

**BEFORE THE**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	
	)	Docket No. UE-090205
v.	)	
	)	
PACIFICORP d/b/a PACIFIC POWER	)	
AND LIGHT COMPANY,	)	
	)	
Respondent.	)	
	)	
_____	)	

**TESTIMONY OF ROBERT M. MEEK**

**IN SUPPORT OF SETTLEMENT STIPULATION**

**ON BEHALF OF**

**THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES**

**SEPTEMBER 22, 2009**

1 **Q. PLEASE STATE YOUR NAME, POSITION, BUSINESS ADDRESS, AND UPON**  
2 **WHOSE BEHALF YOU ARE TESTIFYING.**

3 **A.** My name is Robert Meek. I am Associate General Counsel for Boise Inc. (“Boise”),  
4 headquartered in Boise, Idaho. My address is 1111 West Jefferson Street, Ste 200,  
5 Boise, ID 83702. Boise is a member of the Industrial Customers of Northwest Utilities  
6 (“ICNU”) and I am submitting testimony on behalf of ICNU in support of the Settlement  
7 Stipulation. Boise White Paper, L.L.C., a subsidiary of Boise, owns the Wallula Mill  
8 which is served by PacifiCorp in Washington State. The Wallula Mill is PacifiCorp’s  
9 largest customer in Washington State.

10 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND.**

11 **A.** I received a BS in 1975 from West Virginia University, graduating magna cum laude, and  
12 my JD in 1980 from University of Virginia. I was admitted to the Idaho Bar in 1980. I  
13 received my accounting certificates for West Virginia and Idaho as a Certified Public  
14 Accountant (“CPA”), but do not currently practice as a CPA.

15 **Q. PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE.**

16 **A.** I joined Boise on June 4, 1980. I am currently the Associate General Counsel for the Boise  
17 Team and responsible for Boise paper manufacturing, transportation, corporate  
18 information services, corporate procurement and creditor’s rights.

19 **Q. IN WHAT CAPACITY DO YOU APPEAR TODAY IN THIS CASE?**

20 **A.** I am appearing on behalf of ICNU.

21 **Q. DOES ICNU SUPPORT THE SETTLEMENT STIPULATION?**

22 **A.** Yes. ICNU strongly supports the Settlement Stipulation and recommends that the  
23 Washington Utilities and Transportation Commission adopt it.

1 **Q. PLEASE EXPLAIN WHY THE STIPULATION SATISFIES THE INTERESTS**  
2 **OF ICNU’S MEMBERS.**

3 **A.** ICNU believes that this “black box” settlement is a reasonable compromise of the  
4 positions of the Parties. It is in the interests of ICNU’s members to avoid litigation when  
5 possible and to ensure no further rate related filings until January 11, 2010. While this  
6 settlement represents a significant rate increase, it is hoped that perhaps customers could  
7 see a period of some rate stability as a result of this settlement. ICNU believes that the  
8 settlement results in a revenue requirement increase that will produce fair, just and  
9 reasonable rates.

10 **Q. PLEASE DESCRIBE THE ANALYSIS ICNU CONDUCTED TO REVIEW**  
11 **PACIFICORP’S RATE FILING.**

12 **A.** ICNU witness Randall Falkenberg reviewed power cost and resource prudence issues.  
13 ICNU witness Donald Schoenbeck reviewed rate spread and design issues. ICNU and  
14 Public Counsel witness Michael Gorman reviewed cost of capital issues. ICNU’s  
15 witnesses conducted extensive analysis and discovery of the Company’s filing which  
16 demonstrated that an overall increase of \$13.5 million on an equal percentage basis is a  
17 fair and reasonable resolution of the issues in this proceeding. Because ICNU is  
18 supporting the Settlement, we will not present testimony from our witnesses that describe  
19 the scope of the underlying disputes in this proceeding, the concerns ICNU had regarding  
20 the Company’s filing, or the results of our witnesses’ analysis. It is my understanding  
21 that the Commission does not believe this information is necessary, and ICNU is willing  
22 to file only my limited testimony because this is a full party rather than a multi-party  
23 settlement. However, ICNU believes more robust information would be necessary if not  
24 all parties join a settlement.

1 **Q. IS THE SETTLEMENT A “BLACK BOX”?**

2 **A.** Yes, on all revenue requirement issues and nearly all other issues. The Settlement  
3 Stipulation does not set precedent, with certain limited exceptions. Accordingly, if the  
4 issues are presented on the record for a Commission decision in a future proceeding, the  
5 Settlement Stipulation should not be construed as accepting the Company’s original filed  
6 case. The Stipulation contains a requirement for the Company and ICNU to exchange the  
7 GRID model, its inputs, workpapers and other supporting documents in future cases  
8 which would facilitate a more effective and equitable review process in those  
9 proceedings. This is an important agreement which will hopefully reduce the number of  
10 future disputes regarding discovery and access to information. In addition, the Settlement  
11 Stipulation includes an important reporting provision regarding the Company’s  
12 renewable energy credits (“RECs”), which provides the parties the practical ability to file  
13 for deferred accounting or request that the Commission take another action regarding  
14 PacifiCorp’s Washington-allocated RECs. Finally, the Stipulation establishes 8.060% as  
15 the rate of return for PacifiCorp.

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 **A.** Yes.