumption in each calendar month of the test year. The megawatt-hours of that peak day are then revised as if the "normal temperature", i.e. the 30-year average of that date, prevailed that day.

Q. How does PacifiCorp propose to calculate normal peak consumption?

A. PacifiCorp proposes to use an 18-year "peak-producing weather" method.[5] This method takes the day of the Company's system peak in each month, and the two preceding days, to come up with a model of the temperature pattern that produced that system peak that month. The temperature data for the peak day of each month, regardless of the date, is collected over the past 18 years, and averaged to produce the normal peak temperature against which the test year peak is compared.[6]

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[5] In the present docket, PacifiCorp used 18 years of state-by-state data on peak consumption, 1990 through 2007. The Company intends to use 20 years of data when it is available.

[6] Note: For Washington, this calculation is based on the coincident peak of the West Control Area.

Q. Is this change in peak calculation method reasonable?

A. Yes. The proposed method is more refined and better represents peak responsibilities across PacifiCorp's system.

Q. What is the primary effect of the proposed changes to the temperature normalizing method the Company previously used?

A. Because the Company's Washington service area exhibits a greater range of temperatures than the Company's Oregon and California service areas, the primary effect is to give Washington a greater share of West Control Area (WCA) inter-jurisdictional allocated capacity costs than under the method PacifiCorp previously used.

Q. Does Staff accept PacifiCorp's modifications to its temperature normalizing methods?

A. Yes, with the conditions stated in the Settlement Stipulation Section III.H, Paragraph 19. The proposed changes result in a more theoretically sound method. The capacity cost "shift" I described is consistent with the temperature pattern in the Washington service area.

As Section III.H Paragraph 19 of the Settlement Stipulation reflects, Staff has some concerns about the data. However, as that section also states, the Parties will continue discussions on this subject. Moreover, that section provides that any Party is free to propose a change to the methodology, or a new methodology, if new information comes to light. This includes the situation where the new method is not applied consistently in each PacifiCorp jurisdiction.

H. REPORTING RELATED TO RENEWABLE ENERGY CREDITS

Q. What is a "renewable energy credit"?

A. As described in WAC 480-109-007(17), a "renewable energy credit" (REC) is a "tradeable certificate of proof of at least one megawatt-hour of an eligible renewable resource…". RECs are also called "green tags." As I understand it, the Company may use these credits to demonstrate compliance with the Resource Portfolio Standard in Washington, which is contained in the Energy Independence Act (RCW 19.285).[7] Similar statutes in other PacifiCorp states permit similar results. However, not all PacifiCorp states have portfolio standards.

Q. How did this issue arise in PacifiCorp's direct case?

A. PacifiCorp included $657,755 in "green tag revenue" in its direct case.[8] This is an estimated figure.

Q. How does the Settlement Stipulation address these credits?

A. Section III.I of the Settlement Stipulation, Paragraph 20, calls for PacifiCorp to provide detailed information and reports regarding how these credits arise, and how PacifiCorp disposes of them, i.e., by selling them, using them for compliance, or

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[7] *See also* WAC 480-109-020.
[8] Exhibit of R. Bryce Dalley, Exhibit ___ (RBD-3) at Tab 3:3.7.

"banking" them for future compliance. In general, Staff and certain other parties have an interest in making sure PacifiCorp treats these items fairly across all of its jurisdictions.

Staff understands that some states may be treated differently due to the inter-jurisdictional allocation method that is used, and whether or not a state has a portfolio standard with which PacifiCorp must comply. However, the reporting called for in the Settlement Stipulation will help Staff and the Commission monitor this activity, enabling the Commission to take more timely action, if necessary, than if the reports were not provided.

VI. OTHER CONSIDERATIONS

A. SERVICE QUALITY

Q. As part of its examination of PacifiCorp's rate filing in this case, did Staff examine PacifiCorp's service quality?

A. Yes.

Q. What did Staff do?

A. Staff issued seventeen data requests seeking information necessary to determine whether the Company met the service quality standards prescribed by the Commission in Order 07, Docket UE-051090.[9] Staff examined the responses, as

[9] *In the Matter of the Joint Application of MidAmerican Energy Holdings Co. and PacifiCorp, d/b/a Pacific Power & Light Co. For an Order Authorizing Proposed Transaction,* Docket UE-051090, Order 07,

well as the semi-annual Service Standards Reports PacifiCorp filed in that docket, the most recent reliability reports filed by the Company,[10] and the recent customer complaints on file with the Commission.

Q. Did Staff find any issues related to PacifiCorp's compliance with Commission-prescribed service quality standards?

A. No. Moreover, while the number of customer complaints increased from 39 in 2006 to 54 in 2008, that increase mostly related to bill payment issues. PacifiCorp's ratio of complaints per 1,000 customers is lower than the ratio for Avista Corporation and in line with the ratio for Puget Sound Energy.

Q. Does the Settlement Stipulation address service quality?

A. No. Based on Staff's investigation, Staff did not find the need for such a provision.

VI. CONCLUSION

Q. Please summarize why Staff believes the Settlement Stipulation is consistent with the public interest.

A. From Staff's perspective, if accepted by the Commission, the Settlement Stipulation would result in rates that are fair, just, and reasonable. The non-rate provisions of

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Attachment (February 22, 2006). The actual service quality standards approved by the Commission in this order are found in the cover letter for the Company's initial filing, dated December 2, 2004, in Docket UE-042131.

[10] See 2007 and 2008 reliability reports filed in Dockets UE-080763 and UE-090657, respectively.

the Settlement Stipulation are also reasonable and well supported, as Mr. Nightingale and I explain in our testimonies.

Moreover, according to Settlement Stipulation Section III.N.6, Paragraph 34, the Stipulation will not be used to resolve issues in future proceedings, except for the items expressly set forth in the Stipulation, i.e., the prudence of the Chehalis Plant and Marengo II wind projects, the cap on Chehalis Plant deferred costs, workpaper filing, and the earliest filing date of the next general rate case. Consequently, the Settlement Stipulation properly preserves the Commission's discretion in future cases.

Q. Does this conclude your testimony?

A. Yes.