

Motion, Staff correctly points out that it did not “filter” costs or the GRID estimate power costs, but instead filtered the water year data.^{2/}

3 ICNU similarly filtered the water year data, but did not filter the GRID estimated power costs in its proposed water year adjustment. As demonstrated by Mr. Falkenberg’s exhibit “Filtered Water Adjustment,” ICNU’s proposal filters only for hydro conditions.^{3/} Mr. Falkenberg computed the mean and standard deviation of hydro generation levels, and then computed the number of standard deviations from the mean for each of the individual hydro generation scenarios.^{4/} The exhibit shows how Mr. Falkenberg excludes the water years which are more than one standard deviation from the mean.^{5/} The average of power costs for only those years that are not “filtered” was computed in Exhibit No. 168. If Mr. Falkenberg had used a “filtered power cost” approach, then the analysis would have had to have computed a mean and standard deviation for power costs.

4 Similarly, the Commission also concluded that power costs, which are based on market prices and fuel prices, are affected by hydro conditions and that this “skews” the power cost distribution.^{6/} PacifiCorp’s GRID computer model uses the same market prices for power regardless of hydro conditions.^{7/} Thus, hydro conditions do not skew the power cost distribution in GRID.

^{2/} Motion at 2.

^{3/} Exh. No. 168 (Filtered Water Adjustment).

^{4/} Id.

^{5/} Id.

^{6/} WUTC v. PacifiCorp, Docket Nos. UE-061546 and UE-060817, Order No. 08 at ¶ 98.

^{7/} Exh. No. 81 at 16: 19-20 (Widmer Direct).

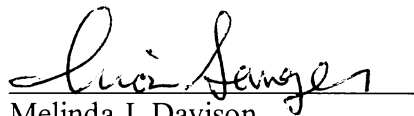
5 As described by Staff, the Commission should clarify its order to provide
the Commission and the parties with proper guidance in future proceedings.^{8/} In addition,
clarification could warrant the Commission altering its overall analysis on this issue.

6 WHEREFORE, ICNU respectfully requests that the Commission grant
Staff's Motion.

Dated in Portland, Oregon, this 29th day of June, 2007.

Respectfully submitted,

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^{8/} Motion at 2.