PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

Pacific Power | Utah Power
Rocky Mountain Power
825 NE Multnomah
Portland, Oregon 97232

August 31, 2007

VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY

Oregon Public Utility Commission
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attention: Vikie Bailey-Goggins, Administrator
Regulatory and Technical Support

RE: **Docket UM 1329** - Application of Pacific Power for Change in Depreciation Rates

Enclosed for filing by PacifiCorp dba, Pacific Power ("PacifiCorp") is PacifiCorp's Application requesting an order authorizing a change in depreciation rates, to be effective January 1, 2008. The changes in depreciation rates requested in this proceeding will be incorporated into Oregon electric rates in a subsequent rate proceeding. PacifiCorp previously filed the preliminary depreciation study in this docket on July 10, 2007.

An original and five (5) copies will be provided via overnight delivery.

The company respectfully requests that all formal correspondence and data requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com.

By Fax: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Please direct informal questions with respect to this filing to Joelle Steward at 503-813-5542.

Very truly yours,

Andrea L. Kelly

Andrea L. Kelly
Vice President, Regulation

Enclosures
cc: Service list for Docket UM 1329

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of August, 2007, I caused to be served, via hand delivery, a true and correct copy of PacifiCorp's Application for Change in Depreciation Rates, Docket No. UM 1329 to the following:

Pacific Power & Light Michelle R. Mishoe 825 NE Multnomah Ste 1800 Portland, OR 97232 Michelle.mishoe@pacificorp.com	PacifiCorp Oregon Dockets Oregon Dockets 825 NE Multnomah Ste 1800 Portland, OR 97232 oregondockets@pacificorp.com

Debbie DePetris
Supervisor Regulatory Administration

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of PacifiCorp, dba PACIFIC POWER & LIGHT COMPANY Petition to File a Preliminary Depreciation Study.	Docket No. UM 1329

DIRECT TESTIMONY & EXHIBITS

AUGUST 2007

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1329

In The Matter of PACIFICORP, dba PACIFIC POWER & LIGHT COMPANY Petition to File a Preliminary Depreciation Study.	))))	APPLICATION OF PACIFIC POWER

Pursuant to ORS 757.140(1) and OAR 860-13-010, PacifiCorp, dba Pacific Power ("Pacific Power" or the "Company") files this application requesting an order from the Public Utility Commission of Oregon ("Commission") authorizing a change in depreciation rates applicable to Pacific Power's depreciable electric plant. The Company seeks an effective date for authorized depreciation rate changes of January 1, 2008. At the Commission Staff's request, the Company previously filed a preliminary depreciation study in this docket on July 10, 2007, to facilitate the review of the instant application. The Company now submits its application for approval of new depreciation rates. In support of the instant application, Pacific Power states:

1. Applicant's Name and Business Address.

PacifiCorp is an Oregon corporation with its principal office at 825 NE Multnomah, Portland, Oregon. The Company asks that all correspondence, pleadings and other communications associated with this filing be sent to:

Oregon Dockets PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232 Telephone: (503) 813-5542 Facsimile: (503) 813-6060 E-mail: oregondockets@PacifiCorp.com	Michelle Mishoe Legal Counsel, PacifiCorp 825 NE Multnomah, Suite 1800 Portland, OR 97232 Telephone: (503) 813-5977 Facsimile: (503) 813-7252 E-mail: michelle.mishoe@PacifiCorp.com

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to:

By E-mail (preferred):	datarequest@PacifiCorp.com
By facsimile:	(503) 813-6060
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232

Informal inquiries related to this Application may be directed to Joelle Steward, Regulatory Manager, at (503) 813-5542.

2. Applicable Statutory Provisions.

ORS 757.140(1) authorizes the Commission to ascertain and determine the proper and adequate rates of depreciation of Pacific Power's property used in the rendering of retail electric service. Each utility under the Commission's jurisdiction must conform its depreciation accounts to the rates of depreciation determined by the Commission. Id. The Commission may make changes in depreciation rates from time to time as the Commission may find necessary. Id. The Commission authorized the current Pacific Power depreciation rates, which became effective April 1, 2003, by approving a stipulation in Docket UM 1064, Order No. 03-457.

3. Specific Authorization Sought.

A. Accounting Purposes Only.

Pacific Power seeks a change, at this time for accounting purposes only, in authorized depreciation rates applicable to the Company's electric plant, effective January 1, 2008. Approval of the requested change for ratemaking purposes will be sought in subsequent rate proceedings. Pacific Power proposes to record depreciation study recommendations on its Calendar Year 2008 books and records, and further proposes to appropriately reflect all modifications to the filed depreciation study reflected in the final Commission decision in this matter.

B. Supporting Depreciation Study.

In support of this application, the Company submits a depreciation study prepared by Depreciation Specialty Resources ("DSR Study"). See Exhibit PPL/303. The purpose of the DSR Study is to identify the changes that have occurred since the last Company depreciation study, to measure the effect of the changes on the recovery of presently surviving capital, and to properly revise the capital recovery rate. The application of the depreciation rate changes based on the DSR Study would result in a reduction of 0.22 percent to the current composite depreciation rate of 2.91 percent for the Company's electric utility plant, resulting in a new composite depreciation rate of 2.69 percent. This composite rate is based on the December 31, 2006 depreciable plant balances used in the DSR Study. The specific depreciation rate changes recommended for the components of the composite depreciation rate are set forth in account detail in Schedule 1 of the DSR Study. Adoption of the proposed depreciation rates will result in a decrease of approximately $7.7 million in annual Oregon jurisdiction depreciation expense, based on depreciable plant balances as of December 31, 2006. The calculation of the Oregon jurisdiction amount is shown in Exhibit PPL/101.

C. Prefiled Testimony.

Also in support of this Application, Pacific Power submits the pre-filed testimony of Mr. Henry E. Lay, PacifiCorp Corporate Accounting Controller, Mr. Mark C. Mansfield, Vice President of Thermal Operations for PacifiCorp Energy, and Mr. Donald S. Roff, President of Depreciation Specialty Resources.

Mr. Lay's testimony, attached as Exhibit PPL/100, summarizes the effect on annual depreciation expense from applying the proposed depreciation rates to depreciable plant balances. Mr. Lay provides background information describing the depreciation process,

identifies a number of significant issues considered during preparation of the DSR Study, and addresses the Company's confidence in the integrity of the accounting data used to prepare the DSR Study.

Mr. Mansfield's testimony, attached as Exhibit PPL/200, explains the process used by the Company's various generation plant engineering staffs to develop estimated life spans for the Company's thermal and hydroelectric generating plants. Mr. Mansfield also explains the reasons for including terminal net salvage in the steam generating plant depreciation rates.

Mr. Roff's testimony, attached as Exhibit PPL/300, presents the depreciation rates for which the Company is seeking approval. He describes how the study was prepared and discusses the primary reasons for the recommended changes in depreciation rates.

D. System-wide Consistency.

The Company is filing the DSR Study concurrently in Oregon, Washington, Idaho, Utah and Wyoming and anticipates receiving approval for the same depreciation rates in all states. For administrative and economic efficiencies, the Company maintains uniform utility accounts across its six state service territory for the depreciation rates for system-allocated plant (production, transmission, mining and certain general plant). The current depreciation rate is identical in all six states. Maintaining consistent depreciation rates is critical because multiple sets of depreciation accounts and records would impose a costly administrative burden on the Company and unnecessary expense for the Company's customers and therefore, would not be in the public interest.

The Company met with the Commission Staff and other interested parties in the five states on May 31, 2007 and July 26, 2007, to review preliminary depreciation study results and discuss proposed changes. Comments and recommendations by interested parties were taken

into consideration, and to the extent practical, were incorporated into the DSR Study. The Company filed the preliminary study in Oregon on July 10, 2007 in this docket, to facilitate Commission review.

WHEREFORE, Pacific Power respectfully requests an Order from the Commission finding:

a. The Depreciation Specialty Resources Study recommendations regarding depreciation rates are fair, just and reasonable;

b. Adoption of the Depreciation Specialty Resources Study recommendations into Oregon electric rates would more accurately reflect costs for those customers for whom such costs are incurred;

c. The Depreciation Study recommended depreciation rates should be incorporated into Oregon electric rates in subsequent Pacific Power rate proceedings; and

d. Pacific Power shall reflect, beginning January 1, 2008, the depreciation rates proposed in the Depreciation Study in its accounts and records.

DATED: August 31, 2007.

Respectfully submitted,

Michelle Mishoe /pw

Michelle Mishoe OSB # 07242
Legal Counsel
PacifiCorp
825 NE Multnomah, Suite 1800
Portland, OR 97232
Telephone: (503) 813-5977
Facsimile: (503) 813-7252
E-mail: michelle.mishoe@pacificorp.com

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of PacifiCorp, dba PACIFIC POWER & LIGHT COMPANY Petition to File a Preliminary Depreciation Study.	Docket No. UM 1329

DIRECT TESTIMONY OF

HENRY E. LAY

AUGUST 2007

INTRODUCTIONS AND BACKGROUND

Q. Please state your name, business address and position with PacifiCorp (the Company).

A. My name is Henry E. Lay. My business address is 825 N.E. Multnomah Street, Suite 1900, Portland, Oregon, 97232. I am employed by the Company as corporate accounting controller.

Q. Please briefly describe your professional experience and educational background.

A. I have a Bachelor of Science degree in Accounting from the University of Utah. I have worked for the Company for over 33 years, primarily in corporate accounting management roles. The areas for which I have been responsible include asset and plant accounting, corporate and general accounting, regulatory accounting and customer accounting. I have personally prepared depreciation studies for the Company prior to the Company engaging a consultant to do this work, and I have participated in and reviewed the results of the consultant's studies previously submitted to state regulatory commissions for approval, as well as the present study.

Q. What is the purpose of your testimony?

A. I summarize the Company's proposal for depreciation rates and provide a summary of the effect on annual depreciation expense from applying the proposed depreciation rates to depreciable plant balances. The proposed rates are contained in the 2007 depreciation study performed on behalf of the Company by Mr. Donald S. Roff of Depreciation Specialty Resources. The depreciation study performed by Mr. Roff is provided as Exhibit PPL/303 and will be referred to hereafter as the DSR study.

I introduce the other Company witnesses who will testify in this proceeding and provide a brief description of the subject matter on which they are testifying. I also provide background information describing the depreciation study process. This information will present the Company's confidence in both the depreciation study process and in the integrity of the Company's accounting data relied on by Mr. Roff in preparing the depreciation study.

I identify and discuss a number of significant issues considered during the preparation of this study. The disposition of these issues was reflected in the data provided to Mr. Roff and, in turn, this data formed the basis for the DSR study and the recommended changes in depreciation rates. I also support the Company's proposed effective date for implementing the changes in depreciation rates.

PLANT LIVES, DEPRECIATION RATES AND DEPRECIATION EXPENSE

Q. Please explain the depreciation rates the Company is seeking commission approval for in this proceeding?

A. The Company seeks commission approval to adopt the depreciation rates contained in the depreciation study performed by Mr. Donald S. Roff and as recommended in Mr. Roff's testimony. As shown in Table A of Exhibit PPL/303 and as summarized in Mr. Roff's testimony, the depreciation study proposes a reduction of 0.22 percent to the current composite depreciation rate of 2.91 percent for the Company's electric utility plant resulting in a new composite depreciation rate of 2.69 percent. This composite rate is based on the December 31, 2006 depreciable plant balances used in the study. The specific depreciation rate changes recommended for the components of the composite depreciation rate are set forth in account detail in Schedule 1 of

Exhibit/PPL 303 of the depreciation study.

Q. What is the effect on annual depreciation expense if depreciation rates recommended by Mr. Roff are adopted?

A. The effect of applying the recommended depreciation rates to the December 31, 2006 depreciable plant balances is a decrease in total Company annual depreciation expense of approximately $30.6 million, compared with the level of annual depreciation expense developed by application of the currently authorized depreciation rates to the same plant balances. Annual depreciation expense by functional plant classification is summarized in Table A of the DSR study.

Adoption of the depreciation rates proposed in the DSR study results in a decrease of approximately $7.7 million in annual Oregon jurisdiction depreciation expense, based on December 31, 2006 depreciable plant balances. The calculation of the Oregon jurisdiction amount is described in Exhibit PPL/101.

INTRODUCTION OF WITNESSES

Q. In addition to yourself, who will be testifying on behalf of the Company in this proceeding?

A. In addition to me, two witnesses will testify on behalf of the Company. These witnesses are Mr. Donald S. Roff, President of Depreciation Specialty Resources and Mr. Mark C. Mansfield, vice president, thermal operations for PacifiCorp Energy.

Mr. Roff will present the depreciation rates for which the Company is seeking Commission approval. He describes how the depreciation study was prepared and discusses the primary reasons for the recommended changes in depreciation rates. The first reason Mr. Roff discusses is the effect on depreciation rates of using the

estimated plant depreciable lives described in Mr. Mansfield's testimony. He also discusses the effect on depreciation rates due to additional negative net salvage for terminal removal of generation facilities. In addition, he will discuss the additional negative net salvage related to transmission and distribution plant assets, the decrease for which is reflective of the Company's current and historical removal and salvage experience. Mr. Roff also discusses the effect on depreciation rates of additional investment in plant, installed since the 2002 depreciation study and the reason for inclusion of nominal interim additions for facilities with terminal removal dates in the current study. The 2002 depreciation study was the basis for the stipulation approved by the Commission in Docket No. UM 1064.

Mr. Mansfield will describe the process used by Company engineers to develop estimated plant depreciable lives for steam generating stations. He will explain how steam estimated plant depreciable lives provide a framework for estimating the retirement date for each steam plant. In a similar manner he will describe the procedure used to estimate the retirement date for the Company's hydroelectric generating stations. He will demonstrate that the estimated retirement dates proposed by the Company for both steam and hydro generation plants are reasonable and prudent and are appropriate inputs for Mr. Roff's depreciation analysis. Mr. Mansfield will also explain why the rates the Company proposes to include as terminal net salvage, or "decommissioning costs," in the calculation of depreciation rates for generating plants are reasonable and prudent.

DEPRECIATION STUDY BACKGROUND

Q. Was the DSR study prepared under your direction?

A. Yes. As corporate accounting controller, I have responsibility for the Company's corporate accounting departments and for ensuring compliance with Company accounting policies and procedures. This includes periodic review and study of depreciation rates.

Q. Why was it necessary for the Company to conduct the DSR study?

A. The parties to the stipulation approved by the Commission in Docket UM 1064 agreed that the Company would update its depreciation study within five years of the order. The DSR study was conducted for this express purpose. However, it is also sound accounting practice to periodically update depreciation rates to recognize additions to investment in plant assets and to reflect changes in asset characteristics, technology, salvage, removal costs, life span estimates and other factors that impact depreciation rate calculations. The Company typically conducts depreciation studies approximately at five-year intervals.

Q. What conclusions has the Company reached in this proceeding?

A. The Company concludes that the DSR study is well supported by the underlying engineering and accounting data and that it results in depreciation rates that are fair and reasonable.

Q. Please explain the concept of depreciation.

A. There are many definitions of depreciation. The following definition was put forth by the American Institute of Certified Public Accountants in its Accounting Research and Terminology Bulletin No. 43:

> Depreciation accounting is a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner.

The actual payment for electric utility plant assets occurs in the period in which it is acquired through purchase or construction. Depreciation accounting spreads this cost over the useful life of the property. The fundamental reason for recording depreciation is to provide for accurate measurement of a utility's results of operations. Capital investments in the buildings, plant, and equipment necessary to provide electric service are essentially a prepaid expense, and annual depreciation is the part of that expense applicable to each successive accounting period over the service life of the property. Annual depreciation is an important and essential factor in informing investors and others of a company's periodic income. If it is omitted or distorted, a company's periodic income statement is distorted and would not meet required accounting and reporting standards.

Q. Why is depreciation especially important to an electric utility?

A. An electric utility is very capital intensive; that is, it requires a tremendous investment in generation, transmission and distribution equipment with long lives in order to provide electric service to customers. Thus, the annual depreciation of this equipment is a major item of expense to the utility. Regulated electric prices are expected to allow the utility to fully recover its operating costs, earn a fair return on its investment and equitably distribute the cost of the assets to the customers using these facilities. If depreciation rates are established at an unreasonable low or high level for ratemaking

purposes, the utility will not recover its operating costs in the appropriate period, which will shift either costs or benefits from current customers to future customers.

Q. Do you believe that the estimated plant depreciable lives and depreciation rates developed in the DSR study provide the Company with a fair and equitable recovery of its investment in electric utility plant and equipment?

A. Yes, I believe the depreciation rates developed in the DSR study produce an annual depreciation expense which is fair and reasonable for both financial reporting and ratemaking purposes.

Q. What is the basis for your confidence in the DSR study?

A. I believe that a good depreciation study is the product of sound analytical procedures applied to accurate, reliable accounting and engineering data. I have reviewed Mr. Roff's work in preparing the DSR study and I concur with his choice and application of analytical procedures as described in his testimony. With respect to data inputs, the estimated plant depreciable lives used in the study are those provided by the Company and explained in Mr. Mansfield's testimony. Depreciable life estimates for other types of plant and equipment are based on Mr. Roff's actuarial analysis of the data and reviewed for reasonableness by those familiar with their operation. The accounting data has also been consistently prepared. Company employees trained in depreciation techniques extracted and summarized the retirement, salvage, and removal cost data from the accounting system, and then reviewed it for completeness and accuracy before it was provided to Mr. Roff for use in this study. Because I am comfortable with both the quality of the data inputs and the professionalism of the analysis, I have complete confidence in the recommendations contained in the DSR

depreciation study.

SIGNIFICANT ISSUES

Q. Please summarize the significant issues you've considered in the current study.

A. The most significant issue considered in the current study relates to the estimated terminal removal date of generating facilities and the ultimate plans for removal or disposal of those facilities. The Company believes it is important to take into consideration significant events that have occurred in the years since the Commission Order No. 03-457 in Docket UM 1064, where the Commission approved the settlement of the last depreciation case. Those significant events which have an impact on the expected depreciable lives of the plant include but are not limited to: (1) an evaluation of the operating and maintenance history of the plants as determined by owner operational requirements; (2) an assessment of the current condition of major equipment components; and (3) capital expenditures made and anticipated to be made at the plant.

With these considerations, the Company has reviewed how long the steam generation facilities can be operated and it is now recommending in this study to use 64 years as the depreciable life of steam generating facilities where the Company is not a minority owner. Further explanations will be included in Mr. Mansfield's testimony.

Q. What are the other changes made in relationship to the steam generating facilities?

A. In addition to modifying the depreciable lives on the steam generating facilities, Mr. Roff evaluated the estimated cost to remove these facilities. The Company currently

views that it will operate these facilities as long as they are economically viable and that those customers who are benefiting from the generation of these facilities should pay for their ultimate removal. This is consistent with past Commission orders. Mr. Roff's estimate of $50 per kW for the removal of these facilities has been included in the study. This estimate is based on current dollars and has not been inflated to the date of removal.

In addition to the evaluation of the removal cost, it was also determined that a significant impact between studies resulted from the replacement of old equipment and the addition of new equipment where the facility involved has an estimated depreciation terminal life. It was determined that to mitigate the intergenerational impact, nominal interim additions should be recognized. The amount used was determined by assuming that any property retirement during the estimated five years that the new depreciation rates would be in effect would be replaced by a new addition on a dollar for dollar basis. This adjustment does not recognize the inflation that has taken place between when the original equipment was installed and its replacement. It also does not include any additions for new equipment which did not previously exist.

Q. What is the significant issue related to hydroelectric facilities you considered in this study?

A. Previous studies submitted to the Commission only included removal costs for hydroelectric facilities where the Company has entered into negotiations or settlements to remove those facilities. The Company believes that either it or a successor would continue to operate the other hydroelectric facilities under terms

specified by the federal government. With the current change in the political environment, it has become much more probable that some of the small facilities will face challenges related to future operations and may be removed. To mitigate the intergenerational impact on customers, the Company is proposing a decommissioning reserve for hydro plants which have a definitive decommissioning agreement, as well as for small plants for which the Company has estimated some probability of being decommissioned in the next ten-year period. This reserve is not intended to cover the decommissioning or removal of any large facility.

Q. What is the significant issue related to transmission and distribution facilities in this study?

A. The major factor impacting the current study for transmission and distribution plant assets is the increase in negative net salvage for certain of those assets.

Q. Please describe negative net salvage for transmission and distribution plant and explain why it is considered a significant item in this study.

A. Let me begin by first defining the terms net salvage and negative net salvage. Net salvage refers to the salvage value of property retired less the cost of removal. Negative net salvage occurs when the cost of removal exceeds the salvage value for property retired. Annual net salvage is expressed as a percentage in the depreciation study and is calculated by dividing the net salvage amount by the retirement amounts. Mr. Roff discusses the propriety of reflecting negative net salvage in depreciation rates and the impact on depreciation rates of recognizing negative net salvage.

Q. Why is more negative net salvage being incurred by the Company for transmission and distribution plant assets?

A. Mr. Roff was provided the historical data for both removal cost and salvage to use in determining the proposed negative net salvage rates. Current history reflects removal cost returning to more normal historical levels than were seen in the 2002 depreciation study.

Q. What procedures does the Company use to ensure that salvage and cost of removal for distribution plant is properly recorded in the accounting records?

A. The Company uses a work order system to record capital activity including additions, retirements, removal costs and salvage. A work order is established when operating departments identify property retirement units (PRUs) being installed, removed or replaced. Actual project labor and/or contractor costs incurred to remove PRUs are directly charged to the work order and are closed to the general ledger.

Transmission and distribution removal projects are estimated by Company engineers using the Regional Construction Management System (RCMS). RCMS uses engineered work standards ("construction standards") for each PRU to estimate the amount and percentage for allocating labor charges between installation and removal activities. Actual labor costs charged to the work order are allocated to the removal account and to the construction accounts based on these construction standards. Proceeds received from salvage of removed materials are credited back to the work order.

The use of work orders, the RCMS system and construction standards combine to provide a reliable and consistent process for recording salvage and cost of

removal.

Q. What is the significant issue related to mining facilities in this study?

A. It was estimated in the 2002 depreciation study that facilities related to the Deer Creek Mine would close during 2007 and not be used to access other reserves. Since that study, the Company has determined that the use of these facilities to access other reserves provides the current most economic method of doing so. The lives on these facilities have been extended to recognize the ongoing use of these facilities.

EFFECTIVE DATE

Q. What does the Company propose as the effective date for implementing the DSR study depreciation rates?

A. The Company's accounting system maintains depreciation rates on a calendar year basis. Therefore, the Company proposes that the new depreciation rates be made effective January 1, 2008, which is the beginning of the next calendar year following the filing of the study.

RECOMMENDATIONS

Q. Summarize your recommendations to the Commission?

A. I recommend that the Commission find the recommendations made by Mr. Roff in the DSR study regarding depreciation rates to be the proper depreciation rates for the Company and that the Commission order the Company to reflect the depreciation rates proposed in the DSR study in its accounts and records effective January 1, 2008.

Q. Does this conclude your testimony?

A. Yes.

Docket No. UM-1329
Exhibit PPL/101
Witness: Henry E. Lay

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

PACIFICORP

Exhibit Accompanying Direct Testimony of Henry E. Lay

August 2007

PACIFICORP
Depreciation Rate Comparison - Plant Balances as of **December, 2006**

Description		AF	Plant-in-Service	Depreciation Rate EXISTING	Depreciation Rate PROPOSED	Total Company Depreciation EXISTING	Total Company Depreciation PROPOSED	Total Company Depreciation DIFFERENCE	OR
Production Plant									
Steam Production		SG	4,313,629,716	3.14%	1.66%	138,015,961	88,863,027	(49,152,933)	(14,056,932)
Steam Production - Cholla		SSGCH	373,706,197	2.40%	1.42%	8,979,019	5,314,022	(3,664,997)	(1,075,969)
Steam Production - Water Rights			39,699,560						
Hydro Production		SG	507,940,786	2.42%	2.82%	12,314,551	14,347,241	2,032,691	581,316
Other Production		SG	709,465,518	3.42%	3.56%	23,769,649	24,849,126	1,079,477	308,713
Other Production - Gadsby Peakers		SSGCT	77,890,366	4.06%	4.10%	3,162,349	3,190,555	28,206	7,441
Other Production - Water Rights			17,419,459						
Total Production Plant			6,039,751,602						
Total Production Plant - Depreciable			5,982,632,583	3.08%	2.26%	186,241,528	136,563,972	(49,677,556)	(14,235,432)
Transmission Plant		SG	2,652,005,379	2.12%	2.15%	56,313,992	56,981,736	667,744	190,964
Distribution Plant									
Distribution		CA	189,247,340	2.99%	3.80%	5,658,122	7,182,106	1,523,984	-
Distribution		OR	1,484,738,167	2.89%	3.45%	42,855,111	51,177,698	8,322,587	8,322,587
Distribution		WA	348,051,140	2.97%	3.24%	10,344,646	11,273,026	928,380	-
Distribution		WY	448,005,125	2.80%	3.08%	12,564,145	13,798,530	1,234,386	-
Distribution		UT	1,904,102,727	2.55%	3.17%	48,603,233	60,420,715	11,817,482	-
Distribution		ID	228,782,258	2.73%	2.78%	6,248,403	6,359,143	110,740	-
Total Distribution			4,602,926,757	2.74%	3.26%	126,273,661	150,211,219	23,937,558	8,322,587
General Plant - Vehicles *									
General Plant - Vehicles	392.1 CA	CA	546,334	6.31%	7.89%	34,474	43,109	8,636	-
General Plant - Vehicles	392.1 CA	SG	160,469	6.31%	7.89%	10,126	12,662	2,536	725
General Plant - Vehicles	392.1 ID	ID	1,702,914	6.69%	6.66%	113,925	113,400	(525)	-
General Plant - Vehicles	392.1 ID	SG	601,792	6.69%	6.66%	40,260	40,074	(186)	(53)
General Plant - Vehicles	392.1 OR	CN	19,078	7.12%	7.63%	1,358	1,455	96	31
General Plant - Vehicles	392.1 OR	OR	8,158,700	7.12%	7.63%	580,899	622,111	41,212	41,212
General Plant - Vehicles	392.1 OR	SG	573,856	7.12%	7.63%	40,859	43,757	2,899	829
General Plant - Vehicles	392.1 OR	SO	657,032	7.12%	7.63%	46,781	50,100	3,319	991
General Plant - Vehicles	392.1 OT	SG	191,148	6.71%	6.42%	12,826	12,264	(562)	(161)
General Plant - Vehicles	392.1 OT	SSGCH	243,769	6.71%	6.42%	16,357	15,640	(716)	(210)
General Plant - Vehicles	392.1 UT	SE	515,618	6.69%	7.17%	34,495	36,970	2,475	675
General Plant - Vehicles	392.1 UT	SG	2,925,636	6.69%	7.17%	195,725	209,769	14,044	4,016
General Plant - Vehicles	392.1 UT	SO	2,235,460	6.69%	7.17%	149,552	160,283	10,731	3,204
General Plant - Vehicles	392.1 UT	SSGCT	40,163	6.69%	7.17%	2,687	2,880	193	51
General Plant - Vehicles	392.1 UT	UT	12,885,342	6.69%	7.17%	862,029	923,883	61,854	-
General Plant - Vehicles	392.1 WA	SG	646,698	7.11%	7.91%	45,980	51,131	5,151	1,473
General Plant - Vehicles	392.1 WA	WA	1,690,038	7.11%	7.91%	120,162	133,623	13,461	-
General Plant - Vehicles	392.1 WY	SG	1,795,891	5.89%	7.34%	105,778	131,853	26,075	7,457
General Plant - Vehicles	392.1 WY	SO	15,851	5.89%	7.34%	934	1,164	230	69
General Plant - Vehicles	392.1 WY	WY	2,974,766	5.89%	7.34%	175,214	218,405	43,192	-
General Plant - Vehicles	392.3 UT	SO	3,627,673	3.60%	3.59%	130,596	130,206	(390)	(117)
General Plant - Vehicles	392.5 CA	CA	746,605.98	5.04%	5.63%	37,629	42,014	4,385	-
General Plant - Vehicles	392.5 CA	SG	57,885.36	5.04%	5.63%	2,917	3,257	340	97
General Plant - Vehicles	392.5 ID	ID	2,389,544.33	5.64%	5.22%	134,770	124,832	(9,938)	-
General Plant - Vehicles	392.5 ID	SG	357,556.86	5.64%	5.22%	20,166	18,679	(1,487)	(425)
General Plant - Vehicles	392.5 OR	OR	9,170,931.72	6.65%	5.05%	609,867	463,233	(146,634)	(146,634)
General Plant - Vehicles	392.5 OR	SG	497,491.17	6.65%	5.05%	33,083	25,129	(7,954)	(2,275)
General Plant - Vehicles	392.5 OR	SO	104,190.51	6.65%	5.05%	6,929	5,263	(1,666)	(497)
General Plant - Vehicles	392.5 OT	SG	230,588.37	5.64%	2.96%	13,005	6,834	(6,172)	(1,765)
General Plant - Vehicles	392.5 OT	SSGCH	54,683.46	5.64%	2.96%	3,084	1,621	(1,464)	(430)
General Plant - Vehicles	392.5 UT	SE	176,171.79	5.64%	5.46%	9,936	9,624	(312)	(85)
General Plant - Vehicles	392.5 UT	SG	3,750,480.56	5.64%	5.46%	211,527	204,880	(6,648)	(1,901)
General Plant - Vehicles	392.5 UT	SO	1,404,734.49	5.64%	5.46%	79,227	76,737	(2,490)	(743)

Allocation Factor Table	OR
CA	0.0000%
CN	32.6675%
ID	0.0000%
OR	100.0000%
SE	27.2858%
SG	28.5984%
SO	29.8612%
SSGCH	29.3580%
SSGCT	26.3809%
UT	0.0000%
WA	0.0000%
WY	0.0000%

Source: Factors from December 2006 Semi-Annual Report - Beginning/Ending Average

PACIFICORP
Depreciation Rate Comparison - Plant Balances as of **December, 2006**

Description		AF	Plant-in-Service	Depreciation Rate EXISTING	Depreciation Rate PROPOSED	Total Company Depreciation EXISTING	Total Company Depreciation PROPOSED	Total Company Depreciation DIFFERENCE	OR
General Plant - Vehicles	392.5 UT	UT	14,388,677.85	5.64%	5.46%	811,521	786,018	(25,503)	-
General Plant - Vehicles	392.5 WA	SG	523,028.23	7.34%	6.66%	38,390	34,811	(3,580)	(1,024)
General Plant - Vehicles	392.5 WA	WA	2,460,463.55	7.34%	6.66%	180,598	163,758	(16,840)	-
General Plant - Vehicles	392.5 WY	SG	1,360,666.39	4.67%	6.80%	63,543	92,506	28,963	8,283
General Plant - Vehicles	392.5 WY	WY	3,441,467.08	4.67%	6.80%	160,717	233,970	73,254	-
General Plant - Vehicles	392.9 CA	CA	277,150.97	2.30%	2.69%	6,374	7,448	1,073	-
General Plant - Vehicles	392.9 CA	SG	4,975.76	2.30%	2.69%	114	134	19	6
General Plant - Vehicles	392.9 ID	SG	42,132.09	2.51%	2.50%	1,058	1,055	(3)	(1)
General Plant - Vehicles	392.9 ID	ID	794,271.90	2.51%	2.50%	19,936	19,887	(49)	-
General Plant - Vehicles	392.9 OR	OR	2,482,143.44	2.19%	2.45%	54,359	60,873	6,514	6,514
General Plant - Vehicles	392.9 OR	SG	167,559.25	2.19%	2.45%	3,670	4,109	440	126
General Plant - Vehicles	392.9 OR	SO	3,525.00	2.19%	2.45%	77	86	9	3
General Plant - Vehicles	392.9 UT	SE	50,885.86	2.51%	2.59%	1,277	1,319	42	11
General Plant - Vehicles	392.9 UT	SG	1,243,979.94	2.51%	2.59%	31,224	32,251	1,028	294
General Plant - Vehicles	392.9 UT	SO	1,413,183.28	2.51%	2.59%	35,471	36,638	1,167	349
General Plant - Vehicles	392.9 UT	SSGCT	19,313.32	2.51%	2.59%	485	501	16	4
General Plant - Vehicles	392.9 UT	UT	4,031,989.11	2.51%	2.59%	101,203	104,533	3,330	-
General Plant - Vehicles	392.9 WA	SG	39,302.46	2.87%	2.65%	1,128	1,040	(88)	(25)
General Plant - Vehicles	392.9 WA	WA	578,859.33	2.87%	2.65%	16,613	15,319	(1,295)	-
General Plant - Vehicles	392.9 WY	SG	173,932.38	3.27%	3.37%	5,688	5,859	171	49
General Plant - Vehicles	392.9 WY	WY	1,949,914.30	3.27%	3.37%	63,762	65,680	1,918	-
General Plant - Vehicles	392.9 OT	SSGCH	51,384.00	2.51%	2.18%	1,290	1,122	(167)	(49)
General Plant - Vehicles	396.3 CA	CA	1,034,237	5.92%	10.34%	61,227	106,925	45,698	-
General Plant - Vehicles	396.3 ID	SG	157,360	9.55%	9.15%	15,028	14,405	(623)	(178)
General Plant - Vehicles	396.3 ID	ID	1,322,100	9.55%	9.15%	126,261	121,027	(5,233)	-
General Plant - Vehicles	396.3 OR	OR	5,501,554	7.22%	9.71%	397,212	534,023	136,811	136,811
General Plant - Vehicles	396.3 UT	SO	75,269	9.55%	10.35%	7,188	7,789	601	179
General Plant - Vehicles	396.3 UT	UT	3,218,384	9.55%	10.35%	307,356	333,048	25,692	-
General Plant - Vehicles	396.3 WA	SG	78,184	8.93%	9.69%	6,982	7,578	596	170
General Plant - Vehicles	396.3 WA	WA	1,619,168	8.93%	9.69%	144,592	156,929	12,337	-
General Plant - Vehicles	396.3 WY	SG	83,897	7.82%	10.37%	6,561	8,703	2,142	613
General Plant - Vehicles	396.3 WY	WY	2,323,366	7.82%	10.37%	181,687	241,013	59,325	-
General Plant - Vehicles	396.7 CA	CA	2,683,072	3.42%	5.60%	91,761	150,371	58,610	-
General Plant - Vehicles	396.7 ID	ID	5,259,976	5.81%	3.87%	305,605	203,643	(101,961)	-
General Plant - Vehicles	396.7 ID	SG	1,108,688	5.81%	3.87%	64,415	42,924	(21,491)	(6,146)
General Plant - Vehicles	396.7 OR	OR	20,650,824	4.88%	5.39%	1,007,760	1,113,339	105,579	105,579
General Plant - Vehicles	396.7 OR	SG	1,754,665	4.88%	5.39%	85,628	94,598	8,971	2,566
General Plant - Vehicles	396.7 OR	SO	147,956	4.88%	5.39%	7,220	7,977	756	226
General Plant - Vehicles	396.7 OT	SG	1,249,389	5.81%	2.71%	72,590	33,842	(38,747)	(11,081)
General Plant - Vehicles	396.7 OT	SSGCH	724,648	5.81%	2.71%	42,102	19,628	(22,474)	(6,598)
General Plant - Vehicles	396.7 UT	SE	73,823	5.81%	6.89%	4,289	5,090	801	218
General Plant - Vehicles	396.7 UT	SG	12,448,540	5.81%	6.89%	723,260	858,259	134,999	38,608
General Plant - Vehicles	396.7 UT	SO	1,645,834	5.81%	6.89%	95,623	113,471	17,848	5,330
General Plant - Vehicles	396.7 UT	UT	29,897,495	5.81%	6.89%	1,737,044	2,061,270	324,226	-
General Plant - Vehicles	396.7 WA	SG	471,083	7.16%	6.81%	33,730	32,066	(1,663)	(476)
General Plant - Vehicles	396.7 WA	WA	4,934,725	7.16%	6.81%	353,326	335,905	(17,422)	-
General Plant - Vehicles	396.7 WY	SG	13,827,018	3.93%	5.19%	543,402	717,923	174,522	49,910
General Plant - Vehicles	396.7 WY	WY	9,887,251	3.93%	5.19%	388,569	513,364	124,795	
Total General Plant - Vehicles*			218,826,406	5.62%	6.14%	12,292,072	13,440,871	1,148,800	235,806
General Plant - All Other									
General Plant - All Other	389.2 ID	ID	4,868	2.36%	2.01%	115	98	(17)	-
General Plant - All Other	389.2 UT	SG	1,228	2.36%	2.36%	29	29	0	0
General Plant - All Other	389.2 UT	UT	34,071	2.36%	2.36%	804	805	1	-
General Plant - All Other	389.2 WY	WY	23,404	2.36%	2.01%	552	469	(83)	-

PACIFICORP
Depreciation Rate Comparison - Plant Balances as of **December, 2006**

Description		AF	Plant-in-Service	Depreciation Rate EXISTING	Depreciation Rate PROPOSED	Total Company Depreciation EXISTING	Total Company Depreciation PROPOSED	Total Company Depreciation DIFFERENCE	OR
General Plant - All Other	390 CA	CA	1,408,911	2.22%	2.38%	31,278	33,508	2,230	-
General Plant - All Other	390 CA	SG	2,749	2.22%	2.38%	61	65	4	1
General Plant - All Other	390 ID	SG	858,185	2.43%	2.12%	20,854	18,160	(2,694)	(770)
General Plant - All Other	390 ID	ID	9,421,521	2.43%	2.12%	228,943	199,366	(29,577)	-
General Plant - All Other	390 OR	CN	9,807	2.32%	2.21%	228	217	(11)	(3)
General Plant - All Other	390 OR	OR	19,390,052	2.32%	2.21%	449,849	429,076	(20,774)	(20,774)
General Plant - All Other	390 OR	SG	1,798,855	2.32%	2.21%	41,733	39,806	(1,927)	(551)
General Plant - All Other	390 OR	SO	35,791,058	2.32%	2.21%	830,353	792,007	(38,345)	(11,450)
General Plant - All Other	390 OT	SO	374,036	2.34%	2.06%	8,752	7,720	(1,032)	(308)
General Plant - All Other	390 UT	CN	7,583,242	2.43%	2.32%	184,273	176,113	(8,160)	(2,666)
General Plant - All Other	390 UT	SG	1,905,265	2.43%	2.32%	46,298	44,248	(2,050)	(586)
General Plant - All Other	390 UT	SO	37,745,581	2.43%	2.32%	917,218	876,602	(40,615)	(12,128)
General Plant - All Other	390 UT	UT	35,065,708	2.43%	2.32%	852,097	814,365	(37,732)	-
General Plant - All Other	390 WA	SG	65,829.15	3.80%	3.80%	2,502	2,500	(1)	(0)
General Plant - All Other	390 WA	WA	10,786,963.94	3.80%	3.80%	409,905	409,681	(224)	-
General Plant - All Other	390 WY	SG	544,734	2.58%	3.03%	14,054	16,500	2,446	700
General Plant - All Other	390 WY	WY	5,574,121	2.58%	3.03%	143,812	168,843	25,031	-
General Plant - All Other	391.1 OR	SO	4,039,625	26.85%	20.42%	1,084,639	825,010	(259,630)	(77,528)
General Plant - All Other	397 CA	CA	2,803,091	4.15%	4.15%	116,328	116,399	71	-
General Plant - All Other	397 CA	SG	1,551,086	4.15%	4.15%	64,370	64,409	39	11
General Plant - All Other	397 ID	SG	5,437,948	4.75%	3.79%	258,303	206,268	(52,035)	(14,881)
General Plant - All Other	397 ID	ID	6,197,707	4.75%	3.79%	294,391	235,086	(59,305)	-
General Plant - All Other	397 OR	CN	3,376,740	5.44%	4.06%	183,695	136,961	(46,734)	(15,267)
General Plant - All Other	397 OR	OR	35,872,536	5.44%	4.06%	1,951,466	1,454,992	(496,474)	(496,474)
General Plant - All Other	397 OR	SG	16,720,190	5.44%	4.06%	909,578	678,172	(231,407)	(66,178)
General Plant - All Other	397 OR	SO	28,074,167	5.44%	4.06%	1,527,235	1,138,690	(388,545)	(116,024)
General Plant - All Other	397 UT	CN	1,190,707	4.75%	4.11%	56,559	48,980	(7,578)	(2,476)
General Plant - All Other	397 UT	SE	103,265	4.75%	4.11%	4,905	4,248	(657)	(179)
General Plant - All Other	397 UT	SG	29,401,712	4.75%	4.11%	1,396,581	1,209,454	(187,128)	(53,515)
General Plant - All Other	397 UT	SO	16,061,013	4.75%	4.11%	762,898	660,678	(102,221)	(30,524)
General Plant - All Other	397 UT	SSGCT	14,157	4.75%	4.11%	672	582	(90)	(24)
General Plant - All Other	397 UT	UT	27,813,566	4.75%	4.11%	1,321,144	1,144,125	(177,020)	0
General Plant - All Other	397 WA	SG	3,444,922	5.30%	5.24%	182,581	180,567	(2,014)	(576)
General Plant - All Other	397 WA	WA	9,345,241	5.30%	5.24%	495,298	489,835	(5,463)	-
General Plant - All Other	397 WY	SG	13,597,450	4.86%	5.40%	660,836	734,716	73,880	21,128
General Plant - All Other	397 WY	SO	180,662	4.86%	5.40%	8,780	9,762	982	293
General Plant - All Other	397 WY	WY	18,487,587	4.86%	5.40%	898,497	998,946	100,450	-
General Plant - All Other	397 OT	SG	4,026,752	4.31%	3.18%	173,553	128,095	(45,458)	(13,000)
General Plant - All Other	397 OT	SSGCH	854,308	4.31%	3.18%	36,821	27,176	(9,644)	(2,831)
General Plant - All Other	397 OT	SO	6,488	4.31%	3.18%	280	206	(73)	(22)
Total General Plant - All Other			396,991,106	4.17%	3.66%	16,573,118	14,523,535	(2,049,584)	(916,605)
Total General Plant			615,817,512	4.69%	4.54%	28,865,190	27,964,406	(900,784)	(680,799)
Mining Plant		SE	196,152,876	5.87%	3.52%	11,510,180	6,905,799	(4,604,381)	(1,256,343)
Total Company - Depreciable Plant			**14,049,535,107**	**2.91%**	**2.69%**	**409,204,552**	**378,627,133**	**(30,577,419)**	**(7,659,024)**
Total Company			**14,106,654,126**						

* For regulatory purposes, vehicle depreciation is re-classified as O&M.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of PacifiCorp, dba PACIFIC POWER & LIGHT COMPANY Petition to File a Preliminary Depreciation Study.	Docket No. UM 1329

DIRECT TESTIMONY OF

MARK C. MANSFIELD

AUGUST 2007

INTRODUCTION AND BACKGROUND

Q. Please state your name, business address and position with PacifiCorp (the Company).

A. My name is Mark C. Mansfield. My business address is 1407 West North Temple, Suite 310, Salt Lake City, Utah. My position is vice president, thermal operations for PacifiCorp Energy.

Q. Please describe your education and business experience.

A. I have a Bachelor of Science degree in mechanical engineering from Brigham Young University, and a Masters in Business Administration from the University of Utah. During my career, I have served as an engineer and maintenance supervisor at the Carbon Plant; Maintenance Superintendent at the Hunter Station; Director of Technical Support for PacifiCorp's Generation Engineering in Salt Lake City, Utah, and as the Plant Manager for the Naughton, Huntington and Hunter Stations. I was appointed vice president of thermal operations in August 2006 with responsibilities for PacifiCorp's coal-fueled, gas-fueled and geothermal generation assets and operations.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is twofold. First, I will describe the process used by PacifiCorp engineers to develop estimated plant depreciable lives for the Company's steam generating stations. I will explain how steam estimated plant depreciable lives were chosen for the purpose of this proceeding, and I will show how these estimated plant depreciable lives provide a framework for estimating the retirement date for each steam plant. In a similar manner I will describe the procedure used to estimate

the retirement date for the Company's hydroelectric generating stations. I will demonstrate that the estimated retirement dates proposed by the Company for both steam and hydro generation plants are reasonable and prudent and are appropriate inputs for Mr. Roff's depreciation analysis.

Second, I will explain why the rates the Company proposes to include as terminal net salvage, or "decommissioning costs," in the calculation of depreciation rates for generating plants are reasonable and prudent.

GENERATION PLANT LIFE ESTIMATION

Steam Plant Estimated Depreciable Lives

Q. Please explain what you mean by the "estimated plant depreciable life" of a steam generating plant.

A. For the purpose of determining depreciation, the estimated plant depreciable life of a steam plant is the period of time that begins when the plant is initially placed in service and begins to generate electricity and ends when the plant is finally removed from service and ceases to generate electricity. In other words it is the period of time during which electric customers benefit from the generation output of the plant.

Q. When a steam plant is removed from service, will it be retired and its investment removed from the Company's accounting records?

A. It may not be immediately retired from an accounting perspective. More likely the plant will be retained in a reserve status for a period of time until plans for its final disposition are made.

Q. If an accounting retirement is not made, will the plant remain in rate base and continue to impose costs on customers?

A. No. Under the estimated plant depreciable life concept a plant will be fully depreciated by the time it is finally removed from service.

Q. Why is it necessary to estimate the depreciable life of a steam plant?

A. One major component of PacifiCorp's cost of service is the recovery of capital investment in steam generating plants. This recovery is accomplished through depreciation expense over the productive life of each plant. From the standpoint of setting depreciation rates it is necessary to have a reasonable estimate of the life of a plant as soon as it is placed in service. For depreciation purposes all steam plant lives are estimates that may be adjusted over time as circumstances warrant.

Q. What circumstances warrant the adjustment of a plant's life for depreciation purposes?

A. One example under which a plant's life is adjusted for depreciation purposes is the addition of significant emissions control equipment. The PacifiCorp steam generating plants perform well and serve as an important source of baseload generation for PacifiCorp customers. Changing environmental regulations may ultimately require the installation of emissions control equipment to ensure that these plants operate in compliance with the environmental laws and regulations. The significant capital investment that is required to install emissions reduction equipment is a benefit to customers that will allow the plants to continue operation. The adjustment of the plants' depreciable life reflects the company's ability to recover its plant investment for the benefit of the customer.

Q. What are PacifiCorp's current estimated plant depreciable lives for its steam generating plants?

A. Please refer to Exhibit PPL/201, "Power Supply Estimated Plant Lives," for a complete list of PacifiCorp plants and their expected lives.

Q. Who prepared the estimated plant depreciable life analysis?

A. The estimated plant depreciable life analysis was prepared by PacifiCorp Energy's engineering staff under my direction. This group includes individuals with over twenty years of service with the Company who are experienced in all areas of steam plant operation, including the design, construction, operation and maintenance of the Company's existing units.

Q. What criteria were considered in the estimated plant depreciable life analysis?

A. The estimated plant depreciable life analysis focused on three main areas: (1) an evaluation of the operating and maintenance history of the plants as determined by owner operational requirements; (2) an assessment of the current condition of major equipment components; and (3) capital expenditures made and anticipated to be made at the plant.

Q. Did the Company evaluate the operating and maintenance history of its steam plants to determine compliance with original design parameters?

A. Yes. A review of historical records indicates that PacifiCorp's steam plants have been operated and maintained in a manner consistent with the expectation reflected in original design parameters. Manufacturer's guidelines and/or operating recommendations from design engineers have been translated into training materials and operating procedures used throughout the Company's thermal fleet. A review of

preventative maintenance logs, work order and equipment histories, and overhaul histories indicates that required maintenance procedures have been consistently applied for all plants. This is further demonstrated by the high capacity factors and high equivalent availability factors exhibited by PacifiCorp's thermal fleet.

Q. Did the Company make an assessment of the current condition of major equipment components?

A. Yes. During the annual planning cycle plant operating and engineering personnel review the loss histories for major equipment components, the planned overhaul schedule and the planned operating requirements for the plant. The plant personnel use this data to determine condition of the equipment and potential projects to reduce risk of equipment failure.

Q. Has the expenditure of capital had an effect on the estimated plant depreciable life for any of the Company's generating plants?

A. Yes. Periodic capital expenditures allow these generating plants to continue to operate as designed and to serve as cost-effective resources needed to meet PacifiCorp's load requirement. Since the last depreciation study the Company has spent more than $621 million on capital projects that maintain the ability of the steam and hydro plants to continue to provide a valuable and low-cost source of electricity.

Recommended Estimated Steam Plant Lives for Depreciation Study

Q. Has the Company reflected its estimated plant depreciable lives in the current depreciation study?

A. Yes. PacifiCorp provided retirement dates for each steam and hydro plant to Mr. Donald Roff of Depreciation Specialty Resources for use in preparing the

depreciation study that is the subject of this proceeding. The depreciation study performed by Mr. Roff (Exhibit PPL/303), which is based on plant balances as of December 31, 2006, will be referred to hereafter as "the DSR study". The retirement dates provided by the Company to Mr. Roff are the same retirement dates contained in Schedule 3 of the DSR study.

Steam Plant Retirement Dates

Q. How was the estimated plant depreciable life for each plant converted into an estimated retirement date?

A. The estimated plant depreciable life was added to the original in-service date for each generating unit to arrive at its estimated retirement date. For example, if a unit had an in-service date of 1980 and a 64-year estimated plant depreciable life, its estimated retirement date would be 2044. For multiple-unit plants, the age was calculated for each unit. Then a weighted-average age for the entire plant was determined by weighting the capacity of each unit. An average retirement date was then calculated based on the remaining life.

Hydroelectric Plant Retirement Dates

Q. Is the process used to estimate retirement dates for PacifiCorp's hydro generation plants similar to the process used for steam plants?

A. Conceptually the process is very similar. The primary difference is that it is not possible to use generic estimated plant depreciable life for hydro plants. While steam plants of similar size, vintage, and design requirements would be expected to have the same estimated plant depreciable life, each hydro plant is unique. Therefore, it is necessary to estimate the estimated plant depreciable life of each hydro plant

separately; or in effect, to determine the retirement date for each hydro plant on an individual basis.

Q. What criteria are important in estimating the retirement date of a hydro plant?

A. The remaining useful lives of hydro facilities are governed either by the terms of operating licenses or by the remaining life of critical civil/structural or electro-mechanical components.

Q. Who prepared the estimated retirement dates for hydro plants?

A. The hydro plant retirement dates were estimated by PacifiCorp's Hydro Engineering and Planning staff. These individuals have experience in both plant operation and maintenance and in project relicensing.

Q. What license are you referring to?

A. The majority of PacifiCorp's hydro projects are federally licensed under the jurisdiction of the Federal Energy Regulatory Commission (FERC) which acts under the authority of the Federal Power Act (FPA). Hydro projects receive their initial license when they are first placed in service and may be re-licensed upon expiration of the initial term. This initial term is usually for 50 years. FERC may grant new licenses of up to 50 years, depending upon the unique circumstances at each project. Currently, the most common relicensing period is 30 years. Over 90 percent of the Company's hydro capacity is currently in the relicensing process or has received a new license within the last few years.

Q. How were the decision criteria applied to determine the retirement date for each hydro plant?

A. As previously mentioned, most of the Company's hydro capacity has been recently re-

licensed, or is currently undergoing relicensing. For plants currently in the relicensing process the estimated retirement date is the date of expiration of the current license plus 30 years (the most common period for new FERC licenses). For example, if a plant's current license expires in 2007, the estimated retirement date for that facility is 2037. For plants that have been recently re-licensed, the estimated retirement date is the expiration date of the new license. The remaining estimated plant depreciable life of the plant is the same as the life of the license.

Q. Is there any exception to the practice of basing estimated retirement dates on FERC license expirations?

A. Yes. As I indicated before, the other primary driver of expected hydro plant life is the remaining life of critical components. PacifiCorp has a number of smaller hydro projects where significant new investment could make the plants uneconomical to operate given current alternative options to supply this energy. If an aging critical component were to fail at such a plant, it is common practice to perform an economic analysis to determine if it would be in the best interest of the Company's customers to make the investment required to extend the plant's life and continue operation of the plant, or alternatively pursue an alternative action to divest or retire the plant. For plants where Company engineers have determined that the expected remaining life of a critical component is shorter than the FERC license period, the retirement date of that plant has been estimated to reflect only the remaining useful life of the component. For example, consider a hydro plant with a flow line that is judged to have a limited remaining life of 15 years. It is expected that the investment necessary to replace this flow line would place the economic viability of the project in jeopardy

as a generation resource. Because a decision regarding the continued operation of that project would be necessary at that future time, the estimated remaining useful life of the project is considered to be equivalent to the remaining life of that critical component (the flow line), or 15 years.

Q. If the continued operation of a hydro plant is not constrained by critical component failures, why should its estimated plant depreciable life be limited to the expiration of a FERC license? Wouldn't it be reasonable to expect FERC licenses to continue to be renewed indefinitely?

A. It would be imprudent to anticipate approval of license renewals beyond the present term of the license. The FERC is responsible for hydroelectric project licensing under the Federal Power Act. Historically, FERC has balanced the need for power produced by projects with the need to protect the surrounding environment and natural resources. However, FERC no longer has the discretion to balance hydro interests with other resource issues given the U.S. Supreme Court's rulings on Section 401 of the Clean Water Act (CWA), endangered species listings under the Endangered Species Act (ESA) and other rulings under the FPA. For example, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service have prescriptive authority under the FPA to provide fish passage in any manner they deem reasonable. As a result, typical license conditions now routinely include revised operating requirements and construction of new environmental mitigation facilities that may make the project(s) uneconomical to continue to operate in the future. This economic viability will need to be determined for each project, but such determination cannot be conclusively made until the expected terms and conditions of a new license are

determined through the relicensing process with the FERC. For this reason PacifiCorp cannot reliably forecast operating lives beyond current license expiration dates. The estimated hydro plant retirement dates developed by Company engineers using the criteria that I have just described are reasonable and prudent in this dynamic, changing arena and are the appropriate inputs for Mr. Roff's depreciation analysis.

Q. How were the estimated hydro plant retirement dates developed by the Company provided to Mr. Roff?

A. The estimated hydro plant retirement dates were provided to Mr. Roff in the form of pages 2-4 in Exhibit PPL/201.

Other Production Plant Retirement Dates

Q. What process was used by PacifiCorp to estimate retirement dates for its Other Production Plants?

A. The process was similar to that used for the hydro generation facilities. The estimated plant depreciable life for Other Production was assumed to be the length of either the Power Purchase Agreement for the specific facility or the expected life of a critical component. For example Little Mountain and Foote Creek (aka Wyoming Wind) use the contract length as the estimated plant depreciable life for their respective facilities, while the estimated plant depreciable life for the simple-cycle combustion turbines and wind farms use a 25-year estimated plant depreciable life based on the original equipment's design lives.

Q. Why is the contract life a good estimate of plant life?

A. Given the uncertainty in the power market, it is difficult to project the depreciable value of the plant past the end of the contract life. The future economic viability for

each project will need to be evaluated as it nears the end of its estimated depreciable life.

Q. Why is there a different estimated plant depreciable life for the combined-cycle gas-fueled plant than the simple-cycle gas-fueled plant?

A. The Hermiston gas-fueled plant is a combined-cycle base-loaded facility, which is designed to run at a steady state condition. Gadsby Units 4, 5 and 6 are flexible resources and are, therefore, expected to cycle on and off at a higher rate. While the Currant Creek and Lake Side plants are not base loaded, they run for longer periods of time when called upon. Therefore, they have less cycling than a flexible resource. The cycling of the plant takes life out of the combustion turbines and may reduce its estimated plant life.

Q. How were the estimated other production plant retirement dates developed by the Company provided to Mr. Roff?

A. The estimated other production plant retirement dates are included in Exhibit PPL/201.

TERMINAL NET SALVAGE (DECOMMISSIONING COST)

Q. Please explain the term "terminal net salvage" or "decommissioning cost"?

A. As I use the term, terminal net salvage refers to the cost of removing facilities that have been retired and restoring the site to its original grade. It does not contemplate site re-vegetation or other landscaping activities.

Q. Why should there be a difference in the recovery of terminal net salvage between steam and hydro plants?

A. Conceptually there should be no difference—terminal net salvage should be reflected

in depreciation rates. The cost of removing coal-fired plants is generally consistent for plants of similar size and vintage. This consistency facilitates preparation of reasonable terminal net salvage estimates for steam plants. However, every hydro plant is uniquely situated and the estimated removal costs would have to be individually determined. PacifiCorp will continue to evaluate the most appropriate way to reflect hydro terminal net salvage in future depreciation studies, but it was decided to include those amounts which have been specifically identified in settlement agreements and amounts for small hydro plants which have some probability of being removed in the next ten years.

Q. How were the terminal net salvage factors for steam production plant determined?

A. The terminal net salvage for PacifiCorp's steam generating plants was estimated by Mr. Roff. A description of the procedures used is presented in his direct testimony filed in this proceeding on page 11 in Exhibit PPL/300.

Q. Was the study of steam production demolition cost performed as required by the last depreciation rate case and how does that compare to the costs used in this study?

A. Yes. Black & Veatch was retained to perform a study of steam production demolition costs, as ordered during the last depreciation study. This study estimated that the costs to decommission the Carbon plant at $164.47 per installed net kilowatt, the Dave Johnston plant at $61.27 per installed net kilowatt and the Hunter plant at $48.55 per installed net kilowatt. Mr. Roff used a conservative industrial average of $50 per installed kilowatt.

Q. Does PacifiCorp expect to remove steam generating plants that are retired in the future?

A. Yes. It has been the Company's practice to remove thermal plants upon retirement for a variety of reasons, and it is its current intention to continue to do so. PacifiCorp assumes that even if laws and regulations do not currently exist which require removal of generation plants upon retirement, laws and regulations may be enacted that would require removal if the owner or operator fails to do so. There are public safety and environmental issues associated with generation plants, and the public may demand their removal if the owner or operator does not do so. The Company does not believe it is reasonable to assume that retired generation plants will be allowed to remain in place indefinitely in the future. In addition, it is unlikely that PacifiCorp could dispose of the sites of retired generation plants without removal. In fact, even if the Company were to retain the site for its own use, it would probably be necessary to remove the old plant before a new plant could utilize transmission or other site advantages. The Company believes that consideration of the potential obligations associated with indefinitely holding a retired generation plant might indicate that removal is the most prudent course and is in the long-term public interest.

Q. Does recovery of terminal net salvage costs through steam plant depreciation expense represent sound ratemaking policy?

A. Yes, it does. Two of the most basic precepts of ratemaking policy are that customers should pay for their cost of service and that costs should be matched with benefits. Consistent with these principles, customers who benefit from the output of a steam generating plant should bear all the costs of producing that output, including the cost

of constructing the plant and subsequent capital additions, the costs of operating and maintaining the plant over its productive life, and ultimately the cost of retiring and removing the plant. Recovery of terminal net salvage through depreciation expense over the useful life of the plant is the only way to achieve a full and fair matching of costs and benefits. If recovery of terminal net salvage were to be deferred until the plant is actually retired, some customers would inevitably pay less than their cost of service while other customers would pay more than their fair share.

CONCLUSION

Q. Based on the foregoing testimony, what conclusions have you reached?

A. It is my opinion that the estimated plant depreciable lives set forth in this study for PacifiCorp's steam generating plants provide a reasonable basis in this case for the estimated retirement dates used as inputs for Mr. Roff's depreciation analysis. Similarly, it is my opinion that the hydro plant retirement dates provided to Mr. Roff are reasonable and are based on the latest engineering estimates. I conclude that the terminal net salvage calculated by Mr. Roff for PacifiCorp steam generating plants is reasonable and conservative based on the Company's actual experience and the study performed by Black & Veatch. It is necessary to include steam plant terminal net salvage in depreciation rates to properly match customer benefits with customer costs and to ensure that all customers pay their full and fair cost of service. These same principles of ratepayer equity require that all hydro plant decommissioning costs be recovered through depreciation expense from the customers being served by these hydro plants.

Furthermore, it is my opinion that these assets provide a valuable and low-cost

resource for the benefit of the ratepayers.

Q. Does this conclude your testimony?

A. Yes.

Docket No. UM-1329
Exhibit PPL/201
Witness: Mark C. Mansfield

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

PACIFICORP

Exhibit Accompanying Direct Testimony of Mark C. Mansfield

August 2007

Estimated Plant Depreciable Lives

Plant	PacifiCorp Share Net Rating (MW)	Commercial Date	Current Age of Unit	Weighted Average Age of Plant	Recommended Depreciable Life	Recommedation Year Ending Life	Years Remaining from 2007	Criteria for Recommended Depreciable Life
Coal-fired								
Carbon-1	67	1954	53					
Carbon-2	105	1957	50	51.2	64.0	2020	13	Asset condition and planned capital expenditures
Cholla-4	380	1981	26	26.0	64.0	2045	38	Asset condition and planned capital expenditures
Colstrip-3	74	1984	23					
Colstrip-4	74	1986	21	22.0	64.0	2049	42	Asset condition and planned capital expenditures
Craig-1	83	1980	27					
Craig-2	82	1979	28	27.5	54.0	2034	27	Based on the life use by majority owners
Dave Johnston-1	106	1959	48					
Dave Johnston-2	106	1960	47					
Dave Johnston-3	230	1964	43					
Dave Johnston-4	330	1972	35	40.8	64.0	2030	23	Asset condition and planned capital expenditures
Hayden-1	45	1965	42					
Hayden-2	33	1976	31	37.3	60.0	2030	23	Based on the life use by majority owners
Hunter-1	403	1978	29					
Hunter-2	259	1980	27					
Hunter-3	460	1983	24	26.5	64.0	2045	38	Asset condition and planned capital expenditures
Huntington-1	445	1977	30					
Huntington-2	450	1974	33	31.5	64.0	2039	32	Asset condition and planned capital expenditures
Jim Bridger-1	353	1974	33					
Jim Bridger-2	353	1975	32					
Jim Bridger-3	353	1976	31					
Jim Bridger-4	353	1979	28	31.0	64.0	2040	33	Asset condition and planned capital expenditures
Naughton-1	160	1963	44					
Naughton-2	210	1968	39					
Naughton-3	330	1971	36	38.7	64.0	2032	25	Asset condition and planned capital expenditures
Wyodak-1	268	1978	29	29.0	64.0	2042	35	Asset condition and planned capital expenditures
	6,113							
Gas-fired								
Currant Creek (CCCT)	540	2005	2	2.0	35.0	2040	33	Based on the original design life of a combined-cycle plant
Gadsby-1 (Rankine)	60	1951	56					
Gadsby-2 (Rankine)	75	1952	55					
Gadsby-3 (Rankine)	100	1955	52	54.0	64.0	2017	10	Asset condition and planned capital expenditures
Gadsby-4 (CT)	40	2002	5					
Gadsby-5 (CT)	40	2002	5					
Gadsby-6 (CT)	40	2002	5	5.0	25.0	2027	20	Based on the original design life of a simple-cycle plant
Hermiston 1 (CCCT)	119	1996	11					
Hermiston 2 (CCCT)	119	1996	11	11.0	35.0	2031	24	
Lake side (CCCT)	548	2007	0	0.0	35.0	2042	35	Based on the original design life of a combined-cycle plant
Little Mountain (CT)	14	1971	36	36.0	38.0	2009	2	Contract life
	1,694							
Other								
Blundell (Geothermal)	23	1984	23	23.0	49.0	2033	26	Extended 25 year due to the bottoming cycle addition
Blundell Bottoming Cycle (Geothermal)	11	2008	-1	-1.0	25.0	2033	26	Based on the original design life of the bottoming cycle
Foote Creek (Wind)	33	1999	8	8.0	25.0	2024	17	Based on the original design life of a wind plant
James River (Co-gen)	22	1996	11	11.0	20.0	2016	9	Contract life
Leaning Juniper 1 (Wind)	101	2006	1	1.0	25.0	2031	24	Based on the original design life of a wind plant
Marengo (wind)	140	2007	0	0.0	25.0	2032	25	Based on the original design life of a wind plant
	330							
System Total	8,136							

Reference Year	2007
Average Age of Units	27.83
Weighted Average Age of Units	26.56

Assumptions
Depreciable life estimates do not include the potential influence of emissions limitations. Future environmental regulations, such as a carbon tax or other unforseeable regulation, could cause some of the older plants to become uneconomical and shorten their depreciation lives

PACIFICORP HYDRO PLANTS											
Plant	Year Installed	Nameplate Rating (MW)	FERC License Number	State	Location	Energy Source	License Expiration Date	Engineering estimate of electro / mechanical life	Engineering estimate of civil/structural life	**Recommended Year for 2007 Useful Life**	NOTES
Ashton	1910	6.85	2381	Idaho	Ashton, ID	Henry's Fork Snake River	12/31/2027			**2027**	Based on current license expiration date.
St. Anthony	1915	0.50	2381	Idaho	Ashton, ID	Henry's Fork Snake River	12/31/2027			**2027**	Plant out of service. Efforts are currently underway to sell the existing project and seperate it from the existing FERC license.
Cutler	1927	30.00	2420	Utah	Logan, ID	Bear River	3/31/2024			**2024**	Based on current license expiration date.
Cove	1907	0.00	2401	Idaho	Grace, ID	Bear River					The Cove plant was decommissioned as a condition of the new FERC operating license for the Bear River plants in 2006.
Grace	1908	33.00	2401	Idaho	Grace, ID	Bear River	11/30/2033			**2033**	New 30 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Oneida	1915	30.00	472	Idaho	Preston, ID	Bear River	11/30/2033			**2033**	New 30 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Soda	1924	14.00	20	Idaho	Soda, ID	Bear River	11/30/2033			**2033**	New 30 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Upper American Fork	1907	0.95	696	Utah	American Fork, UT	American Fork Creek	12/31/2007	2030	2030	**2007**	Signed Settlement agreement to decomission Project in 2006. FERC order received giving authorization to move forward with decommissioning actions. Work is underway.
Pioneer	1897	5.00	2722	Utah	Ogden, UT	Ogden River	8/31/2030			**2030**	New 30 year FERC operating license received in 2000. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Stairs	1895	1.00	597	Utah	Salt Lake City, UT	Big Cottonwood Creek	6/30/2030	2030	2025	**2025**	Based on Engineering estimate of remaining civil/structural life.
Weber	1911	3.85	1744	Utah	Ogden, UT	Weber River	5/31/2020			**2020**	Based on current license expiration date.
Big Fork	1910	4.15	2652	Montana	Big Fork, MT	Swan River	6/30/2053			**2053**	New 50 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Wallowa Falls	1921	1.10	308	Oregon	Joseph, OR	East Fork Wallowa River	2/28/2016			**2016**	Based on current license expiration date.
Powerdale	1923	6.00	2659	Oregon	Hood River, OR	Hood River	2/29/2012			**2010**	Settlement Agreement calls for decomissioning of the project in 2010. Licensing extension request filed for operation to 2010 and with decommissioning to follow.
Condit	1913	13.70	2342	Washington	White Salmon, WA	White Salmon River	12/31/1993			**2008**	Signed Settlement Agreement to decomission project in 2006. Agreement was amended to allow required time to work through permitting process, extending original 2006 decommission date to 2008.
Merwin	1931	136.00	935	Washington	Areil, WA	North Fork Lewis River	4/30/2006			**2046**	New 40 year FERC operating license expected in 2006. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Swift	1958	240.00	2111	Washington	Cougar, WA	North Fork Lewis River	4/30/2006			**2046**	New 40 year FERC operating license expected in 2006. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Yale	1953	134.00	2071	Washington	Cougar, WA	North Fork Lewis River	4/30/2001			**2046**	New 40 year FERC operating license expected in 2006. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Lemolo No.1	1955	31.99	1927	Oregon	Toketee Falls, OR	North Umpqua River	10/31/2038			**2038**	New 35 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Lemolo No.2	1956	33.00	1927	Oregon	Toketee Falls, OR	North Umpqua River	10/31/2038			**2038**	New 35 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Clearwater No.1	1953	15.00	1927	Oregon	Toketee Falls, OR	Clearwater River	10/31/2038			**2038**	New 35 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Clearwater No.2	1953	26.00	1927	Oregon	Toketee Falls, OR	Clearwater River	10/31/2038			**2038**	New 35 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Toketee	1949	42.50	1927	Oregon	Toketee Falls, OR	North Umpqua River	10/31/2038			**2038**	New 35 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Fish Creek	1952	11.00	1927	Oregon	Toketee Falls, OR	Fish Creek	10/31/2038			**2038**	New 35 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Soda Springs	1952	11.00	1927	Oregon	Toketee Falls, OR	North Umpqua River	10/31/2038			**2038**	New 35 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Slide Creek	1951	18.00	1927	Oregon	Toketee Falls, OR	North Umpqua River	10/31/2038			**2038**	New 35 year FERC operating license received in 2003. Civil, electrical and mechanical work will be completed as necessary to extend life to end of FERC license period.
Prospect No.1	1912	3.76	2630	Oregon	Prospect, OR	North Fork Rogue River	7/1/2005 Annual			**2037**	New 30 year license is expected in 2007. Improvements will be implemented to civil/structural and mechanical facilities as warranted to extend project life through new license period.
Prospect No.2	1928	32.00	2630	Oregon	Prospect, OR	North Fork Rogue River	7/1/2005 Annual			**2037**	New 30 year license is expected in 2007. Improvements will be implemented to civil/structural and mechanical facilities as warranted to extend project life through new license period.
Prospect No.4	1944	1.00	2630	Oregon	Prospect, OR	South Fork Rogue River	7/1/2005 Annual			**2037**	New 30 year license is expected in 2007. Improvements will be implemented to civil/structural and mechanical facilities as warranted to extend project life through new license period.

PACIFICORP HYDRO PLANTS											
Plant	Year Installed	Nameplate Rating (MW)	FERC License Number	State	Location	Energy Source	License Expiration Date	Engineering estimate of electro / mechanical life	Engineering estimate of civil/structural life	**Recommended Year for 2007 Useful Life**	NOTES
Prospect No.3	1932	7.20	2337	Oregon	Prospect, OR	North Fork Rogue River	12/31/2018			**2018**	Based on current license expiration date.
Keno Regulating Dam	1967	0.00	2082	Oregon	Klamath Falls, OR	Link River	2/28/2006 Annual			**2046**	The current Klamath FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Assuming a 30 year license at the end of the 10 year licensing period results in a life extension through 2046. It is assumed the civil, electrical and mechanical improvements necessary to extend the life through the licensing process period and the license period of 30 years will be completed.
East Side	1924	3.20	2082	Oregon	Klamath Falls, OR	Link River	2/28/2006 Annual			**2016**	The current FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Due to impending civil structure investment needs expected for fish passage and protection, the plant will be decommissioned as part of the new license conditions. The current life is considered to be through 2016.
West Side	1908	0.60	2082	Oregon	Klamath Falls, OR	Link River	2/28/2006 Annual			**2016**	The current FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Due to impending civil structure investment needs expected for fish passage and protection, the plant will be decommissioned as part of the new license conditions. The current life is considered to be through 2016.
J. C. Boyle	1958	97.98	2082	Oregon	Keno, OR	Klamath River	2/28/2006 Annual			**2046**	The current Klamath FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Assuming a 30 year license at the end of the 10 year licensing period results in a life extension through 2046. It is assumed the civil, electrical and mechanical improvements necessary to extend the life through the licensing process period and the license period of 30 years will be completed.
Klamath Lake Reservoir	1919	0.00		Oregon	Klamath Falls, OR	Link River	Unlicensed			**2046**	The current Klamath FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Assuming a 30 year license at the end of the 10 year licensing period results in a life extension through 2046. It is assumed the civil, electrical and mechanical improvements necessary to extend the life through the licensing process period and the license period of 30 years will be completed.
Iron Gate	1962	18.00	2082	California	Hombrook, CA	Klamath River	2/28/2006 Annual			**2046**	The current Klamath FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Assuming a 30 year license at the end of the 10 year licensing period results in a life extension through 2046. It is assumed the civil, electrical and mechanical improvements necessary to extend the life through the licensing process period and the license period of 30 years will be completed.
COPCO No.1	1918	20.00	2082	California	Hombrook, CA	Klamath River	2/28/2006 Annual			**2046**	The current Klamath FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Assuming a 30 year license at the end of the 10 year licensing period results in a life extension through 2046. It is assumed the civil, electrical and mechanical improvements necessary to extend the life through the licensing process period and the license period of 30 years will be completed.
COPCO No.2	1925	27.00	2082	California	Hombrook, CA	Klamath River	2/28/2006 Annual			**2046**	The current Klamath FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Assuming a 30 year license at the end of the 10 year licensing period results in a life extension through 2046. It is assumed the civil, electrical and mechanical improvements necessary to extend the life through the licensing process period and the license period of 30 years will be completed.
Fall Creek	1903	2.20	2082	Oregon	Hombrook, CA	Fall Creek	2/28/2006 Annual			**2046**	The current Klamath FERC operating license expires in 2006. The ongoing settlement process is expected to take an additional 10 years to be completed, with annual license renewals received during that process. Assuming a 30 year license at the end of the 10 year licensing period results in a life extension through 2046. It is assumed the civil, electrical and mechanical improvements necessary to extend the life through the licensing process period and the license period of 30 years will be completed.
Lifton Pump Station	1918	0.00		Idaho	St. Charles, ID	Bear River	Unlicensed			**2033**	New 30 year FERC operating license received in 2003 for the Bear River. Work will be completed as necessary to extend life to end of Bear River FERC license period.
Paris	1910	0.72	703	Idaho	Preston, ID	Paris Creek	Exempt	2020	2010	**2010**	No license - Based on engineering evaluation of the canal system. It is judged that the remaining life of this portion of the project is approximately 4 years.
Last Chance	1984	1.73	4580	Idaho	Grace, ID	Last Chance Canal	Exempt	2035	2025	**2025**	No license - Investment has extended the life of the electro/mechanical systems. Based on Engineering evluation of the remaining life of the canal system..

PACIFICORP HYDRO PLANTS											
Plant	Year Installed	Nameplate Rating (MW)	FERC License Number	State	Location	Energy Source	License Expiration Date	Engineering estimate of electro / mechanical life	Engineering estimate of civil/structural life	**Recommended Year for 2007 Useful Life**	NOTES
Upper Beaver	1907	2.52	814	Utah	Beaver, UT	Beaver River	Exempt	2030	2007	**2030**	No license - Engineering estimate of remaining civil life currently limits future operational life. Negoitations are well underway regarding the sale of the project with closure currently scheduled for third quarter of 2007.
Granite	1896	2.00		Utah	Salt Lake City, UT	Big Cottonwood Creek	Unlicensed	2030	2048	**2030**	No license - Based on Engineering estimate of remaining electro/mechanical life.
Olmsted	1904	10.30		Utah	Orem, UT	Strawberry River	Unlicensed	2016	2016	**2016**	No license - Based on remaining term of the exsting operations agreement with Bureau of Reclamation. Investments necessary to continue operation through that time are expected to be made.
Snake Creek	1910	1.18		Utah	Heber, UT	Snake Creek	Unlicensed	2020	2030	**2020**	No license - Based on Engineering estimate of remaining electro/mechanical life.
Fountain Green	1922	0.16	10690	Utah	Fountain Green, UT	Big Springs	Exempt	2010	2010	**2010**	No license - Based on Engineering estimate of remaining electro/mechanical and civil structures life.
Gunlock	1917	2.05	9281	Utah	St. George, UT	Santa Clara River	Exempt	2020	2020	**2020**	No license - Civil structure investments have shifted basis for remaining life estimate to the electro/mechanical compoents of the project.
Santa Clara	1920		9281	Utah	St. George, UT	Santa Clara River	Exempt	2020	2020	**2020**	No license - Civil structure investments have shifted basis for remaining life estimate to the electro/mechanical compoents of the project.
Veyo	1920		9281	Utah	St. George, UT	Santa Clara River	Exempt	2020	2020	**2020**	No license - Civil structure investments have shifted basis for remaining life estimate to the electro/mechanical compoents of the project.
Viva Naughton	1986	0.74		Wyoming	Kemmerer, WY	Ham's Fork River	Exempt	2040	2040	**2040**	No license - Based on Engineering estimate of remaining electro/mechanical life.
Cline Falls	1943	1.00		Oregon	Redmond, OR	Deschutes River	Unlicensed	2013	2018	**2013**	Remaining life based upon expiration of agreement with Central Oregon Irrigation District for the use of the water right and the operation of the plant in 2013. No expectation at this time that agreement will be renewed.
Bend	1913	1.11		Oregon	Bend, OR	Deschutes River	Unlicensed	2010	2018	**2010**	No license - Based on Engineering estimate of remaining electro/mechanical life.
Eagle Point	1957	2.81		Oregon	Shady Cove, OR	South Fork Big Butte Creek	Unlicensed	2025	2025	**2025**	Major civil cost risk reduced with ellimination of canal maintenance agreement. Life extension expected to be feasible for electrical/mechanical equipment to extend life equivalent of 20 years.
Total Capacity*		1087.852									
Notes:	Total capacity includes Olmsted (not owned by PacifiCorp Energy) at 10.3 MW										

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of PacifiCorp, dba PACIFIC POWER & LIGHT COMPANY Petition to File a Preliminary Depreciation Study.

Docket No. UM 1329

DIRECT TESTIMONY OF

DONALD S. ROFF

AUGUST 2007

INTRODUCTION AND BACKGROUND

Q. Please state your name, occupation, business address, employer and job title.

A. My name is Donald S. Roff. I am President of Depreciation Specialty Resources, a consulting firm serving the utility industry. My business address is 2832 Gainesborough Drive, Dallas, Texas 75287-3483.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of PacifiCorp ("the Company").

Q. Please state your qualifications.

A. My qualifications are described on Exhibit PPL/301.

Q. Have you previously testified before this or any other regulatory body?

A. Yes. A list of my regulatory appearances and related jurisdictions is attached as Exhibit PPL/302.

Q. What is the purpose of your testimony?

A. I have been asked by the Company to testify as to the recommended depreciation rates to be used by it for the accrual of depreciation expense.

Q. Please summarize your testimony.

A. Based upon my depreciation study, a copy of which is attached to my Direct Testimony as Exhibit PPL/303, conducted as of December 31, 2006, I recommend changes to the depreciation rates currently in use by using the remaining life rates recommended in the depreciation study, which provide for full recovery of net investment adjusted for net salvage over the future useful life of each asset category, and that are consistent with past practice of the Company. The proposed rates are illustrated by the following comparison.

Function	Existing %	Recommended %
Steam Production Plant	3.14	2.01
Hydraulic Production Plant	2.42	2.82
Other Production Plant	3.42	3.56
Transmission Plant	2.12	2.15
Distribution Plant	2.74	3.26
General Plant	4.69	4.54
Mining Operations	5.87	3.52
Total Electric Plant	2.91	2.69

This summary is taken from Table A, page 3 of Exhibit PPL/303.

Application of my recommended rates to the December 31, 2006 depreciable balances results in a decrease in annual depreciation expense of $30,577,419. The following sections of my testimony discuss the depreciation study procedure, life analysis, interim activity, salvage and cost of removal analysis, and the results for steam, hydraulic and other production plant, transmission, distribution and general plant, and mining operations and my recommendations.

Q. What are the primary reasons for the change in depreciation that you recommend?

A. There are two factors that influence the level of depreciation expense change that I recommend. The first factor is recognition of more negative net salvage for transmission and distribution plant asset categories, reflective of current experience, which increases annual depreciation expense. The second element is longer life spans for the thermal generating units, which decreases annual depreciation expense.

DEPRECIATION STUDY PROCEDURE

Q. What is depreciation?

A. The most widely recognized accounting definition of depreciation is that of the American Institute of Certified Public Accountants, which states:

> "Depreciation accounting is a system of accounting which aims to distribute the cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner. It is a process of allocation, not of valuation."[1]

Q. What is the significance of this definition?

A. This definition of depreciation accounting forms the accounting framework under which my depreciation study was conducted. Several aspects of this definition are particularly significant, including the following: (1) salvage (net salvage) is to be recognized; (2) the allocation of costs is over the useful life of the assets; (3) grouping of assets is permissible; (4) depreciation accounting is not a valuation process; and (5) the cost allocation must be both systematic and rational.

Q. Please explain the importance of the terms "systematic and rational."

A. Systematic implies the use of a formula. The formula used for calculating the recommended depreciation rates is shown on Page 16 of Exhibit PPL/303. Rational means that the pattern of depreciation, in this case, the depreciation rate itself, must match either the pattern of revenues produced by the asset, or match the consumption of the asset. Since revenues are determined through regulation and are expected to continue to be so determined, asset consumption must be

[1] Accounting Research Bulletin No. 43, Chapter 9, Section C, Paragraph 5 (June 1953).

directly measured and reflected in depreciation rates. This measurement of asset consumption is accomplished by conducting a depreciation study.

Q. Are there other definitions of depreciation?

A. Yes. The Federal Energy Regulatory Commission Uniform System of Accounts, followed by the Company, provides a series of definitions related to depreciation as shown on Page 8 of Exhibit PPL/303. These definitions of depreciation make reference to asset consumption, and therefore relate very well to the accounting framework for depreciation. These definitions form the regulatory framework under which my depreciation study was conducted.

Q. How does your depreciation study recognize asset consumption?

A. Asset consumption in my depreciation study is recognized in two different ways, depending upon the type of asset. For mass property, asset consumption (retirement dispersion) is defined by the use of Iowa type curves and related average service lives. For life span property (power plants), asset consumption is recognized through the use of interim activity factors, which provide a form of retirement dispersion.

Q. What is retirement dispersion?

A. Retirement dispersion merely recognizes that groups of assets have individual assets of different lives, i.e., each asset retires at differing ages. Retirement dispersion is the scattering of retirements by age around the average service life for each group of assets.

Q. Please describe how these elements were determined and utilized in your depreciation study.

A. A depreciation study consists of four distinct yet related phases - data collection, analysis, evaluation and rate calculation. Data collection refers to the gathering of historical accounting information for use in the other phases. Company personnel assisted with this effort and provided me with a large amount of historical accounting data. Analysis refers to the statistical processing of the data collected in the first phase. There are two separate analysis procedures, one for life and one for salvage and cost of removal. The evaluation phase incorporates the information developed in the data collection and analysis phases to determine the applicability of the historical relationships developed in these phases to the future. The rate calculation phase merely utilizes the parameters developed in the other phases in the computation of the recommended depreciation rates.

Q. What are the parameters used in the calculation of your recommended depreciation rates?

A. The parameters are the estimated retirement date for production plants or average service life for transmission, distribution and general plant; retirement dispersion defined by interim addition and retirement factors for production plant and by Iowa curves for the mass accounts; and interim and terminal net salvage factors for production plant and terminal net salvage factors for the mass accounts. Also used are the depreciable plant balance, the accumulated provision for depreciation, and the average remaining life. How these factors are used in the calculation is discussed on Pages 15 and 16 of Exhibit PPL/303. Individual

parameters are shown on Schedule 2 of Exhibit PPL/303.

LIFE ANALYSIS

Q. Please explain the life analysis phase of your study of production plant.

A. There are two parts to the life analysis phase of my study of production plant. The first is the determination of the estimated retirement date for each plant suitable for the calculation of depreciation rates. The second part is the determination of interim retirement ratios and interim addition factors from an analysis of historical experience.

Q. What was the basis for the retirement dates used in your depreciation study of production plant?

A. These retirement dates were provided to me by the Company's planning personnel, and are contained on Exhibit PPL/303, Schedule 2. It is my understanding that these estimated retirement dates give consideration to the age of the plant, its operating characteristics, and economic and environmental constraints.

Q. Are these dates reasonable and consistent with your knowledge and experience?

A. Yes. These retirement dates produce life spans, which are reasonable and consistent with my experience. It is my understanding that these dates reflect the current best estimate of when the generating units will retire, giving due consideration to each unit's age, location, operating characteristics, ongoing capital replacements and expected future usage, and therefore represent the appropriate period over which the allocation of cost should occur.

Q. Please describe the life analysis procedure utilized for non-production plant asset categories.

A. For most asset categories, the Company maintains vintage accounting records in which the age of property retired and property surviving is known. The exception is Account 370, Meters and the Distribution line accounts in Utah and Idaho (Account 364 – Account 373). For the aged asset categories the actuarial method of life analysis was utilized. For the unaged asset categories, the Simulated Plant Record ("SPR") method was utilized.

Q. Please describe actuarial analysis.

A. Actuarial analysis uses the age information contained in the historical property records to determine life tables (survivor curves) for various bands of experience. These plots of percent surviving as a function of age are then compared to standard distributions (Iowa curves) to arrive at an historical average service life and curve shape.

Q. Please describe SPR analysis.

A. SPR analysis determines retirement dispersion and average service life combinations for various bands of years that best match the actual retirements and/or balances for each asset category. The simulated balances procedure consists of applying survivor ratios (portion surviving at each age) from Iowa-type dispersion patterns in order to calculate annual balances, and then comparing the calculated balances with the actual balances for several periods, followed by statistical comparisons of differences in balances. The simulated retirement procedure is similar, except that the retirement frequency rates of the Iowa

patterns are utilized to calculate annual retirements, and the comparisons are to actual retirements rather than to balances. Tabulations of the best ranking curves were made and this became the starting point for the evaluation phase of my depreciation study.

INTERIM ACTIVITY

Q. What are interim retirements?

A. Interim retirements are the retirements of plant components between the date of original installation and the date of final retirement of a plant or unit.

Q. What are interim additions?

A. Interim additions are the replacement of retired plant components or the addition of new plant components between the date of original installation and the date of final retirement of a plant or unit that were not originally necessary.

Q. Is the analysis of interim activity, that is, both interim additions and interim retirements, an accepted analytical procedure?

A. Yes. These accounting histories are readily available, sufficient, and provide useful information upon which to base meaningful conclusions. A description of this analysis process is provided in Exhibit PPL/303 at Page 11.

Q. Why should interim additions and retirements be included in the calculation of depreciation rates for production plant?

A. Interim retirements occur over the life of a production unit as items are replaced or retired. This is clearly evident from a review of historical investment experience. Recognition of the effect of these interim retirements in the depreciation rate calculation is necessary to ensure that these interim retirements

are fully depreciated by the time they occur. Similarly, interim additions occur over the life of a production unit as items are replaced or new items are installed. This activity is also clearly evident from a review of historical investment experience. Recognition of the effect of these interim additions in the depreciation rate calculation is necessary because the estimated retirement dates cannot occur without the replacement activity, and the estimated retirement dates assume this activity will occur.

Q. What interim activity factors were developed in your depreciation study?

A. The interim retirement ratios and interim addition factors utilized in my depreciation study are shown in Exhibit PPL/303, Schedule 2.

Q. Were these factors used in the calculation of your recommended depreciation rates for production plant?

A. My recommended depreciation rates for Production Plant include both an interim addition factor and an interim retirement factor.

Q. Why were interim additions included?

A. While it would be appropriate to include all interim additions, they were only included in the depreciation rate calculations for the next five years and were limited to the amount of interim retirements.

Q. What would be the effect of including all interim additions in the depreciation rate calculation?

A. The recommended depreciation rates for Production Plant would have been substantially higher.

Q. What is the effect on the annual depreciation rate of ignoring certain of these interim additions?

A. Initially, the depreciation rate would be slightly lower, but would increase at each recalculation. This ever-increasing pattern of depreciation rates would be appropriate only if asset consumption is ever increasing. This is the reason that interim additions or replacements were included for the next five-year period.

SALVAGE AND COST OF REMOVAL ANALYSIS

Q. Please discuss the cost of removal and salvage analysis portion of your study of production plant.

A. There are two separate components of cost of removal and salvage for Production Plant: interim and terminal. Interim net salvage refers to the cost of removal net of salvage related to interim retirements. Terminal net salvage refers to the net demolition cost of a plant or unit at final retirement. Interim net salvage factors were determined based upon an analysis of historical experience. Terminal net salvage factors were projected based upon a review of the site-specific demolition cost estimates of other companies.

Q. How were the interim net salvage factors for production plant determined?

A. Primary account summaries of retirements, salvage and cost of removal were provided by Company personnel. I examined the ratio of salvage, cost of removal and net salvage to retirements and looked at the trends over time. I then selected an interim net salvage factor for each primary account.

Q. How were the terminal net salvage factors for production plant determined?

A. I have collected the site-specific demolition cost estimates of over 500 units,

which are in the public record. For each unit I have computed the net demolition cost per kW of generating capacity by fuel type. This average figure is about $54/kW in 2006 price levels for coal-fired units. Exhibit PPL/304 provides a summary of the site-specific demolition cost studies. I conservatively used an estimate of $50/kW for coal units to recognize the ongoing environmental control facilities additions. This number is conservative because additional pollution control requirements are expected which will increase this unit cost. The net demolition amounts were then allocated to accounts on the basis of plant investment, and used in the depreciation rate calculations. A similar process was used for the units that are not coal-fired. It should be noted that the Company has developed some site-specific demolition cost estimates for certain of its plants. This study was conducted in 2004 by Black & Veatch. This study supports my estimated unit cost. Terminal net salvage has not been recognized for most hydraulic production plants. A decommissioning reserve has been proposed for plants which have a definitive decommissioning agreement, as well as for small plants for which the Company has estimated some probability of being decommissioned in the next ten-year period.

STEAM PRODUCTION PLANT RESULTS

Q. Please summarize your results for steam production plant.

A. Use of the parameters described above results in a composite depreciation rate of 2.01 percent, which produces an annual depreciation expense decrease of $52,800,000, or about 36 percent below the existing rate.

Q. What is the reason for this decrease in depreciation expense?

A. The primary reason for the decrease is longer life spans for the thermal units. The basis for these retirement dates is discussed in the testimony of Mr. Mark C. Mansfield.

HYDRAULIC PRODUCTION PLANT RESULTS

Q. Please discuss the results of your depreciation study for hydraulic production plant.

A. Retirement dates were tied to license expiration dates or expected license renewal dates. Interim activity has been limited, and interim additions equal to interim retirements were included for the period 2007 through 2011, although a figure greater than one is justified by historical experience. The composite depreciation rate for Hydraulic Production Plant increased from 2.42 percent to 2.82 percent, primarily due to the effect of some relatively new investments. Note that this depreciation rate comparison incorporates a decommissioning reserve provision. A decommissioning reserve has been proposed for plants which have a definite decommissioning agreement as well as small hydraulic plants which the Company has estimated as having some probability of being decommissioned in the next ten-year period. The net change in annual depreciation for Hydraulic Production Plant is an increase of approximately $2,033,000.

OTHER PRODUCTION PLANT RESULTS

Q. Please discuss the results of your study of other production plant.

A. The composite depreciation rate for Other Production Plant increased from 3.42 percent to 3.56 percent, reflecting little change to existing parameters. The

change produced an increase in annual depreciation expense of $1,108,000, or about 4 percent, primarily attributable to Hermiston and Little Mountain.

TRANSMISSION, DISTRIBUTION AND GENERAL PLANT

Q. Please discuss the life analysis procedure for transmission, distribution and general plant.

A. For most asset categories the age of both surviving and retired property is known, and actuarial analysis was utilized for these property groups. Actuarial analysis is described on Page 12 of Exhibit PPL/303. For some asset groups, the age of property retired is not known, and a simulated plant record analysis was performed. The SPR method determines retirement dispersion and average service life combinations for various bands of years that best match the actual retirements and balances for each asset category.

Q. What are Iowa-type curves?

A. The Iowa-type curves were devised empirically over 60 years ago by the Engineering Research Institute at what is now Iowa State University to provide a set of standard definitions of retirement dispersion. Retirement dispersion merely recognizes that groups of assets have individual assets of different lives, i.e., each asset retires at differing ages. Retirement dispersion is the scattering of retirements by age around the average service life for each group of assets. Standard dispersion patterns are useful because they make calculations of the remaining life of existing property possible and allow life characteristics to be compared.

The Engineering Research Institute collected dated retirement information

on many types of industrial and utility property and devised empirical curves that matched the range of patterns found. A total of 18 curves were defined. There were six left-skewed, seven symmetrical and five right-skewed curves, varying from wide-to-narrow dispersion patterns. The Iowa-curve naming convention allows the analyst to relate easily to the patterns. The left-skewed curves are known as the "L series", the symmetrical as the "S series" and the right-skewed as the "R series." A number identifies the range of dispersion. A low number represents a wide pattern and a high number a narrow pattern. The combination of one letter and one number defines a unique dispersion pattern.

Q. How were the Iowa curve shapes and average service life selections made?

A. Summaries of the individual asset category life analysis indications were prepared and discussed with Company personnel. Anomalies and trends were identified and engineering and operations input was requested where necessary. A single average service life and Iowa curve was selected for each asset category reflecting the combination of the historical results and the additional information obtained from the engineering, accounting and operations personnel. This process is a part of the evaluation phase of the depreciation study.

Q. Please explain the salvage and cost of removal analysis.

A. Annual salvage amounts, cost of removal and retirements were provided by functional group for the period 1992 though 2006. Annual salvage, cost of removal and net salvage percentages were calculated by dividing by the retirement amounts. Rolling and shrinking bands were also developed to illustrate trends. A special analysis was conducted for the effect of third-party reimbursements for the

period 2004 – 2006. Retirements, salvage and cost of removal related to these third-party reimbursements were eliminated from the analyses. This treatment resulted in slightly more negative net salvage factors.

Q. Please summarize your results for transmission, distribution and general plant.

A. In general, average service lives have increased, and net salvage factors have become more negative. The composite depreciation rate for transmission plant increased slightly from 2.12 percent to 2.15 percent, an annual expense increase of about $668,000, or about 1 percent. The primary reasons are marginally longer average service lives and slightly more negative net salvage.

The composite depreciation rate for Distribution Plant increased from 2.74 percent to 3.26 percent, an annual expense increase of over $23,900,000, or about 19 percent. Increased average service lives were more than offset by more negative net salvage.

The composite depreciation rate for General Plant decreased from 4.69 percent to 4.54 percent, an annual expense decrease of roughly $901,000, or about 3 percent. The primary reason for the decrease is slightly longer average service lives.

MINING OPERATIONS

Q. Please summarize your results for mining operations.

A. The composite depreciation rate decreased from 5.87 percent to 3.52 percent. Average service lives have both increased and decreased, as have net salvage allowances.

SUMMARY AND RECOMMENDATIONS

Q. What is the total change in annual depreciation indicated by your study?

A. At the total Company depreciable investment level, the decrease in annual depreciation expense indicated by my study is about $30,600,000.

Q. Please summarize your recommendations.

A. I recommend that PacifiCorp adopt the depreciation rates shown in Column 12 of Schedule 1 of Exhibit PPL/303, and that this Commission approve their use. I base this recommendation on the fact that I have conducted a comprehensive depreciation study, giving appropriate recognition to historical experience, recent trends and Company expectations. My study results in a fair and reasonable level of depreciation expense which, when incorporated into a revenue stream, will provide the Company with adequate capital recovery until such time as a new depreciation study indicates a need for change.

Q. Does this complete your direct testimony?

A. Yes, it does.

Docket No. UM-1329
Exhibit PPL/301
Witness: Donald S. Roff

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

PACIFICORP

Exhibit Accompanying Direct Testimony of Donald S. Roff

August 2007

Academic Background

Donald S. Roff graduated from Rensselaer Polytechnic Institute with a Bachelor of Science degree in Management Engineering in 1972.

Mr. Roff has also received specialized training in the area of depreciation from Western Michigan University's Institute of Technological Studies. This training involved three forty-hour seminars on depreciation entitled "Fundamentals of Depreciation", "Fundamentals of Service Life Forecasting" and "Making a Depreciation Study" and included such topics as accounting for depreciation, estimating service life, and estimating salvage and cost of removal.

Employment and Professional Experience

Following graduation, Mr. Roff was employed for eleven and one-half years by Gilbert Associates, Inc., as an engineer in the Management Consulting Division. In this capacity, he held positions of increasing responsibility related to the conduct and preparation of various capital recovery and valuation assignments.

In 1984, Mr. Roff was employed by Ernst & Whinney and was involved in several depreciation rate studies and utility consulting assignments.

In 1985, Mr. Roff joined Deloitte Haskins & Sells (DH&S), which, in 1989, merged with Touche Ross & Co. to form Deloitte & Touche. In 1995, Mr. Roff was appointed as a Director with Deloitte & Touche.

In November, 2005, Mr. Roff formed Depreciation Specialty Resources to serve the utility industry.

During his tenure with Gilbert Associates, Inc., Ernst & Whinney, DH&S and Deloitte & Touche, Mr. Roff has participated in or directed depreciation studies for electric, gas, water and steam heat utilities, pipelines, railroad and telecommunication companies in over 30 states, several Canadian provinces and Puerto Rico. This work requires an in-depth knowledge of depreciation accounting and regulatory principles, mortality analysis techniques and financial practices. At these firms, Mr. Roff has had varying degrees of responsibility for valuation studies, development of depreciation accrual rates, consultation on the unitization of property records, and other studies concerned with the inspection and appraisals of utility property, preparation of rate case testimony and support exhibits, data responses and rebuttal testimony, in addition to appearing as an expert witness.

Industry and Technical Affiliations

Mr. Roff is a registered Professional Engineer in Pennsylvania (by examination).

Mr. Roff is a member of the Society of Depreciation Professionals and a Certified Depreciation Professional, and a Technical Associate of the American Gas Association (A.G.A.) Depreciation Committee. He currently serves as the lead instructor for the A.G.A.'s Principles of Depreciation Course.

Docket No. UM-1329
Exhibit PPL/302
Witness: Donald S. Roff

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

PACIFICORP

Exhibit Accompanying Direct Testimony of Donald S. Roff

August 2007

DONALD S. ROFF

TESTIMONY EXPERIENCE

CASE NO.	DATE	COMPANY	JURISDICTION	SUBJECT
Docket No. 93-3005	July 1993	Southwest Gas Corporation	Nevada	Gas Depreciation Rates
Docket No. 93-3025	July 1993	Southwest Gas Corporation	Nevada	Gas Depreciation Rates
Docket No. 12820	June 1994	Central Power and Light Company	Texas	Electric Depreciation Rates
Case No. U-10380	Dec 1994	Consumers Power Company	Michigan	Gas Depreciation Rates and Accounting
Cause No. 39938	April 1995	Indianapolis Power & Light Company	Indiana	Electric Depreciation Rates
Case No. U-10754	July 1995	Consumers Power Company	Michigan	Electric Depreciation Rates and Accounting
Docket No. 13369	Aug 1995	West Texas Utilities Company	Texas	Electric Depreciation Rates
Docket No. 95-02116	Sept 1995	Chattanooga Gas Company	Tennessee	Gas Depreciation Rates
Docket No. 95-715-G	Oct 1995	Piedmont Natural Gas Company	South Carolina	Gas Depreciation Rates
Docket No. 14965	Dec 1995	Central Power and Light Company	Texas	Electric Depreciation Rates
Cause No. 40395 (I)	Feb 1996	Wabash Valley Power Association, Inc.	Indiana	Electric Depreciation Rates
GUD NO. 8664	Oct 1996	Lone Star Pipeline Company	Texas	Gas Depreciation Rates
Docket No. 96-360-U	Nov 1996	Entergy Arkansas Inc.	Arkansas	Electric Depreciation Rates
Docket No. 16705	Nov 1996	Entergy Gulf States Inc.	Texas	Electric Depreciation Rates/Competitive Issues
Docket No. ER-97-394	Mar 1997	Missouri Public Service	Missouri	Electric Depreciation Rates/Competitive Issues
Docket No. U-22092	Mar 1997	Entergy Gulf States Inc.	Louisiana	Electric Depreciation Rates/Competitive Issues
Docket No. 97-00982	May 1997	Chattanooga Gas Company	Tennessee	Gas Depreciation Rates
Cause No. 40395 (II)	June 1997	Wabash Valley Power Association, Inc.	Indiana	Electric Depreciation Rates
Case No. U-11509	Sept 1997	Consumers Energy Company	Michigan	Gas Depreciation Rates and Accounting
Docket No. ER98-11	Sept 1997	Long Island Lighting Company	FERC	Electric Depreciation Rates
Docket No. 8390-U	Dec 1997	Atlanta Gas Light Company	Georgia	Gas Depreciation Rates and Accounting
Cause No. 41118	Mar 1998	Wabash Valley Power Association, Inc.	Indiana	Electric Depreciation Rates
Case No. U-11722	Oct 1998	Detroit Edison Company	Michigan	Electric Depreciation Rates
Docket No. 98-2035-03	Nov 1998	PacifiCorp	Utah	Electric Depreciation Rates
Docket No. 99-4006	April 1999	Nevada Power Company	Nevada	Electric Depreciation Rates
GUD Docket No. 9030	March 2000	Atmos Energy Corporation	Texas	Gas Depreciation Rates and Accounting
GUD Docket No. 9145	April 2000	TXU Gas Distribution	Texas	Gas Depreciation Rates
City of Tyler	Dec 2000	Reliant Energy Entex	Texas	Gas Depreciation Rates and Accounting
Docket No. U-24993	March 2001	Entergy Gulf States Inc.	Louisiana	Electric Depreciation Rates and Accounting
Docket Nos. GR01050328/GR0105029	May 2001	Public Service Electric & Gas	New Jersey	Gas Depreciation Rates and Accounting
Case No. U-12999	July 2001	Consumers Energy Company	Michigan	Gas Depreciation Rates and Accounting
Docket No. 01-10002	Oct 2001	Nevada Power Company	Nevada	Electric Depreciation Rates
Docket No. 14618-U	Nov 2001	Savannah Electric and Power Company	Georgia	Electric Depreciation Rates
Docket No. 01-11031	Dec 2001	Sierra Pacific Power Company	Nevada	Electric Depreciation Rates
Docket No. 010949-EL	Jan 2002	Gulf Power Company	Florida	Electric Depreciation Rates
Docket No. 14311-U	Jan 2002	Atlanta Gas Light Company	Georgia	Gas Depreciation Rates and Accounting
Docket No. UD-00-2	March 2002	Entergy New Orleans, Inc.	New Orleans	Electric Depreciation Accounting
Cause No. PUD200200166	May 2002	Reliant Energy Entex	Oklahoma	Gas Depreciation Rates and Accounting
Docket No. 01-243-U	June 2002	Reliant Energy Entex	Arkansas	Gas Depreciation Rates and Accounting
Docket No. 02-035-12	Oct 2002	PacifiCorp	Utah	Electric Depreciation Rates
Docket No. 20000-ER-2-192	Oct 2002	PacifiCorp	Wyoming	Electric Depreciation Rates
Docket No. UE-021271	Oct 2002	PacifiCorp	Washington	Electric Depreciation Rates
Docket No. UM-1064	Oct 2002	PacifiCorp	Oregon	Electric Depreciation Rates
Docket No. PAC-E-02-5	Oct 2002	PacifiCorp	Idaho	Electric Depreciation Rates
Docket No. 02-0391	Oct 2002	Hawaiian Electric Company, Inc.	Hawaii	Electric Depreciation Rates and Accounting
Docket No. 03-ATMG-1036-RTS	June 2003	Atmos Energy Corporation	Kansas	Gas Depreciation Rates and Accounting
Docket No. 02-0391	Aug 2003	Hawaiian Electric Company, Inc.	Hawaii	Electric Depreciation Rates and Accounting
Cause No. 42458	Sept 2003	Wabash Valley Power Association, Inc.	Indiana	Electric Depreciation Rates and Accounting
Docket No. 03-ATMG-1036-RTS	Nov 2003	Atmos Energy Corporation	Kansas	Gas Depreciation Rates and Accounting
Case No. 12999	Dec 2003	Consumers Energy Company	Michigan	Gas Depreciation Rates and Accounting
Case No. 12999	Feb 2004	Consumers Energy Company	Michigan	Gas Depreciation Rates and Accounting
Docket No. ER-2004-0570	Apr 2004	The Empire District Electric Company	Missouri	Electric Depreciation Rates and Accounting
Docket No. 04-100-U	Apr 2004	The Empire District Electric Company	Arkansas	Electric Depreciation Rates and Accounting
Docket No. PUE 2003-00597	Aug 2004	Atmos Energy Corporation	Virginia	Gas Depreciation Rates and Accounting
Docket No. 18638-U	Oct 2004	Atlanta Gas Light Company	Georgia	Gas Depreciation Rates and Accounting
Docket No. ER-2004-0570	Nov 2004	The Empire District Electric Company	Missouri	Electric Depreciation Rates and Accounting
Docket No. ER-2004-0570	Nov 2004	The Empire District Electric Company	Missouri	Electric Depreciation Rates and Accounting
Cause No. 200400610	Jan 2005	Oklahoma Natural Gas Company	Oklahoma	Gas Depreciation Rates and Accounting
Docket No. 18638-U	March 2005	Atlanta Gas Light Company	Georgia	Gas Depreciation Rates and Accounting
Docket No. 20298	May 2005	Atmos Energy Corporation	Georgia	Gas Depreciation Rates and Accounting
Cause No. 200400610	June 2005	Oklahoma Natural Gas Company	Oklahoma	Gas Depreciation Rates and Accounting
Docket No. 20298	Oct 2005	Atmos Energy Corporation	Georgia	Gas Depreciation Rates and Accounting
Case No. GR-2006-0387	Apr 2006	Atmos Energy Corporation	Missouri	Gas Depreciation Rates and Accounting
Docket No. 05-00258	July 2006	Atmos Energy Corporation	Tennessee	Gas Depreciation Rates and Accounting
Docket No. 06S-234EG	Sept 2006	Public Service Company of Colorado	Colorado	Electric Depreciation Rates and Accounting
Docket No. GUD No. 9676	Oct 2006	Atmos Energy Corporation	Texas	Gas Depreciation Rates and Accounting
Case No. 2006-00464	Jan 2007	Atmos Energy Corporation	Kentucky	Gas Depreciation Rates and Accounting
Docket No. 07-	May 2007	Atmos Energy Corporation	Tennessee	Gas Depreciation Rates and Accounting

Docket No. UM-1329
Exhibit PPL/303
Witness: Donald S. Roff

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

PACIFICORP

Exhibit Accompanying Direct Testimony of Donald S. Roff

August 2007

Depreciation
Specialty
Resources

PacifiCorp

Book Depreciation Study of Electric Property
As of December 31, 2006

7832 Gainesborough Drive, Dallas, TX 75287-3483 469-964-9090

PacifiCorp

Book Depreciation Study of Electric Property
as of December 31, 2006

August 2007

Mr. David Mendez

Chief Accounting Officer
PacifiCorp
825 NE Multnomah, Suite 1900
Portland, Oregon 97232

Dear Mr. Mendez:

In accordance with your request, we have conducted a book depreciation study of the Electric Utility property of PacifiCorp ("PacifiCorp" or the "Company"). The study recognized addition and retirement experience through March 31, 2006, and the comparisons presented herein are based on depreciable plant balances as December 31, 2006

Study depreciation rates have been calculated using the average life group ("ALG") procedure and the remaining life technique, consistent with prior studies.

The summary shown in Table A (following) is taken from Schedule 1, which show the annual depreciation provisions for the existing and study rates. The recommended depreciation rates are developed in Schedule 1. Based on the December 31, 2006, depreciable plant balances, study rates will result in a decrease in total annual depreciation provisions. The existing rates are those approved by each state commission. Schedule 2 shows the mortality characteristics (average service life, retirement dispersion, net salvage and retirement years) determined for each depreciable property group, as well as the mortality characteristics reflected in the existing rates.

Schedule 3 shows an example (for Account 312, Boiler Plant Equipment for the Hunter Plant) of the depreciation rate calculation procedure used for Production Plant.

A comparison of the effect of each set of study account rates with that of the existing rates is shown on the next page (Table A).

TABLE A

[1]	[2]	[3]	[4]	[5]	[6]	[7]
	12/31/2006	Accrual Rate		Annual Accrual		Increase or
Function	Balance	Existing	Proposed	Existing	Proposed	(Decrease)
	$	%	%	$	$	$
Production Plant						
Steam Production	4,687,335,913	3.14	2.01	146,994,980	94,177,049	(52,817,931)
Hydraulic Production	507,940,786	2.42	2.82	12,314,551	14,347,241	2,032,690
Other Production	787,355,884	3.42	3.56	26,931,998	28,039,681	1,107,683
Subtotal Production	5,982,632,583	3.11	2.28	186,241,529	136,563,971	(49,677,558)
Transmission Plant (System)	2,652,005,379	2.12	2.15	56,313,992	56,981,736	667,744
Distribution Plant						
Oregon	1,484,738,167	2.89	3.45	42,855,111	51,177,698	8,322,587
Washington	348,051,140	2.97	3.24	10,344,646	11,273,026	928,380
Idaho	228,782,258	2.73	2.78	6,248,403	6,359,143	110,740
Wyoming	448,005,125	2.80	3.08	12,564,145	13,798,530	1,234,385
California	189,247,340	2.99	3.80	5,658,122	7,182,106	1,523,984
Utah	1,904,102,727	2.55	3.17	48,603,233	60,420,715	11,817,482
Subtotal Distribution	4,602,926,757	2.74	3.26	126,273,660	150,211,218	23,937,558
General Plant						
Oregon	194,962,540	5.05	4.37	9,854,478	8,520,984	(1,333,494)
Washington	36,684,506	5.54	5.49	2,031,786	2,014,741	(17,045)
Idaho	35,656,561	4.61	3.81	1,644,028	1,358,903	(285,125)
Montana	8,007,193	4.75	3.17	380,659	254,150	(126,509)
Wyoming	76,241,977	4.49	5.46	3,422,385	4,159,676	737,291
California	11,276,567	4.05	5.15	456,660	580,303	123,643
Utah	252,988,167	4.38	4.38	11,075,195	11,075,649	454
Subtotal General	615,817,511	4.69	4.54	28,865,191	27,964,406	(900,785)
Mining Operations						
Utah	196,152,876	5.87	3.52	11,510,180	6,905,799	(4,604,381)
Total Depreciable Plant	14,049,535,106	2.91	2.69	409,204,552	378,627,130	(30,577,422)

The tables below compare the functional lives and net salvage allowance for the prior study and this study:

AVERAGE SERVICE LIVES

AVERAGE LIFE

Plant Function	Existing Years	Proposed Years
Production		
Steam	39	50
Hydraulic	62	62
Other	33	30
Transmission	57	58
Distribution		
Oregon	44	47
Washington	49	49
Idaho	45	44
Wyoming	45	47
California	50	52
Utah	45	46
General		
Oregon	26	29
Washington	22	21
Idaho	25	26
Montana	22	25
Wyoming	20	19
California	21	23
Utah	25	26
Mining Operations		
Utah	16	22

NET SALVAGE

Plant Function	Existing %	Proposed %
Production		
Steam	(4)	(8)
Hydraulic	(7)	(8)
Other	(1)	(2)
Transmission	(20)	(25)
Distribution		
Oregon	(32)	(57)
Washington	(49)	(56)
Idaho	(23)	(34)
Wyoming	(32)	(47)
California	(46)	(85)
Utah	(23)	(42)
General		
Oregon	3	1
Washington	(4)	1
Idaho	6	4
Montana	-	(1)
Wyoming	13	8
California	9	3
Utah	6	6
Mining Operations		
Utah	1	2

The following sections of this report discuss the differences between the rate calculation procedures and techniques, describe the methods of analysis used and the bases for the conclusions reached, and recommend both immediate and future actions.

We appreciate this opportunity to serve PacifiCorp and would be pleased to meet with you, if you desire, to discuss further the matters presented in this report.

Yours truly,

Donald S. Roff

Donald S. Roff

President

Depreciation Specialty Resources

PURPOSE OF DEPRECIATION

Book depreciation accounting is merely the recognition in financial statements that physical assets are consumed in the process of providing a service or a product. Generally accepted accounting principles require the recording of depreciation provisions to be systematic and rational. To accomplish this, depreciation expense should, to the extent possible, match either the consumption of the facilities or the revenues generated by the facilities. Such matching ensures that financial statements accurately reflect the results of operations and changes in financial position.

Since utility revenues have been determined through regulation and are expected to continue to be, asset consumption is not automatically reflected in revenues. Therefore, the consumption of utility assets must be measured directly by conducting a book depreciation study to accurately determine their mortality characteristics.

The matching concept is also an essential element of basic regulatory philosophy, known as "intergenerational customer equity." Intergenerational customer equity means the costs are borne by the generation of customers that caused them to be incurred, not by some earlier or later generation. This matching is required to ensure that charges to customers reflect the actual costs of providing service.

DEPRECIATION DEFINITIONS

The Uniform System of Accounts prescribed for electric utilities by the Federal Energy Regulatory Commission ("FERC"), followed by PacifiCorp, states that:

> "Depreciation," as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.
>
> "Service value" means the difference between original cost and net salvage value of electric plant.
>
> "Net salvage value" means the salvage value of property retired less the cost of removal.
>
> "Salvage value" means the amount received for the property retired less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material is chargeable to materials and supplies or other appropriate account.
>
> "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto.

Thus, it is the salvage that will actually be received and the cost of removal that will actually be incurred, both measured at the price level at the time of receipt or incurrence, that is required to be recognized by PacifiCorp through capital recovery. Thus, accrual accounting is utilized.

These definitions are consistent with the purpose of depreciation, and the study reported here was conducted in a manner consistent with both.

THE BOOK DEPRECIATION STUDY

Implementation of a policy toward book depreciation that recognizes the purpose of depreciation requires accurate determination of the mortality characteristics that are applicable to surviving property. The purpose of the depreciation study reported herein is to measure those mortality characteristics, to use the characteristics to determine appropriate rates for accrual of depreciation and to test the adequacy of the accumulated provision for depreciation, if necessary.

Step One of the study was a Life Analysis, consisting of a determination of historical retirement experience and an evaluation of the applicability of that experience to surviving property. For Production Plant, this step also entailed a determination of generating unit retirement dates suitable for calculating depreciation rates, and an analysis of past interim addition and retirement activity. Retirement dates were developed by PacifiCorp engineering and planning personnel giving recognition to operating characteristics, environmental constraints and other factors.

Step Two was a Salvage and Cost of Removal Analysis, consisting of a study of salvage and cost of removal experience and an evaluation of the applicability of that experience to surviving property. Cost of removal and salvage have been recognized two ways for production facilities.

Cost of removal and salvage related to interim retirements have been recognized based upon an analysis of historical experience. Cost of removal and salvage related to terminal retirements have been recognized based upon site-specific demolition cost estimates of other utilities.

Step Three consisted of the determination of the average service lives, the retirement dispersion patterns identified by Iowa-type curves, or interim factors and the net salvage factors applicable to surviving property.

Step Four was the determination of the depreciation rate applicable to each depreciable property group recognizing the results of the work in Steps One through Three.

The major effort of the study is the determination of the appropriate mortality characteristics. The remainder of this report discusses how those characteristics were determined, describes how the mortality characteristics have been used to calculate rates and presents the results of the rate calculations.

LIFE ANALYSIS

The Life Analysis for the property concerns the determination of average service lives and Iowa-type retirement dispersion patterns and generating unit retirements dates. The Life Analysis for Production Plant consisted of both a forecast and a historical analysis, and for other property, it consisted of only a historical analysis. PacifiCorp engineering and planning personnel developed the estimated retirement dates giving consideration to operating characteristics, environmental constraints, usage and availability.

Production Plant

The nature of Production Plant is such that the applicable average service life and dispersion pattern can be determined only after terminal retirements have taken place. Terminal retirements are composed of those original additions and interim additions that survive to the end of the life of the unit. Without terminal retirements, any method of life analysis will usually indicate a higher average service life and less dispersion than is applicable to the property. Average service life will be accurately measured only when original and interim additions, and interim and terminal retirements are included.

For Production Plant, the Life Analysis required two steps. The first step was the estimation of the retirement date of each generating unit. The second step was the calculation of past interim addition and retirement ratios. The Company's engineers and planning personnel provided the estimated retirement date for each generating station. The retirement dates utilized for rate calculations are shown in Column 3 of Schedule 2.

Past interim addition and retirement ratios were determined from an analysis of actual Company experience conducted by plant and account, and separate ratios were determined for each Production Plant account. The past interim addition analysis consisted of relating the sum of the past interim additions to the sum of the past interim retirements. The past interim additions are expressed as a ratio of interim retirements and thus are the number of dollars of past interim additions for each dollar of interim retirements. The interim retirement analysis consisted of relating the sum of the past interim retirements to the sum of the depreciable balances. When expressed as a percentage, the interim retirement ratio is the depreciation rate that would have recovered an amount equal to the total interim retirements.

Mass Properties

An analysis of historical retirement activity, suitably tempered by informed judgment as to the future applicability of such activity to surviving property, forms the basis for determination of average service lives and dispersion characteristics. Retirement experience through March 31, 2006, was analyzed using the Actuarial method of analysis of property mortality for most non-production property groups. This method could be used because the age of retirements and surviving property is known.

The Actuarial method determines actual survivor curves for selected periods of actual retirement experience. In order to recognize trends in life characteristics and ensure that the valuable information in the curves is available to the analyst, actual survivor curves were calculated using several different periods of actual retirement experience; and the average service lives and retirement dispersion patterns indicated by these actual survivor curves were identified by visually fitting Iowa-type dispersion patterns to the actual curves.

It is important to discern trends in historical mortality experience. In order to determine trends, the periods (year bands) of retirement experience analyzed were (1) the past five years, (2) the past ten years, (3) the past 20 years, (4) the past 30 years, and (5) the full band of retirement experience. The actual survivor curve for each of these year bands was plotted, and the Iowa curves were visually fit to ensure that the significant amount of information contained in the actual curves and the underlying data are available to the analyst and to ensure that the analyst does not fall into the trap of letting the computer do his thinking. Consideration was given to future expectations that might be different from that reflected in the historical experience, as well as trends in life and curve shape.

Because aged retirement information is not readily available for certain asset categories, namely, the Distribution Line accounts for the Utah Division and the Meter account, an approach known as the Simulated Plant Record ("SPR") method was employed. The SPR method determines retirement dispersion and average service life combinations for various bands of years that best match the actual retirements and balances for each asset category. The simulated balances procedure consists of applying survivor ratios (portion surviving at each age) from Iowa-type dispersion patterns in order to calculate annual balances, and then comparing the calculated

balances with the actual balances for several periods, followed by statistical comparisons of differences in balances. The simulated retirements procedure is similar, except that the retirement frequency rates of the Iowa patterns are utilized to calculate annual retirements, and the comparisons are to actual retirements rather than to balances. Tabulations of the best ranking curves were also made.

Iowa-type curves were devised empirically over 60 years ago by the Engineering Research Institute at what is now Iowa State University to provide a set of standard definitions of retirement dispersion. Retirement dispersion merely recognizes that groups of assets have individual assets of different lives (i.e., each asset retires at differing ages). Retirement dispersion is the scattering of retirements by age around the average service life for each group of assets. Standard dispersion patterns are useful because they make calculations of the remaining life of existing property possible and allow life characteristics to be compared.

The Engineering Research Institute collected dated retirement information on many types of industrial and utility property and devised empirical curves that matched the range of patterns found. A total of 18 curves were defined. There were six left-skewed, seven symmetrical and five right-skewed curves, varying from wide to narrow dispersion patterns. The left-skewed curves are known as the "L series," the symmetrical as the "S series" and the right-skewed as the "R series." A number identifies the range of dispersion. A low number represents a wide pattern and a high number a narrow pattern. The combination of one letter and one number defines a unique dispersion pattern.

SALVAGE AND COST OF REMOVAL ANALYSIS

Production Plant interim net salvage factors are shown in Column 6 and terminal net salvage amounts are shown in Column 7 of Schedule 2. For Transmission, Distribution and General Plant, the salvage ratios recommended in this study are shown in Column 9 of Schedule 2 and the cost of removal ratios are shown in Column 10. The analysis was done in a manner that allows salvage and cost of removal factors to be selected for each depreciable property group. The analysis consists of calculating salvage and cost of removal factors for each year for each property group. Annual, rolling and shrinking band factors were calculated for certain property groups. The rolling band analysis compensates for transaction year mismatches in the database. These mismatches occur because all activity on a retirement work order may not be recorded in the same year. The shrinking bands show trends not easily seen from the annual factors. In addition, retirements, salvage and cost of removal associated with third party reimbursements were identified for the period 2004 – 2006. These amounts were removed from the salvage and cost of removal analysis. In general, this had the effect of making net salvage slightly more negative.

The Company has relevant interim salvage and cost of removal experience for Production Plant but not for terminal salvage and cost of removal. The interim salvage and cost of removal factors selected for Production Plant reflect actual experience. The terminal net salvage factors selected for Steam and Other Production Plant considered the nature of the facilities and the cost estimates of other utilities. Consistent with prior studies, a unit cost per megawatt of capacity was used to estimate terminal net salvage amounts. These amounts were converted to percentages. Terminal net salvage has not been recognized for most of the Hydraulic Production

Plants. A decommissioning reserve has been proposed for plants which have a definitive decommissioning agreement, as well as small plants for which the Company has estimated as having some probability of being decommissioned in the next ten-year period.

EVALUATION OF ACTUAL EXPERIENCE

The analysis process involves historical retirement experience. Since the depreciation rates are to be applied to surviving property, the historical mortality experience indicated by the Life and the Salvage and Cost of Removal Analyses must be evaluated to ensure that the mortality characteristics used to calculate the rates are applicable to surviving property. The evaluation is required to ensure the validity of the recommended depreciation rates.

The evaluation process requires knowledge of the type of property surviving; the type of property retired; the reasons for changing life, dispersion, salvage and cost of removal characteristics; and the effect of present and future plans on property life. The evaluation included extensive discussions with PacifiCorp accounting, engineering and operating personnel; determination of the type of property carried in each account; and special analyses of retirements to identify the type of property retired and reasons for retirement.

CALCULATION OF DEPRECIATION RATES

The rate calculation procedures listed below implement the straight-line method of depreciation:

1. Units-of-Production ("UOP")
2. Average Life Group ("ALG")
3. Equal Life Group ("ELG")

UOP is a straight-line procedure because productive life can be measured either by time or by usage. If usage is the appropriate criterion, depreciation should be straight-line over usage, with each unit of usage carrying the same amount of depreciation. The UOP procedure is straight-line over life measured by usage. ALG and ELG are straight-line procedures that reflect life measured by time, with ALG utilizing average life and ELG, actual life.

UOP is appropriate for assets that produce or are consumed in a distinctive pattern, such as certain mining facilities. For these facilities, UOP best matches costs with consumption of the facilities and best promotes intergenerational equity by assigning the cost of the unit to the generations of customers in proportion to use in providing service to each generation.

Remaining life rates can be calculated using the following formula:

$$\text{Rate} = \frac{\text{Plant Balance - Net Salvage - Book Reserve}}{\text{Average Remaining Life}}$$

The existing rates are ALG remaining life.

The remaining life depreciation rates for Production Plant were calculated to cause the book reserve for each property group to become zero at the time of the estimated retirement of the station. Future interim retirements indicated by the historical analysis, net salvage for interim retirements and net salvage for terminal retirements were reflected in the rate calculations.

Schedule 3 utilizes Account 312, Boiler Plant Equipment, Hunter Plant to demonstrate how the formula was used to calculate a remaining life rate for each plant and account that is intended to cause full recovery at the time the last generating unit is retired. The future interim retirement amounts and the terminal retirement amounts are calculated for each generating unit from the

interim retirement ratios shown in Column 5 of Schedule 2, the remaining life span of each individual generating unit determined from the retirement date shown in Column 3 of Schedule 2, and the December 31, 2006, depreciable plant balances. The rate calculation is shown on Schedule 3 and uses the future annual interim addition and retirement amounts and plant balances calculated on that schedule. The depreciable plant and book reserve balances are from Company accounting records, the interim net salvage factors were determined by the study and the terminal net salvage factors were developed from demolition studies and unit cost factors of other utilities. Interim additions equal to interim retirements were included for the period 2007 through 2011. Such period corresponds to the timing of the next depreciation study. Inclusion of these interim retirements mitigates the automatic increase in depreciation rate that would be required in the next depreciation study.

ACCOMPLISHMENT OF ACCOUNTING AND REGULATORY PRINCIPLES

The matching (cause and effect) principle of accounting has a significant influence on how a depreciation study of Production Plant is conducted. It is necessary to incorporate future interim additions into the calculation of power plant depreciation rates to comply with the matching principle because the generating unit retirement dates cannot occur without the future additions for plant enhancements and component replacements occurring. The matching principle allows either elimination of both the future additions and the life the future additions cause or the inclusion of both. Interim retirements were included to ensure they are fully depreciated when they occur, and they can easily be estimated based on past experience. Future interim additions should normally be included in order to put all rate calculation formula elements on the same basis. The impact of incorporating the effect of future interim additions on the depreciation rate

produces a level of expense substantially above the depreciation rates recommended in this study. While it would be proper to include this effect in depreciation rates, interim additions equal to interim retirements for the next five years were included in this study.

Utility depreciation is a group concept, and depreciation rates are based on the recognition that a property group has an average service life. However, very little of the property is "average." The average concept carries with it recognition that most property will be retired at an age either less than or greater than the average service life. This study recognized the existence of this variation through the identification of Iowa-type retirement dispersion patterns and future interim retirement ratios.

RESULTS

Based on December 31, 2006, depreciable balances, the composite depreciation rate decreased from 2.91% to 2.69%. A number of significant changes in mortality characteristics (average service life, retirement dispersion and net salvage) and reasons for change are discussed below:

Steam Production Plant

The composite rate decreased from 3.14% to 2.01%. The major reason for the change is updated retirement dates based upon longer life spans.

The Actuarial method of analysis will overstate the average service life when terminal retirements are lacking. While the Company has terminal retirement experience for steam generating units, the Actuarial method was not used because retirement experience is insufficient

to provide meaningful results. Schedule 2 shows the estimated year of retirement of each existing steam plant.

Hydraulic Production

The composite rate increased from 2.42% to 2.82%. The rates for hydroelectric plants are calculated in the same way as that of Production Plant. The influencing factors are additional investment and dismantlement costs for Condit, Cove, and American Fork. A significant portion of this increase will disappear, as the dismantlement efforts at Condit and American Fork are completed.

Other Production Plant

The composite rate increased from 3.42% to 3.56%. Terminal retirement dates were provided by the Company and are shown in Column 3 of Schedule 2.

Transmission Plant

The composite rate increased from 2.12% to 2.15%. There is a slight decrease in the average service lives and slightly more negative net salvage. Account 354, Towers and Fixtures; Account 355, Poles and Fixtures; and Account 356, Overhead Conductors and Devices; are the major influences because of the relative magnitude of their plant balances. This study examined Transmission Plant on a total system basis consistent with how it is operated and with the prior study.

Distribution Plant

The composite rate for all Distribution Plant increased from 2.74% to 3.26%. The major influences, Accounts 362, 364, 365 and 368, are consistent in each state and are a result of the relative magnitude of their plant balances. The average service lives are generally increasing. The recognition of more negative net salvage is also influencing the results. The following summarizes the composite rate changes by state, as shown on Schedule 1:

- Oregon - Increased from 2.89 % to 3.45%
- Washington - Increased from 2.97% to 3.24%
- Wyoming - Increased from 2.80% to 3.08%
- California - Increased from 2.99% to 3.80%
- Idaho - Increased from 2.73% to 2.78%
- Utah - Increased from 2.55% to 3.17%

General Plant

The composite rate for all General Plant decreased from 4.69% to 4.54%. The following summarizes the changes by state, as shown on Schedule 1:

- Oregon - Decreased from 5.05% to 4.37%
- Washington – Decreased from 5.54% to 5.49%
- Montana - Decreased from 4.75% to 3.17%
- Wyoming - Increased from 4.49% to 5.46%
- California - Increased from 4.05% to 5.15%
- Idaho - Decreased from 4.61% to 3.81%
- Utah – Unchanged at 4.38%

Mining Operations - Utah

The total change is a decrease from 5.87% to 3.52%. The primary influence is Account 399.45, Underground Equipment, where a longer average service life was recognized and the reserve position caused the rate to decrease.

GENERAL PLANT AMORTIZATION

PacifiCorp has implemented a process commonly referred to as "General Plant Amortization." These asset categories are characterized as containing many items of small unit costs with similar mortality characteristics. In addition, these assets represent a very small portion of the total asset base.

Under this method of accounting, amounts recorded as additions to Plant in Service are recorded at the vintage account level only. These amounts are being amortized over their average service lives as determined by the 1991 depreciation study, and then confirmed in 1997 and 2002. When each vintage reaches an age equal to this period, the original cost is retired from utility plant in service. These procedures have eliminated the costly tracking of many small items and resulted in more effective utilization of property accounting resources.

The following table lists the amortization periods presently in use:

Account	Description	Life in Years
390.3	Structures and Improvements - Panels	15
	Office Furniture and Equipment	
391.0	Office Furniture	20
391.2	Personal Computers and Printers	5
391.3	Office Equipment	8
	Operations Equipment	
393.0	Stores Equipment	25
394.0	Tools, Shop and Garage Equipment	24
395.0	Laboratory Equipment	20
397.2	Communications Equipment - Mobile Radio	11
398.0	Miscellaneous Equipment	20

While these asset categories were not a part of the depreciation study, a limited review of the historical experience confirms the validity of the amortization periods shown above.

RECOMMENDATIONS

Our recommendations for your future actions in regard to book depreciation are as follows:

1. The annual depreciation rates shown on Schedule 1 are applicable to existing property, so we recommend adoption of the remaining life rates in Column 12 of Schedule 1.

2. Because of variation of service lives and net salvage experience with time, a complete depreciation study should be made during 2012 based on retirement experience through December 31, 2011. Exact timing of the study should be coordinated with a retail rate case to ensure timely implementation of revised depreciation rates.

3. Consider the full impact of future additions on the depreciation rate for Production Plant in future studies.

4. Periodically examine the potential net salvage for Hydraulic Production Facilities as more information becomes available.

5. The depreciation rate to be used for the Lakeside Peaking Units is 2.95%.

6. The depreciation rate to be used for the Leaning Juniper facility is 4.07%

7. The depreciation rate to be used for the new wind facilities is 4.06%.

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance $	[4] IOWA CURVE	[5] Average Life Yrs	[6] Percent %	[7] NET SALVAGE Amount $	[8] 12/31/2006 Book Reserve $	[9] Net Plant $	[10] Rem. Life Yrs	[11] Annual Amount $	[12] Deprec. Rate %	[13] Existing Rate %	[14] Annual Amount $	[15] Increase or (Decrease) $
STEAM PRODUCTION PLANT														
	BLUNDELL													
310.20	Land Rights	32,411,629	LIFESPAN	38.12	-	-	12,592,667	19,818,962	27.00	734,036	2.26	3.81	1,234,883	(500,847)
311.00	Structures & Improvements	6,683,493	LIFESPAN	46.12	(2.55)	(170,429)	3,883,898	2,970,024	25.95	114,452	1.71	3.45	230,581	(116,129)
312.00	Boiler Plant Equipment	20,621,060	LIFESPAN	42.09	(2.45)	(505,216)	11,002,460	10,123,816	24.60	411,537	2.00	3.53	727,923	(316,386)
314.00	Turbogenerator Units	15,568,602	LIFESPAN	41.09	(3.94)	(613,403)	8,476,332	7,705,673	23.31	330,574	2.12	3.85	599,391	(268,817)
315.00	Accessory Electric Equipment	4,810,398	LIFESPAN	47.13	(1.74)	(83,701)	2,840,093	2,054,006	26.19	78,427	1.63	3.38	162,591	(84,164)
316.00	Misc. Power Plant Equipment	1,058,857	LIFESPAN	41.00	(2.69)	(28,483)	625,492	461,848	20.28	22,774	2.15	3.68	38,966	(16,192)
	Total Blundell	81,154,039		40.93	(1.73)	(1,401,232)	39,420,942	43,134,329	25.46	1,691,799	2.08	3.69	2,994,336	(1,302,537)
	CARBON													
311.00	Structures & Improvements	12,195,375	LIFESPAN	40.35	(9.94)	(1,212,220)	9,025,825	4,381,770	13.55	323,378	2.65	4.39	535,377	(211,999)
312.00	Boiler Plant Equipment	53,344,029	LIFESPAN	31.73	(9.77)	(5,211,712)	34,194,328	24,361,413	13.10	1,859,650	3.49	5.26	2,805,896	(946,246)
314.00	Turbogenerator Units	20,104,051	LIFESPAN	34.45	(10.37)	(2,084,790)	13,823,895	8,364,946	12.51	668,661	3.33	4.66	936,849	(268,188)
315.00	Accessory Electric Equipment	4,483,667	LIFESPAN	42.36	(9.59)	(429,984)	3,394,423	1,519,228	13.64	111,380	2.48	3.38	151,548	(40,168)
316.00	Misc. Power Plant Equipment	324,177	LIFESPAN	38.67	(9.49)	(30,764)	241,990	112,951	11.10	10,176	3.14	5.15	16,695	(6,519)
	Total Carbon	90,451,299		34.05	(9.92)	(8,969,470)	60,680,461	38,740,308	13.05	2,973,245	3.29	4.92	4,446,365	(1,473,120)
	CHOLLA													
311.00	Structures & Improvements	46,531,254	LIFESPAN	59.67	(6.53)	(3,038,491)	26,467,173	23,102,572	37.13	622,208	1.34	2.37	1,102,791	(480,583)
312.00	Boiler Plant Equipment	224,663,224	LIFESPAN	56.89	(6.04)	(13,569,659)	126,951,548	111,281,335	34.54	3,221,811	1.43	2.44	5,481,783	(2,259,972)
314.00	Turbogenerator Units	52,435,858	LIFESPAN	54.19	(7.87)	(4,126,702)	29,375,361	27,187,199	32.29	841,970	1.61	2.46	1,289,922	(447,952)
315.00	Accessory Electric Equipment	46,931,139	LIFESPAN	61.88	(5.38)	(2,524,895)	27,936,097	21,519,937	37.54	573,254	1.22	2.19	1,027,792	(454,538)
316.00	Misc. Power Plant Equipment	3,144,722	LIFESPAN	50.56	(5.43)	(170,758)	1,818,876	1,496,604	27.32	54,781	1.74	2.44	76,731	(21,951)
	Total Cholla	373,706,197		57.43	(6.27)	(23,430,505)	212,549,055	184,587,647	34.86	5,314,022	1.42	2.40	8,979,019	(3,664,997)
	COLSTRIP													
311.00	Structures & Improvements	57,092,259	LIFESPAN	61.88	(5.23)	(2,985,925)	29,520,152	30,558,032	40.84	748,238	1.31	2.24	1,278,867	(530,629)
312.00	Boiler Plant Equipment	109,820,198	LIFESPAN	58.26	(4.82)	(5,293,334)	55,503,016	59,610,516	37.87	1,574,083	1.43	2.30	2,525,865	(951,782)
314.00	Turbogenerator Units	31,536,371	LIFESPAN	51.87	(6.94)	(2,188,624)	13,746,716	19,978,279	35.53	562,293	1.78	2.55	804,177	(241,884)
315.00	Accessory Electric Equipment	8,906,050	LIFESPAN	63.00	(3.94)	(350,898)	4,672,627	4,584,321	41.34	110,893	1.25	2.18	194,152	(83,259)
316.00	Misc. Power Plant Equipment	2,181,451	LIFESPAN	48.99	(4.51)	(98,383)	1,050,111	1,229,723	29.96	41,046	1.88	2.62	57,154	(16,109)
	Total Colstrip	209,536,329		58.39	(5.21)	(10,917,165)	104,492,622	115,960,872	38.39	3,036,552	1.45	2.32	4,860,215	(1,823,662)
	CRAIG													
311.00	Structures & Improvements	35,748,677	LIFESPAN	52.97	(6.06)	(2,166,370)	17,844,955	20,070,092	27.01	743,062	2.08	2.57	918,741	(175,679)
312.00	Boiler Plant Equipment	90,528,120	LIFESPAN	43.91	(5.75)	(5,205,367)	36,866,078	58,867,409	25.75	2,286,113	2.53	2.66	2,408,048	(121,935)
314.00	Turbogenerator Units	19,618,853	LIFESPAN	47.33	(7.11)	(1,394,900)	9,183,085	11,830,668	24.41	484,665	2.47	2.77	543,442	(58,777)
315.00	Accessory Electric Equipment	16,399,943	LIFESPAN	54.02	(5.25)	(860,997)	8,301,990	8,958,950	27.24	328,890	2.01	2.50	409,999	(81,109)
316.00	Misc. Power Plant Equipment	1,661,857	LIFESPAN	46.83	(5.40)	(89,740)	815,762	935,835	21.60	43,326	2.61	2.79	46,366	(3,040)
	Total Craig	163,957,450		47.34	(5.93)	(9,717,374)	73,011,870	100,662,954	25.97	3,886,055	2.37	2.64	4,326,596	(440,541)
	DAVE JOHNSTON													
310.20	Land Rights	99,970	LIFESPAN	57.39	-	-	63,946	36,024	24.00	1,501	1.50	2.42	2,419	(918)
311.00	Structures & Improvements	50,207,724	LIFESPAN	42.33	(9.94)	(4,990,648)	25,821,086	29,377,286	23.25	1,263,539	2.52	3.53	1,772,333	(508,793)
312.00	Boiler Plant Equipment	280,524,596	LIFESPAN	41.61	(9.50)	(26,649,837)	145,384,914	161,789,519	22.18	7,294,388	2.60	3.60	10,098,885	(2,804,498)
314.00	Turbogenerator Units	67,360,848	LIFESPAN	42.95	(10.49)	(7,066,153)	37,398,408	37,028,593	21.12	1,753,248	2.60	3.29	2,216,172	(462,924)
315.00	Accessory Electric Equipment	16,807,137	LIFESPAN	50.89	(9.28)	(1,559,702)	10,405,660	7,961,179	23.37	340,658	2.03	2.93	492,449	(151,791)
316.00	Misc. Power Plant Equipment	4,984,660	LIFESPAN	24.53	(8.66)	(431,672)	922,277	4,494,055	19.91	225,718	4.53	4.61	229,793	(4,074)
	Total Dave Johnston	419,984,935		42.08	(9.69)	(40,698,011)	219,996,291	240,686,655	22.16	10,879,052	2.59	3.53	14,812,051	(3,932,999)

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance	[4] IOWA CURVE	[5] Average Life	[6] Percent	[7] NET SALVAGE Amount	[8] 12/31/2006 Book Reserve	[9] Net Plant	[10] Rem. Life	[11] Annual Amount	[12] Deprec. Rate	[13] Existing Rate	[14] Annual Amount	[15] Increase or (Decrease)
		$		Yrs	%	$	$	$	Yrs	$	%	%	$	$
	GADSBY													
311.00	Structures & Improvements	13,877,760	LIFESPAN	39.71	(17.00)	(2,359,219)	13,890,654	2,346,325	10.36	226,479	1.63	6.59	914,544	(688,065)
312.00	Boiler Plant Equipment	35,982,433	LIFESPAN	38.11	(16.85)	(6,063,040)	35,698,463	6,347,010	9.58	662,527	1.84	6.74	2,425,216	(1,762,689)
314.00	Turbogenerator Units	14,173,972	LIFESPAN	40.77	(17.26)	(2,446,428)	14,574,428	2,045,972	8.55	239,295	1.69	6.15	871,699	(632,404)
315.00	Accessory Electric Equipment	5,579,284	LIFESPAN	42.77	(16.74)	(933,972)	5,725,824	787,432	10.42	75,569	1.35	6.30	351,495	(275,926)
316.00	Misc. Power Plant Equipment	761,059	LIFESPAN	25.13	(16.56)	(126,031)	619,103	267,987	8.92	30,043	3.95	7.88	59,971	(29,928)
	Total Gadsby	70,374,508		39.19	(16.95)	(11,928,690)	70,508,472	11,794,726	9.59	1,233,914	1.75	6.57	4,622,926	(3,389,012)
	HAYDEN													
311.00	Structures & Improvements	5,991,642	LIFESPAN	49.90	(6.66)	(399,043)	3,605,752	2,784,933	23.15	120,299	2.01	2.40	143,799	(23,500)
312.00	Boiler Plant Equipment	51,076,299	LIFESPAN	37.30	(6.52)	(3,330,175)	22,378,947	32,027,527	22.26	1,438,793	2.82	3.36	1,716,164	(277,371)
314.00	Turbogenerator Units	6,477,476	LIFESPAN	45.97	(7.61)	(492,936)	3,798,370	3,172,042	20.94	151,482	2.34	2.80	181,369	(29,887)
315.00	Accessory Electric Equipment	2,480,826	LIFESPAN	54.31	(6.08)	(150,834)	1,591,175	1,040,485	23.32	44,618	1.80	2.36	58,547	(13,930)
316.00	Misc. Power Plant Equipment	1,107,141	LIFESPAN	41.53	(6.09)	(67,425)	612,107	562,459	18.79	29,934	2.70	3.02	33,436	(3,502)
	Total Hayden	67,133,384		39.96	(6.61)	(4,440,413)	31,986,351	39,587,446	22.19	1,785,126	2.66	3.18	2,133,316	(348,189)
	HUNTER													
310.20	Land Rights	246,338	LIFESPAN	63.99	-	-	132,252	114,086	39.00	2,925	1.19	2.39	5,887	(2,962)
311.00	Structures & Improvements	201,765,763	LIFESPAN	61.47	(7.21)	(14,547,312)	108,840,913	107,472,162	37.18	2,890,591	1.43	2.62	5,286,263	(2,395,672)
312.00	Boiler Plant Equipment	514,488,895	LIFESPAN	55.42	(6.66)	(34,264,960)	249,724,780	299,029,075	34.78	8,597,731	1.67	2.76	14,199,894	(5,602,163)
314.00	Turbogenerator Units	147,308,254	LIFESPAN	47.48	(8.44)	(12,432,817)	56,473,769	103,267,302	32.90	3,138,824	2.13	3.21	4,728,595	(1,589,771)
315.00	Accessory Electric Equipment	98,414,791	LIFESPAN	61.48	(6.08)	(5,983,619)	52,321,888	52,076,522	37.62	1,384,278	1.41	2.58	2,539,102	(1,154,824)
316.00	Misc. Power Plant Equipment	3,933,490	LIFESPAN	50.08	(5.88)	(231,289)	1,999,160	2,165,619	27.84	77,788	1.98	2.86	112,498	(34,710)
	Total Hunter	966,157,531		56.07	(6.98)	(67,459,997)	469,492,762	564,124,766	35.26	16,092,136	1.67	2.78	26,872,238	(10,780,102)
	HUNTINGTON													
311.00	Structures & Improvements	100,385,029	LIFESPAN	58.95	(8.42)	(8,452,419)	56,344,440	52,493,008	31.63	1,659,596	1.65	3.14	3,152,090	(1,492,494)
312.00	Boiler Plant Equipment	383,517,679	LIFESPAN	42.93	(7.88)	(30,221,193)	132,204,891	281,533,981	30.12	9,347,078	2.44	3.44	13,193,008	(3,845,930)
314.00	Turbogenerator Units	95,025,076	LIFESPAN	44.29	(9.31)	(8,846,835)	38,270,232	65,601,679	28.46	2,305,048	2.43	3.83	3,639,460	(1,334,412)
315.00	Accessory Electric Equipment	30,826,358	LIFESPAN	57.30	(7.48)	(2,305,812)	16,503,930	16,628,240	31.98	519,957	1.69	3.09	952,534	(432,577)
316.00	Misc. Power Plant Equipment	2,276,528	LIFESPAN	45.46	(6.96)	(158,446)	1,078,570	1,356,404	24.76	54,782	2.41	3.84	87,419	(32,637)
	Total Huntington	612,030,670		46.50	(8.17)	(49,984,705)	244,402,063	417,613,312	30.18	13,886,461	2.27	3.44	21,024,512	(7,138,050)
	JAMES RIVER													
311.00	Structures & Improvements	5,733,734	LIFESPAN	20.29	(1.18)	(67,658)	2,856,370	2,945,022	9.79	300,819	5.25	5.78	331,410	(30,590)
312.00	Boiler Plant Equipment	5,798,092	LIFESPAN	20.00	(1.17)	(67,838)	2,887,994	2,977,936	9.50	313,467	5.41	5.82	337,449	(23,982)
314.00	Turbogenerator Units	18,601,252	LIFESPAN	19.72	(1.66)	(308,781)	9,333,978	9,576,055	9.22	1,038,618	5.58	5.96	1,108,635	(70,017)
315.00	Accessory Electric Equipment	4,302,276	LIFESPAN	20.18	(0.93)	(40,011)	2,117,716	2,224,571	9.85	225,845	5.25	5.72	246,090	(20,245)
	Total James River	34,435,354		19.92	(1.41)	(484,288)	17,196,058	17,723,584	9.44	1,878,749	5.46	5.88	2,023,584	(144,835)
	JIM BRIDGER													
310.20	Land Rights	281,111	LIFESPAN	64.44	-	-	174,009	107,102	34.00	3,150	1.12	2.54	7,140	(3,990)
311.00	Structures & Improvements	133,223,694	LIFESPAN	59.36	(9.00)	(11,990,132)	80,879,275	64,334,551	32.51	1,978,916	1.49	3.03	4,036,678	(2,057,762)
312.00	Boiler Plant Equipment	563,605,760	LIFESPAN	50.58	(8.39)	(47,286,523)	285,062,675	325,829,608	30.68	10,620,261	1.88	3.27	18,429,908	(7,809,647)
314.00	Turbogenerator Units	141,995,226	LIFESPAN	45.52	(9.82)	(13,943,931)	63,767,675	92,171,482	29.11	3,166,317	2.23	3.57	5,069,230	(1,902,913)
315.00	Accessory Electric Equipment	53,139,468	LIFESPAN	61.72	(8.04)	(4,272,413)	33,416,331	23,995,550	32.84	730,681	1.38	2.85	1,514,475	(783,794)
316.00	Misc. Power Plant Equipment	3,880,932	LIFESPAN	50.50	(7.32)	(284,084)	2,282,229	1,882,787	24.71	76,195	1.96	3.26	126,518	(50,323)
	Total Jim Bridger	896,126,191		51.75	(8.68)	(77,777,084)	465,582,194	508,321,081	30.81	16,575,520	1.85	3.26	29,183,949	(12,608,430)
	NAUGHTON													
310.20	Land Rights	15,016	LIFESPAN	69.50	-	-	10,483	4,533	26.00	174	1.16	1.52	228	(54)
311.00	Structures & Improvements	60,389,753	LIFESPAN	45.42	(10.14)	(6,123,521)	31,204,990	35,308,284	25.14	1,404,466	2.33	2.87	1,733,186	(328,720)
312.00	Boiler Plant Equipment	233,299,215	LIFESPAN	42.10	(9.65)	(22,513,374)	112,612,707	143,199,882	23.98	5,971,638	2.56	2.90	6,765,677	(794,039)
314.00	Turbogenerator Units	59,084,843	LIFESPAN	39.68	(10.70)	(6,322,078)	27,361,118	38,045,803	22.93	1,659,215	2.81	2.63	1,553,931	105,284
315.00	Accessory Electric Equipment	20,068,312	LIFESPAN	48.20	(9.43)	(1,892,442)	11,036,112	10,924,642	25.33	431,293	2.15	2.40	481,639	(50,347)
316.00	Misc. Power Plant Equipment	1,774,799	LIFESPAN	45.78	(8.68)	(154,053)	1,033,304	895,548	20.06	44,643	2.52	2.72	48,275	(3,631)
	Total Naughton	374,631,938		42.60	(9.88)	(37,005,468)	183,258,714	228,378,692	24.06	9,511,430	2.54	2.82	10,582,937	(1,071,507)

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance $	[4] IOWA CURVE	[5] Average Life Yrs	[6] Percent %	[7] NET SALVAGE Amount $	[8] 12/31/2006 Book Reserve $	[9] Net Plant $	[10] Rem. Life Yrs	[11] Annual Amount $	[12] Deprec. Rate %	[13] Existing Rate %	[14] Annual Amount $	[15] Increase or (Decrease) $
	WYODAK													
310.20	Land Rights	164,797	LIFESPAN	60.69	-	-	87,693	77,104	36.00	2,142	1.30	2.85	4,697	(2,555)
311.00	Structures & Improvements	49,345,431	LIFESPAN	60.42	(5.48)	(2,704,130)	27,979,376	24,070,185	34.36	700,529	1.42	2.95	1,455,690	(755,161)
312.00	Boiler Plant Equipment	209,108,760	LIFESPAN	53.35	(5.11)	(10,685,458)	103,984,948	115,809,270	32.37	3,577,673	1.71	3.15	6,586,926	(3,009,253)
314.00	Turbogenerator Units	48,780,563	LIFESPAN	53.01	(6.89)	(3,360,981)	25,713,091	26,428,453	30.24	873,957	1.79	3.09	1,507,319	(633,363)
315.00	Accessory Electric Equipment	19,417,597	LIFESPAN	62.49	(4.41)	(856,316)	11,348,510	8,925,403	34.73	256,994	1.32	2.84	551,460	(294,466)
316.00	Misc. Power Plant Equipment	838,940	LIFESPAN	39.71	(4.78)	(40,101)	295,479	583,562	26.90	21,694	2.59	3.20	26,846	(5,152)
	Total Wyodak	327,656,088		54.87	(5.39)	(17,646,985)	169,409,097	175,893,976	32.48	5,432,988	1.66	3.09	10,132,938	(4,699,950)
	Total Depreciable Steam Production Plant	4,687,335,913		50.05	(7.72)	(361,861,389)	2,361,986,952	2,687,210,350	29.90	94,177,049	2.01	3.14	146,994,980	(52,817,930)
310.30	Water Rights	39,699,560					15,156,069							
	Total Steam Production Plant	4,727,035,473				(361,861,389)	2,377,143,021	2,687,210,350		94,177,049			146,994,980	(52,817,930)
	HYDRAULIC PRODUCTION PLANT													
	AMERICAN FORK													
331.0	Structures & Improvements	90,858	LIFESPAN	37.54	-	-	80,774	10,084	0.67	10,084	11.10	28.38	25,786	(15,702)
332.0	Reservoirs, Dams & Waterways	662,878	LIFESPAN	40.41	-	-	590,978	71,900	0.67	71,900	10.85	28.24	187,197	(115,297)
333.0	Waterwheels, Turbines & Generators	120,897	LIFESPAN	32.17	-	-	106,768	14,129	0.67	14,129	11.69	28.68	34,673	(20,544)
334.0	Accessory Electric Equipment	123,275	LIFESPAN	24.97	-	-	107,421	15,854	0.67	15,854	12.86	29.18	35,972	(20,118)
335.0	Misc. Power Plant Equipment	2,181	LIFESPAN	21.78	-	-	1,884	297	0.67	297	13.62	29.64	646	(349)
336.0	Roads, Railroads & Bridges	8,708	LIFESPAN	15.17	-	-	7,301	1,407	0.67	1,407	16.16	30.79	2,681	(1,274)
	TOTAL AMERICAN FORK	1,008,797		37.02	-	-	895,126	113,671	0.67	113,671	11.27	28.45	286,955	(173,284)
	ASHTON/ST. ANTHONY													
330.2	Land Rights	28,700	LIFESPAN	40.50	-	-	10,841	17,859	21.00	850	2.96	3.05	875	(25)
331.0	Structures & Improvements	1,201,812	LIFESPAN	43.26	(0.80)	(9,614)	492,932	718,494	20.56	34,946	2.91	2.88	34,612	334
332.0	Reservoirs, Dams & Waterways	5,060,587	LIFESPAN	40.01	(1.16)	(58,703)	1,920,717	3,198,573	20.63	155,045	3.06	3.22	162,951	(7,906)
333.0	Waterwheels, Turbines & Generators	2,447,513	LIFESPAN	39.19	(2.14)	(52,377)	918,938	1,580,952	20.44	77,346	3.16	3.14	76,852	494
334.0	Accessory Electric Equipment	1,289,383	LIFESPAN	39.12	(2.64)	(34,040)	492,184	831,239	19.90	41,771	3.24	3.19	41,131	639
335.0	Misc. Power Plant Equipment	8,847	LIFESPAN	47.70	-	-	3,986	4,861	19.51	249	2.82	2.96	262	(13)
336.0	Roads, Railroads & Bridges	744	LIFESPAN	109.90	(1.07)	(8)	480	272	20.40	13	1.79	2.14	16	(3)
	TOTAL ASHTON/ST. ANTHONY	10,037,586		40.10	(1.54)	(154,742)	3,840,078	6,352,250	20.48	310,221	3.09	3.16	316,699	(6,479)
	BEAR RIVER													
330.2	Land Rights	5,879	LIFESPAN	114.85	-	-	3,664	2,215	27.00	82	1.40	1.58	93	(11)
331.0	Structures & Improvements	3,294,144	LIFESPAN	75.50	(1.07)	(35,247)	1,733,047	1,596,344	26.24	60,836	1.85	1.82	59,953	883
332.0	Reservoirs, Dams & Waterways	17,358,186	LIFESPAN	69.33	(1.55)	(269,052)	8,677,236	8,950,002	26.36	339,530	1.96	2.05	355,843	(16,313)
333.0	Waterwheels, Turbines & Generators	7,867,538	LIFESPAN	55.01	(2.84)	(223,438)	3,315,715	4,775,261	26.10	182,960	2.33	2.11	166,005	16,955
334.0	Accessory Electric Equipment	3,125,742	LIFESPAN	49.96	(3.48)	(108,776)	1,227,409	2,007,109	24.88	80,672	2.58	2.21	69,079	11,593
335.0	Misc. Power Plant Equipment	110,716	LIFESPAN	48.52	-	-	41,907	68,809	24.85	2,769	2.50	2.46	2,724	45
336.0	Roads, Railroads & Bridges	541,429	LIFESPAN	54.24	(1.42)	(7,688)	223,751	325,366	26.32	12,362	2.28	2.19	11,857	505
	TOTAL BEAR RIVER	32,303,634		64.28	(1.99)	(644,201)	15,222,729	17,725,106	26.14	679,211	2.10	2.06	665,554	13,657
	BEND													
331.0	Structures & Improvements	56,557	LIFESPAN	49.36	(0.05)	(28)	66,693	(10,108)	3.99	-	0.00	1.19	673	(673)
332.0	Reservoirs, Dams & Waterways	77,921	LIFESPAN	86.70	(0.07)	(55)	95,788	(17,812)	3.99	-	0.00	0.04	31	(31)
333.0	Waterwheels, Turbines & Generators	76,558	LIFESPAN	68.78	(0.12)	(92)	92,788	(16,138)	3.99	-	0.00	0.56	429	(429)
334.0	Accessory Electric Equipment	628,086	LIFESPAN	23.70	(0.15)	(942)	662,850	(33,822)	3.98	-	0.00	3.87	24,307	(24,307)
335.0	Misc. Power Plant Equipment	15,384	LIFESPAN	9.48	-	-	10,967	4,417	3.98	1,110	7.21	34.79	5,352	(4,242)
336.0	Roads, Railroads & Bridges	174	LIFESPAN	74.49	(0.06)	(0)	212	(38)	3.99	-	0.00	0.46	1	(1)
	TOTAL BEND	854,680		34.93	(0.13)	(1,117)	929,298	(73,501)	3.98	1,110	0.13	3.60	30,793	(29,683)

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance	[4] IOWA CURVE	[5] Average Life	[6] Percent	[7] NET SALVAGE Amount	[8] 12/31/2006 Book Reserve	[9] Net Plant	[10] Rem. Life	[11] Annual Amount	[12] Deprec. Rate	[13] Existing Rate	[14] Annual Amount	[15] Increase or (Decrease)
		$		Yrs	%	$	$	$	Yrs	$	%	%	$	$
	BIG FORK													
331.0	Structures & Improvements	327,920	LIFESPAN	74.76	(1.93)	(6,329)	290,684	43,565	45.37	960	0.29	1.29	4,230	(3,270)
332.0	Reservoirs, Dams & Waterways	4,428,612	LIFESPAN	59.17	(2.80)	(124,001)	2,327,508	2,225,105	45.29	49,130	1.11	2.22	98,315	(49,185)
333.0	Waterwheels, Turbines & Generators	1,277,692	LIFESPAN	57.64	(5.11)	(65,290)	648,304	694,678	44.47	15,621	1.22	2.39	30,537	(14,916)
334.0	Accessory Electric Equipment	196,949	LIFESPAN	66.50	(6.08)	(11,974)	175,194	33,729	37.43	901	0.46	1.34	2,639	(1,738)
336.0	Roads, Railroads & Bridges	3,731	LIFESPAN	124.20	(2.57)	(96)	5,377	(1,550)	46.55	-	0.00	-	-	-
	TOTAL BIG FORK	6,234,904		59.95	(3.33)	(207,690)	3,447,067	2,995,527	44.88	66,613	1.07	2.18	135,721	(69,109)
	CLINE FALLS													
331.0	Structures & Improvements	116,852	LIFESPAN	29.56	(0.18)	(210)	139,217	(22,155)	6.96	-	0.00	17.87	20,881	(20,881)
332.0	Reservoirs, Dams & Waterways	83,976	LIFESPAN	44.61	(0.26)	(218)	111,116	(26,922)	6.96	-	0.00	16.26	13,654	(13,654)
333.0	Waterwheels, Turbines & Generators	47,119	LIFESPAN	66.57	(0.48)	(226)	66,414	(19,069)	6.94	-	0.00	15.33	7,223	(7,223)
334.0	Accessory Electric Equipment	53,902	LIFESPAN	29.16	(0.56)	(302)	64,004	(9,800)	6.86	-	0.00	15.45	8,328	(8,328)
336.0	Roads, Railroads & Bridges	745	LIFESPAN	70.46	(0.24)	(2)	1,057	(310)	6.96	-	0.00	15.25	114	(114)
	TOTAL CLINE FALLS	302,594		39.53	(0.32)	(958)	381,808	(78,256)	6.94	-	0.00	16.59	50,201	(50,201)
	CONDIT													
330.2	Land Rights	172	LIFESPAN	77.50	-	-	139	33	2.00	17	9.59	6.98	12	4
330.4	Flood Rights	2,964	LIFESPAN	97.50	-	-	2,412	552	2.00	276	9.31	6.71	199	77
331.0	Structures & Improvements	1,012,380	LIFESPAN	35.92	-	-	787,419	224,961	2.00	112,481	11.11	28.65	290,047	(177,566)
332.0	Reservoirs, Dams & Waterways	4,301,290	LIFESPAN	40.79	-	-	3,374,583	926,707	2.00	463,354	10.77	28.53	1,227,158	(763,805)
333.0	Waterwheels, Turbines & Generators	1,195,792	LIFESPAN	27.30	-	-	908,820	286,972	2.00	143,486	12.00	30.51	364,836	(221,350)
334.0	Accessory Electric Equipment	197,270	LIFESPAN	29.32	-	-	150,932	46,338	2.00	23,169	11.74	28.23	55,689	(32,520)
335.0	Misc. Power Plant Equipment	3,588	LIFESPAN	16.50	-	-	2,556	1,032	2.00	516	14.38	39.53	1,418	(902)
336.0	Roads, Railroads & Bridges	59,738	LIFESPAN	56.09	-	-	47,684	12,054	2.00	6,027	10.09	27.68	16,535	(10,508)
	TOTAL CONDIT	6,773,194		37.49	-	-	5,274,545	1,498,649	2.00	749,325	11.06	28.88	1,955,895	(1,206,571)
	CUTLER													
330.3	Water Rights	4,818	LIFESPAN	97.24	-	-	2,849	1,969	18.00	109	2.27	2.43	117	(8)
330.4	Flood Rights	90,968	LIFESPAN	73.81	-	-	49,830	41,138	18.00	2,285	2.51	2.43	2,211	75
331.0	Structures & Improvements	3,774,662	LIFESPAN	37.07	(0.67)	(25,290)	1,416,786	2,383,166	17.67	134,871	3.57	3.05	115,127	19,744
332.0	Reservoirs, Dams & Waterways	6,535,549	LIFESPAN	52.50	(0.97)	(63,395)	3,137,053	3,461,891	17.68	195,808	3.00	3.18	207,830	(12,022)
333.0	Waterwheels, Turbines & Generators	1,109,689	LIFESPAN	77.93	(1.79)	(19,863)	628,667	500,885	17.45	28,704	2.59	2.66	29,518	(814)
334.0	Accessory Electric Equipment	490,354	LIFESPAN	56.56	(2.22)	(10,886)	248,349	252,891	16.79	15,062	3.07	3.02	14,809	253
335.0	Misc. Power Plant Equipment	12,880	LIFESPAN	40.22	-	-	5,239	7,641	16.89	452	3.51	3.59	462	(10)
336.0	Roads, Railroads & Bridges	566,413	LIFESPAN	40.47	(0.90)	(5,098)	229,754	341,757	17.66	19,352	3.42	3.38	19,145	207
	TOTAL CUTLER	12,585,333		49.89	(0.99)	(124,532)	5,718,527	6,991,338	17.62	396,644	3.15	3.09	389,219	7,426
	EAGLE POINT													
330.2	Land Rights	12,122	LIFESPAN	68.50	-	-	11,954	168	19.00	9	0.07	6.82	827	(818)
331.0	Structures & Improvements	128,106	LIFESPAN	44.73	(0.72)	(922)	101,732	27,296	18.22	1,498	1.17	7.72	9,890	(8,392)
332.0	Reservoirs, Dams & Waterways	1,213,949	LIFESPAN	38.85	(1.04)	(12,625)	855,614	370,960	18.49	20,063	1.65	8.40	101,972	(81,909)
333.0	Waterwheels, Turbines & Generators	251,541	LIFESPAN	51.20	(1.91)	(4,804)	220,378	35,967	17.58	2,046	0.81	7.40	18,614	(16,568)
334.0	Accessory Electric Equipment	71,806	LIFESPAN	47.33	(2.36)	(1,695)	61,231	12,270	16.18	758	1.06	7.42	5,328	(4,570)
336.0	Roads, Railroads & Bridges	112,022	LIFESPAN	29.15	(0.96)	(1,075)	54,253	58,844	18.60	3,164	2.82	7.07	7,920	(4,756)
	TOTAL EAGLE POINT	1,789,546		40.94	(1.18)	(21,122)	1,305,162	505,506	18.26	27,538	1.54	8.08	144,550	(117,013)
	FOUNTAIN GREEN													
331.0	Structures & Improvements	23,248	LIFESPAN	50.52	(0.05)	(12)	25,643	(2,383)	4.06	-	0.00	2.35	546	(546)
332.0	Reservoirs, Dams & Waterways	318,833	LIFESPAN	20.28	(0.07)	(223)	302,861	16,195	3.90	4,153	1.30	2.40	7,652	(3,499)
333.0	Waterwheels, Turbines & Generators	24,279	LIFESPAN	76.23	(0.12)	(29)	27,731	(3,423)	4.06	-	0.00	2.33	566	(566)
334.0	Accessory Electric Equipment	77,660	LIFESPAN	22.49	(0.15)	(116)	77,423	353	1.91	185	0.24	2.35	1,825	(1,640)
335.0	Misc. Power Plant Equipment	2,086	LIFESPAN	23.17	-	-	2,065	21	2.67	8	0.38	2.33	49	(41)
336.0	Roads, Railroads & Bridges	1,261	LIFESPAN	78.54	(0.06)	(1)	1,440	(178)	4.04	-	0.00	2.30	29	(29)
	TOTAL FOUNTAIN GREEN	447,367		25.45	(0.09)	(381)	437,163	10,585	3.57	4,346	0.97	2.38	10,667	(6,321)

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance $	[4] IOWA CURVE	[5] Average Life Yrs	[6] Percent %	[7] NET SALVAGE Amount $	[8] 12/31/2006 Book Reserve $	[9] Net Plant $	[10] Rem. Life Yrs	[11] Annual Amount $	[12] Deprec. Rate %	[13] Existing Rate %	[14] Annual Amount $	[15] Increase or (Decrease) $
	GRANITE													
331.0	Structures & Improvements	136,038	LIFESPAN	61.39	(0.94)	(1,279)	68,444	68,873	23.39	2,945	2.16	2.41	3,279	(334)
332.0	Reservoirs, Dams & Waterways	3,547,761	LIFESPAN	33.38	(1.35)	(47,895)	842,764	2,752,892	23.58	116,747	3.29	3.49	123,817	(7,070)
333.0	Waterwheels, Turbines & Generators	675,594	LIFESPAN	47.35	(2.49)	(16,822)	281,168	411,248	23.42	17,560	2.60	2.76	18,646	(1,087)
334.0	Accessory Electric Equipment	182,517	LIFESPAN	43.29	(3.06)	(5,585)	71,446	116,656	22.27	5,238	2.87	2.89	5,275	(36)
335.0	Misc. Power Plant Equipment	1,410	LIFESPAN	58.17	-	-	688	722	22.07	33	2.32	2.56	36	(3)
	TOTAL GRANITE	4,543,320		36.70	(1.58)	(71,581)	1,264,510	3,350,391	23.50	142,522	3.14	3.32	151,053	(8,530)
	KLAMATH RIVER													
330.2	Land Rights	679,934	LIFESPAN	55.95	-	-	187,236	492,698	40.00	12,317	1.81	2.60	17,678	(5,361)
330.4	Flood Rights	253,539	LIFESPAN	76.16	-	-	116,555	136,984	40.00	3,425	1.35	2.07	5,248	(1,824)
331.0	Structures & Improvements	9,406,769	LIFESPAN	66.87	(1.61)	(151,449)	3,752,767	5,805,451	38.00	152,775	1.62	2.07	194,720	(41,945)
332.0	Reservoirs, Dams & Waterways	42,355,963	LIFESPAN	73.72	(2.30)	(974,187)	18,987,000	24,343,150	37.66	646,393	1.53	1.96	830,177	(183,784)
333.0	Waterwheels, Turbines & Generators	17,555,792	LIFESPAN	55.15	(4.30)	(754,899)	4,854,752	13,455,939	38.06	353,545	2.01	2.26	396,761	(43,215)
334.0	Accessory Electric Equipment	8,896,998	LIFESPAN	47.75	(5.13)	(456,416)	1,899,919	7,453,495	35.57	209,544	2.36	2.37	210,859	(1,314)
335.0	Misc. Power Plant Equipment	242,169	LIFESPAN	77.71	-	-	122,399	119,770	34.08	3,514	1.45	2.06	4,989	(1,474)
336.0	Roads, Railroads & Bridges	2,482,729	LIFESPAN	61.98	(2.13)	(52,882)	883,313	1,652,298	37.87	43,631	1.76	2.13	52,882	(9,251)
	TOTAL KLAMATH RIVER	81,873,893		65.64	(2.92)	(2,389,833)	30,803,941	53,459,785	37.58	1,425,145	1.74	2.09	1,713,314	(288,169)
	LAST CHANCE													
331.0	Structures & Improvements	435,028	LIFESPAN	38.76	(0.72)	(3,132)	196,952	241,208	18.61	12,961	2.98	2.98	12,964	(3)
332.0	Reservoirs, Dams & Waterways	848,524	LIFESPAN	38.87	(1.04)	(8,825)	384,215	473,134	18.66	25,356	2.99	3.05	25,880	(524)
333.0	Waterwheels, Turbines & Generators	1,119,220	LIFESPAN	39.07	(1.91)	(21,377)	510,502	630,095	18.49	34,078	3.04	2.87	32,122	1,956
334.0	Accessory Electric Equipment	244,432	LIFESPAN	28.98	(2.36)	(5,769)	78,609	171,592	17.90	9,586	3.92	2.91	7,113	2,473
336.0	Roads, Railroads & Bridges	65,287	LIFESPAN	42.09	(0.96)	(627)	31,749	34,165	18.59	1,838	2.81	2.77	1,808	29
	TOTAL LAST CHANCE	2,712,491		38.12	(1.46)	(39,729)	1,202,027	1,550,193	18.51	83,818	3.09	2.95	79,887	3,931
	LIFTON													
330.2	Land Rights	19,856	LIFESPAN	101.20	-	-	9,600	10,256	27.00	380	1.91	1.04	207	173
330.3	Water Rights	24,130	LIFESPAN	94.75	-	-	11,374	12,756	27.00	472	1.96	1.08	261	212
331.0	Structures & Improvements	1,228,591	LIFESPAN	72.23	(1.07)	(13,146)	461,335	780,402	26.34	29,628	2.41	1.36	16,709	12,919
332.0	Reservoirs, Dams & Waterways	7,734,971	LIFESPAN	56.19	(1.55)	(119,892)	2,301,294	5,553,569	26.45	209,965	2.71	1.64	126,854	83,111
333.0	Waterwheels, Turbines & Generators	3,331,559	LIFESPAN	32.11	(2.84)	(94,616)	291,244	3,134,931	26.25	119,426	3.58	1.20	39,979	79,447
334.0	Accessory Electric Equipment	264,766	LIFESPAN	51.20	(3.48)	(9,214)	59,390	214,590	25.08	8,556	3.23	1.72	4,554	4,002
335.0	Misc. Power Plant Equipment	2,910	LIFESPAN	56.09	-	-	1,027	1,883	24.74	76	2.62	1.95	57	19
336.0	Roads, Railroads & Bridges	182,783	LIFESPAN	32.72	(1.42)	(2,596)	19,740	165,639	26.43	6,267	3.43	1.07	1,956	4,311
	TOTAL LIFTON	12,789,566		51.16	(1.87)	(239,464)	3,155,004	9,874,026	26.36	374,770	2.93	1.49	190,575	184,196
	MERWIN													
330.2	Land Rights	300,510	LIFESPAN	111.67	-	-	209,891	90,619	40.00	2,265	0.75	1.15	3,456	(1,190)
330.5	Fish/Wildlife	212,280	LIFESPAN	113.50	-	-	149,612	62,668	40.00	1,567	0.74	1.14	2,420	(853)
331.0	Structures & Improvements	28,099,855	LIFESPAN	55.01	(1.63)	(458,028)	8,838,782	19,719,101	38.69	509,669	1.81	1.93	542,327	(32,658)
332.0	Reservoirs, Dams & Waterways	9,689,959	LIFESPAN	87.11	(2.36)	(228,683)	5,786,514	4,132,128	38.63	106,967	1.10	1.53	148,256	(41,290)
333.0	Waterwheels, Turbines & Generators	7,405,354	LIFESPAN	74.02	(4.32)	(319,911)	3,823,991	3,901,274	38.09	102,423	1.38	1.62	119,967	(17,544)
334.0	Accessory Electric Equipment	6,386,531	LIFESPAN	46.57	(5.20)	(332,100)	1,429,286	5,289,345	36.22	146,034	2.29	2.66	169,882	(23,848)
335.0	Misc. Power Plant Equipment	164,499	LIFESPAN	68.33	-	-	80,655	83,844	35.39	2,369	1.44	2.67	4,392	(2,023)
336.0	Roads, Railroads & Bridges	1,793,049	LIFESPAN	57.70	(2.18)	(39,088)	628,105	1,204,032	38.67	31,136	1.74	1.65	29,585	1,551
	TOTAL MERWIN	54,052,037		63.05	(2.55)	(1,377,810)	20,946,836	34,483,011	38.31	902,430	1.67	1.89	1,020,285	(117,856)
	NORTH UMPQUA													
331.0	Structures & Improvements	14,207,092	LIFESPAN	55.74	(1.29)	(183,271)	5,039,217	9,351,146	31.11	300,583	2.12	1.83	259,990	40,594
332.0	Reservoirs, Dams & Waterways	64,245,025	LIFESPAN	66.10	(2.14)	(1,374,844)	27,251,893	38,367,976	31.08	1,234,491	1.92	1.62	1,040,769	193,721
333.0	Waterwheels, Turbines & Generators	12,822,338	LIFESPAN	61.27	(3.41)	(437,242)	5,028,239	8,231,341	30.81	267,165	2.08	1.43	183,359	83,805
334.0	Accessory Electric Equipment	5,754,112	LIFESPAN	46.99	(4.15)	(238,796)	1,634,672	4,358,236	29.31	148,694	2.58	2.03	116,808	31,886
335.0	Misc. Power Plant Equipment	712,829	LIFESPAN	42.37	-	-	169,627	543,202	29.31	18,533	2.60	2.31	16,466	2,067
336.0	Roads, Railroads & Bridges	5,390,836	LIFESPAN	59.66	(1.72)	(92,722)	2,068,282	3,415,276	31.10	109,816	2.04	1.67	90,027	19,789
	TOTAL NORTH UMPQUA	103,132,232		62.51	(2.26)	(2,326,875)	41,191,930	64,267,177	30.94	2,079,282	2.02	1.66	1,707,420	371,862

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance $	[4] IOWA CURVE	[5] Average Life Yrs	[6] Percent %	[7] NET SALVAGE Amount $	[8] 12/31/2006 Book Reserve $	[9] Net Plant $	[10] Rem. Life Yrs	[11] Annual Amount $	[12] Deprec. Rate %	[13] Existing Rate %	[14] Annual Amount $	[15] Increase or (Decrease) $
	OLMSTED													
331.0	Structures & Improvements	176,221	LIFESPAN	77.40	(0.31)	(546)	128,318	48,449	9.72	4,984	2.83	2.10	3,701	1,284
334.0	Accessory Electric Equipment	22,177	LIFESPAN	17.31	(1.05)	(233)	7,960	14,450	9.59	1,507	6.79	5.76	1,277	229
335.0	Misc. Power Plant Equipment	3,274	LIFESPAN	38.06	-	-	2,010	1,264	9.35	135	4.13	3.37	110	25
336.0	Roads, Railroads & Bridges	3,547	LIFESPAN	23.35	(0.42)	(15)	1,680	1,882	9.85	191	5.39	4.84	172	19
	TOTAL OLMSTED	205,219		69.34	(0.39)	(794)	139,968	66,045	9.70	6,818	3.32	2.56	5,260	1,557
	PARIS													
331.0	Structures & Improvements	37,716	LIFESPAN	38.67	(0.05)	(19)	28,566	9,169	3.98	2,304	6.11	3.06	1,154	1,150
332.0	Reservoirs, Dams & Waterways	96,285	LIFESPAN	62.19	(0.07)	(67)	76,527	19,825	3.97	4,994	5.19	2.36	2,272	2,721
333.0	Waterwheels, Turbines & Generators	69,439	LIFESPAN	38.97	(0.12)	(83)	52,770	16,752	3.97	4,220	6.08	3.03	2,104	2,116
334.0	Accessory Electric Equipment	104,526	LIFESPAN	28.85	(0.15)	(157)	76,010	28,673	3.93	7,296	6.98	3.58	3,742	3,554
335.0	Misc. Power Plant Equipment	3,440	LIFESPAN	20.87	-	-	2,322	1,118	3.94	284	8.25	4.17	143	140
	TOTAL PARIS	311,406		42.52	(0.10)	(326)	236,195	75,537	3.96	19,097	6.13	3.02	9,416	9,681
	PIONEER													
330.2	Land Rights	9,247	LIFESPAN	133.42	-	-	7,180	2,067	24.00	86	0.93	1.13	104	(18)
330.3	Water Rights	110,806	LIFESPAN	133.50	-	-	86,051	24,755	24.00	1,031	0.93	1.13	1,252	(221)
331.0	Structures & Improvements	364,589	LIFESPAN	57.22	(0.94)	(3,427)	202,660	165,356	23.35	7,082	1.94	2.02	7,365	(283)
332.0	Reservoirs, Dams & Waterways	7,836,313	LIFESPAN	44.48	(1.35)	(105,790)	3,464,107	4,477,996	23.62	189,585	2.42	2.63	206,095	(16,510)
333.0	Waterwheels, Turbines & Generators	955,146	LIFESPAN	37.88	(2.49)	(23,783)	345,821	633,108	23.30	27,172	2.84	2.88	27,508	(336)
334.0	Accessory Electric Equipment	474,736	LIFESPAN	42.20	(3.06)	(14,527)	208,102	281,161	22.21	12,659	2.67	2.57	12,201	458
335.0	Misc. Power Plant Equipment	9,602	LIFESPAN	43.50	-	-	4,249	5,353	22.15	242	2.52	2.23	214	28
336.0	Roads, Railroads & Bridges	11,922	LIFESPAN	51.88	(1.25)	(149)	6,158	5,913	23.38	253	2.12	1.87	223	30
	TOTAL PIONEER	9,772,361		45.30	(1.51)	(147,676)	4,324,328	5,595,709	23.51	238,110	2.44	2.61	254,962	(16,852)
	PROSPECT # 1, 2 AND 4													
330.2	Land Rights	3,712	LIFESPAN	65.95	-	-	1,300	2,412	31.00	78	2.10	1.66	62	16
330.4	Flood Rights	3,167	LIFESPAN	100.50	-	-	1,451	1,716	31.00	55	1.75	1.12	35	20
331.0	Structures & Improvements	2,821,096	LIFESPAN	52.67	(1.24)	(34,982)	757,314	2,098,764	30.28	69,312	2.46	1.92	54,165	15,147
332.0	Reservoirs, Dams & Waterways	23,734,199	LIFESPAN	39.61	(1.80)	(427,216)	3,439,012	20,722,403	30.34	683,006	2.88	1.56	370,254	312,753
333.0	Waterwheels, Turbines & Generators	1,740,728	LIFESPAN	60.23	(3.30)	(57,444)	523,643	1,274,529	29.93	42,584	2.45	1.79	31,159	11,425
334.0	Accessory Electric Equipment	1,553,232	LIFESPAN	44.41	(4.02)	(62,440)	313,218	1,302,454	28.55	45,620	2.94	2.40	37,278	8,343
335.0	Misc. Power Plant Equipment	21,679	LIFESPAN	32.00	-	-	2,021	19,658	26.87	732	3.37	3.29	713	18
336.0	Roads, Railroads & Bridges	195,446	LIFESPAN	59.83	(1.66)	(3,244)	60,590	138,100	30.19	4,574	2.34	1.82	3,557	1,017
	TOTAL PROSPECT # 1, 2 AND 4	30,073,259		42.41	(1.95)	(585,326)	5,098,549	25,560,036	30.21	845,961	2.81	1.65	497,223	348,738
	PROSPECT #3													
331.0	Structures & Improvements	294,174	LIFESPAN	41.43	(0.40)	(1,177)	166,484	128,867	11.88	10,847	3.69	3.72	10,943	(96)
332.0	Reservoirs, Dams & Waterways	4,073,015	LIFESPAN	33.71	(0.58)	(23,623)	2,090,376	2,006,262	11.82	169,735	4.17	3.65	148,665	21,070
333.0	Waterwheels, Turbines & Generators	1,922,715	LIFESPAN	25.44	(1.08)	(20,765)	812,767	1,130,713	11.76	96,149	5.00	4.71	90,560	5,589
334.0	Accessory Electric Equipment	466,435	LIFESPAN	26.21	(1.35)	(6,297)	204,991	267,741	11.40	23,486	5.04	4.61	21,503	1,983
335.0	Misc. Power Plant Equipment	73,267	LIFESPAN	28.72	-	-	34,204	39,063	11.37	3,436	4.69	4.48	3,282	153
336.0	Roads, Railroads & Bridges	51,115	LIFESPAN	61.95	(0.54)	(276)	32,991	18,400	11.73	1,569	3.07	3.15	1,610	(41)
	TOTAL PROSPECT #3	6,880,721		31.38	(0.76)	(52,138)	3,341,813	3,591,046	11.77	305,221	4.44	4.02	276,563	28,658
	SANTA CLARA													
331.0	Structures & Improvements	141,402	LIFESPAN	43.37	(0.49)	(693)	79,348	62,747	13.71	4,577	3.24	3.34	4,723	(146)
332.0	Reservoirs, Dams & Waterways	971,149	LIFESPAN	45.36	(0.71)	(6,895)	556,908	421,136	13.75	30,628	3.15	3.24	31,465	(837)
333.0	Waterwheels, Turbines & Generators	426,169	LIFESPAN	34.44	(1.32)	(5,625)	210,680	221,114	13.66	16,187	3.80	3.78	16,109	78
334.0	Accessory Electric Equipment	625,750	LIFESPAN	27.36	(1.64)	(10,262)	259,289	376,723	13.27	28,389	4.54	4.34	27,158	1,232
335.0	Misc. Power Plant Equipment	7,952	LIFESPAN	39.02	-	-	4,248	3,704	13.12	282	3.55	3.53	281	2
336.0	Roads, Railroads & Bridges	2,720	LIFESPAN	91.96	(0.66)	(18)	1,919	819	13.61	60	2.21	2.21	60	0
	TOTAL SANTA CLARA	2,175,142		37.95	(1.08)	(23,494)	1,112,392	1,086,244	13.59	80,123	3.68	3.67	79,796	328

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance $	[4] IOWA CURVE	[5] Average Life Yrs	[6] Percent %	[7] NET SALVAGE Amount $	[8] 12/31/2006 Book Reserve $	[9] Net Plant $	[10] Rem. Life Yrs	[11] Annual Amount $	[12] Deprec. Rate %	[13] Existing Rate %	[14] Annual Amount $	[15] Increase or (Decrease) $
	SNAKE CREEK													
331.0	Structures & Improvements	59,731	LIFESPAN	44.94	(0.49)	(293)	37,292	22,732	13.68	1,662	2.78	2.90	1,732	(71)
332.0	Reservoirs, Dams & Waterways	423,401	LIFESPAN	45.05	(0.71)	(3,006)	264,860	161,547	13.72	11,775	2.78	3.12	13,210	(1,436)
333.0	Waterwheels, Turbines & Generators	263,034	LIFESPAN	36.67	(1.32)	(3,472)	148,241	118,265	13.63	8,677	3.30	3.44	9,048	(372)
334.0	Accessory Electric Equipment	155,893	LIFESPAN	37.05	(1.64)	(2,557)	88,791	69,659	13.48	5,168	3.31	3.38	5,269	(102)
335.0	Misc. Power Plant Equipment	2,086	LIFESPAN	33.62	-	-	1,113	973	13.12	74	3.56	3.68	77	(3)
	TOTAL SNAKE CREEK	904,145		41.20	(1.03)	(9,328)	540,297	373,176	13.65	27,355	3.03	3.24	29,337	(1,982)
	STAIRS													
331.0	Structures & Improvements	168,165	LIFESPAN	50.83	(0.72)	(1,211)	95,061	74,315	18.55	4,006	2.38	2.50	4,204	(198)
332.0	Reservoirs, Dams & Waterways	335,349	LIFESPAN	60.30	(1.04)	(3,488)	207,480	131,357	18.57	7,074	2.11	2.40	8,048	(975)
333.0	Waterwheels, Turbines & Generators	513,215	LIFESPAN	37.64	(1.91)	(9,802)	231,566	291,451	18.49	15,763	3.07	3.12	16,012	(250)
334.0	Accessory Electric Equipment	160,503	LIFESPAN	39.40	(2.36)	(3,788)	77,059	87,232	17.73	4,920	3.07	2.99	4,799	121
	TOTAL STAIRS	1,177,232		46.22	(1.55)	(18,289)	611,166	584,355	18.42	31,762	2.70	2.81	33,064	(1,301)
	SWIFT													
330.2	Land Rights	6,277,413	LIFESPAN	88.23	-	-	3,585,699	2,691,714	40.00	67,293	1.07	1.46	91,650	(24,357)
330.5	Fish/Wildlife	97,228	LIFESPAN	86.50	-	-	54,610	42,618	40.00	1,065	1.10	1.49	1,449	(383)
331.0	Structures & Improvements	6,284,936	LIFESPAN	68.37	(1.63)	(102,444)	2,811,753	3,575,627	38.59	92,657	1.47	1.65	103,701	(11,045)
332.0	Reservoirs, Dams & Waterways	37,633,791	LIFESPAN	85.84	(2.36)	(888,157)	21,423,252	17,098,696	38.67	442,170	1.17	1.65	620,958	(178,788)
333.0	Waterwheels, Turbines & Generators	11,242,321	LIFESPAN	71.26	(4.32)	(485,668)	5,382,040	6,345,949	38.13	166,429	1.48	1.74	195,616	(29,187)
334.0	Accessory Electric Equipment	3,819,175	LIFESPAN	47.41	(5.20)	(198,597)	894,173	3,123,599	36.02	86,718	2.27	1.89	72,182	14,536
335.0	Misc. Power Plant Equipment	560,313	LIFESPAN	78.26	-	-	303,426	256,887	35.20	7,298	1.30	1.68	9,413	(2,115)
336.0	Roads, Railroads & Bridges	395,145	LIFESPAN	57.95	(2.18)	(8,614)	134,718	269,041	38.68	6,956	1.76	2.20	8,693	(1,738)
	TOTAL SWIFT	66,310,322		79.50	(2.54)	(1,683,481)	34,589,671	33,404,132	38.52	870,586	1.31	1.66	1,103,663	(233,077)
	UPPER BEAVER													
330.3	Water Rights	1,047	LIFESPAN	123.50	-	-	879	168	24.00	7	0.67	1.40	15	(8)
331.0	Structures & Improvements	157,756	LIFESPAN	75.39	(0.94)	(1,483)	113,017	46,222	23.15	1,997	1.27	1.40	2,209	(212)
332.0	Reservoirs, Dams & Waterways	1,820,100	LIFESPAN	46.28	(1.35)	(24,571)	925,924	918,747	23.47	39,146	2.15	2.37	43,136	(3,991)
333.0	Waterwheels, Turbines & Generators	118,090	LIFESPAN	69.03	(2.49)	(2,940)	81,930	39,100	22.96	1,703	1.44	1.52	1,795	(92)
334.0	Accessory Electric Equipment	401,471	LIFESPAN	36.76	(3.06)	(12,285)	159,134	254,622	22.27	11,433	2.85	2.81	11,281	152
335.0	Misc. Power Plant Equipment	10,110	LIFESPAN	43.01	-	-	4,872	5,238	22.08	237	2.35	2.43	246	(8)
336.0	Roads, Railroads & Bridges	9,808	LIFESPAN	41.47	(1.25)	(123)	4,386	5,545	23.43	237	2.41	1.26	124	113
	TOTAL UPPER BEAVER	2,518,382		47.65	(1.64)	(41,402)	1,290,142	1,269,642	23.23	54,759	2.17	2.34	58,805	(4,046)
	VIVA NAUGHTON													
331.0	Structures & Improvements	388,940	LIFESPAN	52.89	(1.37)	(5,328)	140,151	254,117	33.01	7,698	1.98	2.01	7,818	(119)
332.0	Reservoirs, Dams & Waterways	103,507	LIFESPAN	52.72	(2.29)	(2,370)	37,099	68,778	33.01	2,084	2.01	2.11	2,184	(100)
333.0	Waterwheels, Turbines & Generators	497,438	LIFESPAN	51.78	(3.64)	(18,107)	174,602	340,943	32.71	10,423	2.10	1.98	9,849	574
334.0	Accessory Electric Equipment	159,117	LIFESPAN	51.26	(4.42)	(7,033)	58,287	107,863	30.87	3,494	2.20	2.05	3,262	232
335.0	Misc. Power Plant Equipment	20,594	LIFESPAN	51.29	-	-	7,565	13,029	30.79	423	2.05	2.07	426	(3)
	TOTAL VIVA NAUGHTON	1,169,596		52.15	(2.81)	(32,839)	417,704	784,731	32.55	24,122	2.06	2.01	23,539	583
	WALLOWA FALLS													
331.0	Structures & Improvements	111,286	LIFESPAN	28.66	(0.31)	(345)	68,715	42,916	9.80	4,379	3.94	4.11	4,574	(195)
332.0	Reservoirs, Dams & Waterways	895,584	LIFESPAN	28.07	(0.45)	(4,030)	547,035	352,579	9.83	35,868	4.00	5.43	48,630	(12,763)
333.0	Waterwheels, Turbines & Generators	58,400	LIFESPAN	51.43	(0.84)	(491)	45,089	13,802	9.58	1,441	2.47	3.48	2,032	(592)
334.0	Accessory Electric Equipment	1,412,947	LIFESPAN	19.65	(1.05)	(14,836)	671,332	756,451	9.52	79,459	5.62	5.16	72,908	6,551
336.0	Roads, Railroads & Bridges	310,959	LIFESPAN	21.42	(0.42)	(1,306)	156,916	155,349	9.84	15,788	5.08	5.60	17,414	(1,626)
	TOTAL WALLOWA FALLS	2,789,176		23.58	(0.75)	(21,008)	1,489,087	1,321,097	9.67	136,934	4.91	5.22	145,558	(8,624)

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance	[4] IOWA CURVE	[5] Average Life	[6] Percent	[7] NET SALVAGE Amount	[8] 12/31/2006 Book Reserve	[9] Net Plant	[10] Rem. Life	[11] Annual Amount	[12] Deprec. Rate	[13] Existing Rate	[14] Annual Amount	[15] Increase or (Decrease)
		$		Yrs	%	$	$	$	Yrs	$	%	%	$	$
	WEBER													
331.0	Structures & Improvements	367,370	LIFESPAN	44.46	(0.49)	(1,800)	203,451	165,719	13.72	12,079	3.29	2.84	10,433	1,645
332.0	Reservoirs, Dams & Waterways	1,297,530	LIFESPAN	55.59	(0.71)	(9,212)	786,607	520,135	13.73	37,883	2.92	2.70	35,033	2,850
333.0	Waterwheels, Turbines & Generators	874,138	LIFESPAN	36.15	(1.32)	(11,539)	435,571	450,106	13.66	32,951	3.77	3.60	31,469	1,482
334.0	Accessory Electric Equipment	114,723	LIFESPAN	42.13	(1.64)	(1,881)	62,821	53,783	13.12	4,099	3.57	3.32	3,809	291
335.0	Misc. Power Plant Equipment	21,696	LIFESPAN	35.38	-	-	10,663	11,033	13.17	838	3.86	3.69	801	37
336.0	Roads, Railroads & Bridges	39,857	LIFESPAN	26.01	(0.66)	(263)	14,879	25,241	13.78	1,832	4.60	4.41	1,758	74
	TOTAL WEBER	2,715,314		46.66	(0.91)	(24,696)	1,513,992	1,226,018	13.68	89,681	3.30	3.07	83,303	6,379
	YALE													
330.2	Land Rights	761,580	LIFESPAN	92.19	-	-	445,383	316,197	40.00	7,905	1.04	1.42	10,814	(2,910)
331.0	Structures & Improvements	6,468,171	LIFESPAN	66.49	(1.63)	(105,431)	2,746,338	3,827,264	38.61	99,126	1.53	1.71	110,606	(11,479)
332.0	Reservoirs, Dams & Waterways	26,160,156	LIFESPAN	87.60	(2.36)	(617,380)	15,389,387	11,388,149	38.64	294,724	1.13	1.58	413,330	(118,606)
333.0	Waterwheels, Turbines & Generators	10,498,920	LIFESPAN	66.07	(4.32)	(453,553)	4,477,146	6,475,327	38.19	169,556	1.61	1.96	205,779	(36,223)
334.0	Accessory Electric Equipment	3,676,080	LIFESPAN	50.53	(5.20)	(191,156)	1,018,678	2,848,558	35.96	79,215	2.15	2.27	83,447	(4,232)
335.0	Misc. Power Plant Equipment	548,875	LIFESPAN	83.18	-	-	309,403	239,472	35.11	6,821	1.24	1.55	8,508	(1,687)
336.0	Roads, Railroads & Bridges	1,383,555	LIFESPAN	51.12	(2.18)	(30,161)	331,554	1,082,162	38.73	27,941	2.02	2.37	32,790	(4,849)
	TOTAL YALE	49,497,337		76.52	(2.82)	(1,397,682)	24,717,889	26,177,130	38.33	685,288	1.38	1.75	865,274	(179,987)
	Hydro Decommissioning Reserve					(29,925,500)	10,515,490	19,410,010	5.43	3,574,779			0	3,574,779
	TOTAL HYDRAULIC PRODUCTION	507,940,786		62.25	(8.18)	(41,564,014)	225,954,434	323,550,366	32.16	14,347,241	2.82	2.42	12,314,551	2,032,691
	OTHER PRODUCTION PLANT													
	HERMISTON													
341.00	Structures & Improvements	12,474,621	LIFESPAN	34.67	(2.92)	(364,259)	2,799,193	10,039,687	24.96	402,231	3.22	3.00	374,239	27,992
342.00	Fuel Holders, Producers & Access.	25,322	LIFESPAN	34.81	(2.81)	(712)	5,958	20,076	24.31	826	3.26	3.17	803	23
343.00	Prime Movers	101,602,451	LIFESPAN	33.51	(3.03)	(3,078,554)	21,732,563	82,948,442	24.32	3,410,709	3.36	2.94	2,987,112	423,597
344.00	Generators	39,840,392	LIFESPAN	34.72	(2.89)	(1,151,387)	8,965,069	32,026,710	24.86	1,288,283	3.23	2.94	1,171,308	116,975
345.00	Accessory Electric Equipment	9,069,631	LIFESPAN	35.42	(2.90)	(263,019)	2,133,364	7,199,286	24.93	288,780	3.18	2.94	266,647	22,133
346.00	Misc. Power Plant Equipment	497,343	LIFESPAN	35.46	(2.91)	(14,473)	117,069	394,747	24.96	15,815	3.18	2.94	14,622	1,193
	TOTAL HERMISTON	163,509,760		34.01	(2.98)	(4,872,404)	35,753,216	132,628,948	24.54	5,406,644	3.31	2.94	4,814,730	591,914
	LITTLE MOUNTAIN													
341.00	Structures & Improvements	217,599	LIFESPAN	32.74	(2.41)	(5,244)	165,868	56,975	3.00	18,992	8.73	3.02	6,571	12,420
342.00	Fuel Holders, Producers & Access.	121,339	LIFESPAN	39.39	(2.41)	(2,924)	94,307	29,956	3.00	9,985	8.23	2.60	3,155	6,831
343.00	Prime Movers	2,270,377	LIFESPAN	17.57	(2.41)	(54,716)	1,559,640	765,453	3.00	255,151	11.24	3.37	76,512	178,639
344.00	Generators	2,389,789	LIFESPAN	8.42	(2.41)	(57,594)	1,237,141	1,210,242	3.00	403,414	16.88	3.75	89,617	313,797
345.00	Accessory Electric Equipment	215,728	LIFESPAN	32.10	(2.41)	(5,199)	164,080	56,847	3.00	18,949	8.78	3.26	7,033	11,916
346.00	Misc. Power Plant Equipment	11,813	LIFESPAN	39.50	(2.41)	(285)	9,184	2,914	3.00	971	8.22	2.78	328	643
	TOTAL LITTLE MOUNTAIN	5,226,645		15.17	(2.41)	(125,962)	3,230,220	2,122,387	3.00	707,462	13.54	3.51	183,216	524,246
	GADBSY PEAKER UNIT 4-6													
341.00	Structures & Improvements	4,121,643	LIFESPAN	25.13	(1.40)	(57,703)	667,826	3,511,520	20.98	167,375	4.06	4.06	167,339	36
342.00	Fuel Holders, Producers & Access.	2,257,625	LIFESPAN	25.01	(1.35)	(30,478)	391,193	1,896,910	20.51	92,487	4.10	4.06	91,660	828
343.00	Prime Movers	50,628,073	LIFESPAN	24.87	(1.53)	(774,610)	8,555,037	42,847,646	20.51	2,089,110	4.13	4.06	2,055,500	33,610
344.00	Generators	15,873,643	LIFESPAN	25.40	(1.38)	(219,056)	2,751,029	13,341,670	20.90	638,357	4.02	4.06	644,470	(6,112)
345.00	Accessory Electric Equipment	5,009,382	LIFESPAN	25.16	(1.39)	(69,630)	821,429	4,257,583	20.95	203,226	4.06	4.06	203,381	(155)
	TOTAL GADSBY PEAKER UNIT 4-6	77,890,366		25.01	(1.48)	(1,151,477)	13,186,514	65,855,329	20.64	3,190,555	4.10	4.06	3,162,349	28,206

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance	[4] IOWA CURVE	[5] Average Life	[6] Percent	[7] NET SALVAGE Amount	[8] 12/31/2006 Book Reserve	[9] Net Plant	[10] Rem. Life	[11] Annual Amount	[12] Deprec. Rate	[13] Existing Rate	[14] Annual Amount	[15] Increase or (Decrease)
		$		Yrs	%	$	$	$	Yrs	$	%	%	$	$
	CURRANT CREEK													
341.0	Structures & Improvements	28,120,692	LIFESPAN	35.16	(3.29)	(925,171)	939,117	28,106,746	33.66	835,019	2.97	3.08	866,117	(31,098)
342.0	Fuel Holders, Producers & Access.	27,004,653	LIFESPAN	33.37	(3.09)	(834,444)	901,846	26,937,251	31.87	845,223	3.13	3.08	831,743	13,479
343.0	Prime Movers	189,446,539	LIFESPAN	33.17	(3.38)	(6,403,293)	6,326,744	189,523,088	31.67	5,984,310	3.16	3.08	5,834,953	149,356
344.0	Generators	63,543,466	LIFESPAN	35.05	(3.24)	(2,058,808)	2,122,093	63,480,181	33.55	1,892,107	2.98	3.08	1,957,139	(65,032)
345.0	Accessory Electric Equipment	17,594,823	LIFESPAN	35.30	(3.26)	(573,591)	587,596	17,580,818	33.80	520,143	2.96	3.08	541,921	(21,778)
346.0	Misc. Power Plant Equipment	3,131,649	LIFESPAN	35.44	(3.27)	(102,405)	104,584	3,129,470	33.94	92,206	2.94	3.08	96,455	(4,249)
	TOTAL CURRANT CREEK	328,841,822		33.86	(3.31)	(10,897,712)	10,981,980	328,757,554	32.36	10,169,007	3.09	3.08	10,128,328	40,679
	FOOTE CREEK													
343.0	Prime Movers	30,513,722	LIFESPAN	26.09	(0.95)	(289,880)	9,756,910	21,046,692	17.59	1,196,515	3.92	4.34	1,324,296	(127,781)
344.0	Generators	3,542,319	LIFESPAN	26.42	(0.82)	(29,047)	1,131,446	2,439,920	17.92	136,156	3.84	4.34	153,737	(17,580)
345.0	Accessory Electric Equipment	2,210,801	LIFESPAN	26.46	(0.82)	(18,129)	706,148	1,522,782	17.96	84,787	3.84	4.34	95,949	(11,161)
	TOTAL FOOTE CREEK	36,266,842		26.14	(0.93)	(337,056)	11,594,504	25,009,394	17.64	1,417,458	3.91	4.34	1,573,981	(156,523)
	SOLAR GENERATING													
344.00	Generators - Utah	36,389	SQ	15.00	-	-	26,743	9,646	3.00	3,215	8.84	12.03	4,378	(1,162)
344.00	Generators - Oregon	56,322	SQ	15.00	-	-	43,407	12,915	4.00	3,229	5.73	7.90	4,449	(1,221)
344.00	Generators - Wyoming	55,087	SQ	15.00	-	-	40,239	14,848	3.00	4,949	8.98	11.92	6,566	(1,617)
	Total Solar Generating	147,798		15.00	-	-	110,389	37,409	3.38	11,393	7.71	10.42	15,393	(4,000)
	LEANING JUNIPER													
341.00	Structures & Improvements	4,531,700	LIFESPAN	25.47	(0.52)	(23,565)	68,888	4,486,377	24.97	179,671	3.96	4.02	182,174	(2,504)
343.00	Prime Movers	170,860,951	LIFESPAN	24.87	(0.71)	(1,213,113)	2,597,309	169,476,755	24.37	6,954,319	4.07	4.02	6,868,610	85,709
346.00	Misc. Power Plant Equipment	80,000	LIFESPAN	25.47	(0.52)	(416)	1,216	79,200	24.97	3,172	3.96	4.02	3,216	(44)
	TOTAL LEANING JUNIPER	175,472,651		24.89	(0.71)	(1,237,094)	2,667,413	174,042,332	24.39	7,137,162	4.07	4.02	7,054,001	83,161
	TOTAL DEPRECIABLE OTHER PRODUCTION	787,355,884		30.53	(2.37)	(18,621,705)	77,524,236	728,453,353	26.92	28,039,681	3.56	3.42	26,931,998	1,107,683
340.30	Water Rights - Lakeside	14,529,040												
340.30	Water Rights - Currant Creek	2,890,419					351							
	TOTAL OTHER PRODUCTION	804,775,343		29.87	(2.31)	(18,621,705)	77,524,587	728,453,353	26.34	28,039,681	3.48	3.35	26,931,998	1,107,683
	TOTAL DEPRECIABLE PRODUCTION PLANT	5,982,632,583		48.52	(7.05)	(422,047,108)	2,665,465,622	3,739,214,069	29.70	136,563,972	2.28	3.11	186,241,528	(49,677,556)
344.00	Generators - Lakeside	328,000,000		35.00	(3.34)						2.95			
	MARENGO WIND	258,000,000		24.87	(1.00)		-				4.06			
	WASHINGTON WIND	224,000,000		24.87	(1.00)		-				4.06			
	TRANSMISSION PLANT													
350.20	Rights-of-Way	61,181,203	R5	70.00	-	-	22,836,242	38,344,961	45.23	847,777	1.39	1.40	856,537	(8,760)
352.00	Structures & Improvements	55,260,234	S1	75.00	(5.00)	(2,763,012)	13,462,144	44,561,102	58.51	761,598	1.38	1.67	922,846	(161,248)
353.00	Station Equipment	907,682,638	R1.5	58.00	(10.00)	(90,768,264)	229,339,714	769,111,188	45.37	16,951,977	1.87	1.79	16,247,519	704,458
353.70	Supervisory Equipment	55,509,184	R2	25.00	-	-	21,659,919	33,849,265	15.75	2,149,160	3.87	5.15	2,858,723	(709,563)
354.00	Towers & Fixtures	380,678,705	R5	65.00	(10.00)	(38,067,871)	155,536,102	263,210,474	42.12	6,249,062	1.64	2.13	8,108,456	(1,859,395)
355.00	Poles & Fixtures	508,938,637	R2.5	52.00	(50.00)	(254,469,319)	229,961,076	533,446,880	37.15	14,359,270	2.82	2.56	13,028,829	1,330,441
356.00	OH Conductors & Devices	630,352,557	R4	60.00	(45.00)	(283,658,651)	329,205,696	584,805,512	39.52	14,797,710	2.35	2.13	13,426,509	1,371,201
356.20	Clearing	30,355,853	S6	65.00	-	-	15,493,225	14,862,628	33.55	442,999	1.46	1.40	424,982	18,017
357.00	UG Conduit	3,277,188	R2	60.00	(70.00)	(2,294,032)	698,920	4,872,300	52.87	92,156	2.81	3.15	103,231	(11,075)
358.00	UG Conductors & Devices	7,274,658	R2	60.00	(40.00)	(2,909,863)	1,310,142	8,874,379	52.68	168,458	2.32	2.38	173,137	(4,679)
359.00	Roads & Trails	11,494,522	R5	70.00	-	-	2,739,111	8,755,411	54.19	161,569	1.41	1.42	163,222	(1,653)
	Total Transmission Plant	2,652,005,379		58.41	(25.45)	(674,931,010)	1,022,242,291	2,304,694,098	41.52	56,981,736	2.15	2.12	56,313,992	667,744

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance	[4] IOWA CURVE	[5] Average Life	[6] Percent	[7] NET SALVAGE Amount	[8] 12/31/2006 Book Reserve	[9] Net Plant	[10] Rem. Life	[11] Annual Amount	[12] Deprec. Rate	[13] Existing Rate	[14] Annual Amount	[15] Increase or (Decrease)
		$		Yrs	%	$	$	$	Yrs	$	%	%	$	$
DISTRIBUTION PLANT														
	OREGON - DISTRIBUTION													
360.20	Rights-of-Way	3,556,253	R4	50.00	-	-	2,068,184	1,488,069	20.35	73,124	2.06	1.70	60,456	12,667
361.00	Structures & Improvements	12,345,312	S0.5	60.00	(5.00)	(617,266)	2,664,078	10,298,500	46.12	223,298	1.81	1.83	225,919	(2,621)
362.00	Station Equipment	160,587,683	R1	52.00	(15.00)	(24,088,152)	43,082,170	141,593,665	39.30	3,602,892	2.24	2.25	3,613,223	(10,331)
362.70	Supervisory Equipment	2,779,659	R2.5	23.00	-	-	1,326,330	1,453,329	11.65	124,749	4.49	4.05	112,576	12,173
364.00	Poles, Towers & Fixtures	282,793,465	R1.5	45.00	(125.00)	(353,491,831)	166,308,811	469,976,485	32.78	14,337,294	5.07	4.33	12,244,957	2,092,337
365.00	OH Conductors & Devices	210,301,551	R1.5	50.00	(90.00)	(189,271,396)	113,194,213	286,378,734	35.36	8,098,946	3.85	3.07	6,456,258	1,642,688
366.00	UG Conduit	75,474,348	R2.5	60.00	(60.00)	(45,284,609)	24,056,265	96,702,692	47.60	2,031,569	2.69	2.78	2,098,187	(66,618)
367.00	UG Conductors & Devices	133,175,353	R2.5	52.00	(60.00)	(79,905,212)	48,322,155	164,758,410	39.75	4,144,866	3.11	2.26	3,009,763	1,135,103
368.00	Line Transformers	340,095,762	R1.5	40.00	(25.00)	(85,023,941)	127,185,567	297,934,136	27.54	10,818,233	3.18	2.62	8,910,509	1,907,724
369.10	Overhead Services	60,741,141	R1.5	55.00	(25.00)	(15,185,285)	17,228,260	58,698,166	41.94	1,399,575	2.30	2.00	1,214,823	184,752
369.20	Underground Services	122,060,821	R4	55.00	(40.00)	(48,824,328)	31,625,019	139,260,130	44.34	3,140,734	2.57	1.78	2,172,683	968,051
370.00	Meters	58,792,161	R2.5	26.00	(2.00)	(1,175,843)	27,951,133	32,016,871	13.63	2,349,000	4.00	3.57	2,098,880	250,120
371.00	I.O.C.P.	2,433,995	S1	25.00	(60.00)	(1,460,397)	2,375,046	1,519,346	9.43	161,118	6.62	3.94	95,899	65,219
373.00	Street Lighting & Signal Systems	19,600,663	R1	40.00	(35.00)	(6,860,232)	6,634,747	19,826,148	29.49	672,301	3.43	2.76	540,978	131,322
	TOTAL OREGON - DISTRIBUTION	1,484,738,167		47.19	(57.33)	(851,188,492)	614,021,978	1,721,904,681	34.56	51,177,698	3.45	2.89	42,855,111	8,322,587
	WASHINGTON - DISTRIBUTION													
360.20	Rights-of-Way	297,931	R4	50.00	-	-	171,241	126,690	22.12	5,727	1.92	1.85	5,512	216
361.00	Structures & Improvements	2,166,412	R1.5	60.00	(5.00)	(108,321)	481,714	1,793,019	46.56	38,510	1.78	1.86	40,295	(1,785)
362.00	Station Equipment	41,804,262	R1.5	53.00	(20.00)	(8,360,852)	12,770,364	37,394,750	39.90	937,212	2.24	2.44	1,020,024	(82,812)
362.70	Supervisory Equipment	755,561	R4	22.00	-	-	460,884	294,677	8.91	33,073	4.38	4.70	35,511	(2,439)
364.00	Poles, Towers & Fixtures	78,881,062	R1.5	50.00	(110.00)	(86,769,168)	36,539,469	129,110,761	38.99	3,311,381	4.20	5.20	4,101,815	(790,434)
365.00	OH Conductors & Devices	53,162,424	R1.5	60.00	(80.00)	(42,529,939)	23,423,083	72,269,280	45.45	1,590,083	2.99	2.44	1,297,163	292,920
366.00	UG Conduit	13,724,890	R4	40.00	(105.00)	(14,411,135)	8,624,656	19,511,369	28.11	694,108	5.06	1.73	237,441	456,667
367.00	UG Conductors & Devices	17,451,853	R4	45.00	(35.00)	(6,108,149)	6,440,533	17,119,469	32.77	522,413	2.99	2.38	415,354	107,059
368.00	Line Transformers	82,326,435	R2.5	42.00	(25.00)	(20,581,609)	35,001,701	67,906,343	27.74	2,447,958	2.97	2.15	1,770,018	677,939
369.10	Overhead Services	14,707,741	R2.5	50.00	(35.00)	(5,147,709)	6,484,440	13,371,010	33.79	395,709	2.69	2.14	314,746	80,963
369.20	Underground Services	25,030,814	R4	55.00	(40.00)	(10,012,326)	6,977,435	28,065,705	44.07	636,844	2.54	1.97	493,107	143,737
370.00	Meters	13,639,079	R2.5	26.00	(1.00)	(136,391)	7,487,165	6,288,305	12.25	513,331	3.76	3.53	481,459	31,872
371.00	I.O.C.P.	532,439	L0	30.00	(50.00)	(266,220)	349,745	448,914	17.22	26,069	4.90	3.64	19,381	6,689
373.00	Street Lighting & Signal Systems	3,570,237	R3	40.00	(35.00)	(1,249,583)	1,889,028	2,930,792	24.30	120,609	3.38	3.16	112,819	7,789
	TOTAL WASHINGTON - DISTRIBUTION	348,051,140		46.64	(56.22)	(195,681,400)	147,101,458	396,631,082	35.57	11,273,026	3.24	2.97	10,344,646	928,380
	WYOMING - DISTRIBUTION													
360.20	Rights-of-Way	3,279,218	R4	50.00	-	-	1,624,869	1,654,349	27.00	61,272	1.87	1.82	59,682	1,590
361.00	Structures & Improvements	5,254,324	R2	55.00	(10.00)	(525,432)	1,671,341	4,108,415	40.24	102,098	1.94	2.27	119,273	(17,175)
362.00	Station Equipment	89,706,244	S1	50.00	(15.00)	(13,455,937)	33,479,090	69,683,091	34.94	1,994,364	2.22	2.22	1,991,479	2,886
362.70	Supervisory Equipment	2,756,251	R4	20.00	-	-	1,949,825	806,426	6.87	117,384	4.26	3.89	107,218	10,166
364.00	Poles, Towers & Fixtures	87,457,268	R1	50.00	(120.00)	(104,948,722)	43,825,586	148,580,404	39.43	3,768,207	4.31	4.30	3,760,663	7,545
365.00	OH Conductors & Devices	80,698,290	R1	55.00	(40.00)	(32,279,316)	29,505,172	83,472,434	41.67	2,003,178	2.48	2.54	2,049,737	(46,558)
366.00	UG Conduit	12,960,734	R3	42.00	(70.00)	(9,072,514)	6,697,820	15,335,428	30.15	508,638	3.92	2.54	329,203	179,435
367.00	UG Conductors & Devices	37,363,488	R5	40.00	(50.00)	(18,681,744)	20,952,678	35,092,554	26.12	1,343,513	3.60	2.50	934,087	409,426
368.00	Line Transformers	70,949,860	R1	38.00	(20.00)	(14,189,972)	25,890,532	59,249,300	27.27	2,172,692	3.06	2.41	1,709,892	462,800
369.10	Overhead Services	12,968,757	R2	60.00	(20.00)	(2,593,751)	3,800,983	11,761,525	46.40	253,481	1.95	2.15	278,828	(25,347)
369.20	Underground Services	20,907,358	S5	45.00	(40.00)	(8,362,943)	7,893,639	21,376,662	33.74	633,570	3.03	2.35	491,323	142,247
370.00	Meters	14,692,217	R2.5	26.00	(5.00)	(734,611)	8,054,282	7,372,546	13.40	550,190	3.74	3.25	477,497	72,693
371.00	I.O.C.P.	883,657	S-.5	20.00	(60.00)	(530,194)	1,021,255	392,596	6.59	59,575	6.74	3.87	34,198	25,377
373.00	Street Lighting & Signal Systems	8,127,459	R0.5	50.00	(45.00)	(3,657,357)	2,864,923	8,919,893	38.72	230,369	2.83	2.72	221,067	9,302
	TOTAL WYOMING - DISTRIBUTION	448,005,125		47.02	(46.66)	(209,032,493)	189,231,995	467,805,623	34.35	13,798,530	3.08	2.80	12,564,145	1,234,386

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance	[4] IOWA CURVE	[5] Average Life	[6] Percent	[7] NET SALVAGE Amount	[8] 12/31/2006 Book Reserve	[9] Net Plant	[10] Rem. Life	[11] Annual Amount	[12] Deprec. Rate	[13] Existing Rate	[14] Annual Amount	[15] Increase or (Decrease)
		$		Yrs	%	$	$	$	Yrs	$	%	%	$	$
	CALIFORNIA - DISTRIBUTION													
360.20	Rights-of-Way	913,753	R4	55.00	-	-	489,829	423,924	20.10	21,091	2.31	1.55	14,163	6,928
361.00	Structures & Improvements	1,462,927	R4	55.00	(5.00)	(73,146)	409,919	1,126,154	37.62	29,935	2.05	2.02	29,551	384
362.00	Station Equipment	13,225,518	R1	55.00	(25.00)	(3,306,380)	3,402,066	13,129,832	41.60	315,621	2.39	2.22	293,606	22,014
362.70	Supervisory Equipment	218,353	R5	20.00	-	-	134,029	84,324	5.47	15,416	7.06	4.35	9,498	5,917
364.00	Poles, Towers & Fixtures	45,277,615	R1.5	50.00	(125.00)	(56,597,019)	20,751,425	81,123,209	37.94	2,138,197	4.72	3.68	1,666,216	471,981
365.00	OH Conductors & Devices	31,322,720	S-.5	65.00	(95.00)	(29,756,584)	10,556,542	50,522,762	51.70	977,229	3.12	2.52	789,333	187,897
366.00	UG Conduit	14,473,726	R5	50.00	(60.00)	(8,684,236)	6,032,369	17,125,593	34.58	495,246	3.42	2.52	364,738	130,508
367.00	UG Conductors & Devices	15,835,050	S6	45.00	(135.00)	(21,377,318)	10,828,872	26,383,496	29.50	894,356	5.65	2.14	338,870	555,486
368.00	Line Transformers	41,867,181	R5	50.00	(45.00)	(18,840,231)	18,113,872	42,593,540	32.34	1,317,054	3.15	3.76	1,574,206	(257,152)
369.10	Overhead Services	7,434,428	R1	55.00	(120.00)	(8,921,314)	2,670,583	13,685,159	44.37	308,433	4.15	2.27	168,762	139,671
369.20	Underground Services	12,325,121	R4	60.00	(100.00)	(12,325,121)	3,925,386	20,724,856	48.69	425,649	3.45	1.87	230,480	195,169
370.00	Meters	3,937,749	R2.5	26.00	(4.00)	(157,510)	1,697,125	2,398,134	13.24	181,128	4.60	3.49	137,427	43,701
371.00	I.O.C.P.	270,014	L0	25.00	(95.00)	(256,513)	198,296	328,231	13.85	23,699	8.78	4.81	12,988	10,711
373.00	Street Lighting & Signal Systems	683,185	R3	35.00	(70.00)	(478,230)	522,522	638,893	16.36	39,052	5.72	4.14	28,284	10,768
	TOTAL CALIFORNIA - DISTRIBUTION	189,247,340		52.16	(84.95)	(160,773,601)	79,732,835	270,288,106	38.47	7,182,106	3.80	2.99	5,658,122	1,523,984
	UTAH - DISTRIBUTION													
360.20	Rights-of-Way	6,311,184	R4	50.00	-	-	1,698,470	4,612,714	36.84	125,209	1.98	1.82	114,864	10,346
361.00	Structures & Improvements	25,067,428	R2	60.00	-	-	3,888,935	21,178,493	50.90	416,080	1.66	1.87	468,761	(52,680)
362.00	Station Equipment	304,454,487	S-.5	45.00	(10.00)	(30,445,449)	51,376,232	283,523,704	38.25	7,412,384	2.43	1.84	5,601,963	1,810,422
362.70	Supervisory Equipment	11,365,762	R3	25.00	-	-	4,497,908	6,867,854	15.33	448,001	3.94	4.31	489,864	(41,863)
363.00	Storage Battery Equipment	1,393,066	SQ	15.00	-	-	332,426	1,060,640	11.50	92,230	6.62	10.00	139,307	(47,077)
363.70	Storage Battery - Supervisory Eqpt.	64,739	SQ	15.00	-	-	15,449	49,290	11.50	4,286	6.62	4.31	2,790	1,496
364.00	Poles, Towers & Fixtures	257,266,586	S2	40.00	(105.00)	(270,129,915)	163,361,280	364,035,221	27.88	13,057,217	5.08	3.83	9,853,310	3,203,907
365.00	OH Conductors & Devices	180,757,899	R0.5	42.00	(75.00)	(135,568,424)	69,502,935	246,823,388	32.98	7,484,032	4.14	2.72	4,916,615	2,567,418
366.00	UG Conduit	133,152,468	R2	60.00	(70.00)	(93,206,728)	44,460,751	181,898,445	48.48	3,752,031	2.82	2.38	3,169,029	583,002
367.00	UG Conductors & Devices	382,825,808	R2	50.00	(45.00)	(172,271,614)	126,337,548	428,759,874	38.87	11,030,612	2.88	2.16	8,269,037	2,761,574
368.00	Line Transformers	323,264,851	R0.5	45.00	(15.00)	(48,489,728)	73,873,762	297,880,817	36.26	8,215,136	2.54	2.31	7,467,418	747,718
369.00	Services	164,752,028	S5	55.00	(20.00)	(32,950,406)	35,730,211	161,972,223	45.28	3,577,125	2.17	2.25	3,706,921	(129,796)
370.00	Meters	84,295,977	R2.5	26.00	(5.00)	(4,214,799)	43,416,076	45,094,700	13.53	3,332,942	3.95	3.32	2,798,626	534,315
371.00	I.O.C.P.	4,590,137	L0	25.00	(70.00)	(3,213,096)	2,702,223	5,101,010	16.53	308,591	6.72	4.57	209,769	98,822
372.00	Leased Property on Customers' Premises	44,785	L0	30.00	-	-	25,956	18,829	13.00	1,448	3.23	2.60	1,164	284
373.00	Street Lighting & Signal Systems	24,495,522	R0.5	25.00	(20.00)	(4,899,104)	9,698,417	19,696,209	16.93	1,163,391	4.75	5.69	1,393,795	(230,404)
	TOTAL UTAH - DISTRIBUTION	1,904,102,727		45.88	(41.77)	(795,389,262)	630,918,579	2,068,573,410	36.04	60,420,715	3.17	2.55	48,603,233	11,817,482
	IDAHO - DISTRIBUTION													
360.20	Rights-of-Way	959,335	R4	50.00	-	-	340,548	618,787	36.84	16,797	1.75	1.82	17,460	(663)
361.00	Structures & Improvements	786,125	R2	60.00	-	-	160,870	625,255	50.90	12,284	1.56	1.87	14,701	(2,417)
362.00	Station Equipment	19,228,384	S-.5	45.00	(10.00)	(1,922,838)	4,280,005	16,871,217	38.25	441,078	2.29	1.84	353,802	87,275
362.70	Supervisory Equipment	349,588	R3	25.00	-	-	182,486	167,102	15.33	10,900	3.12	4.31	15,067	(4,167)
364.00	Poles, Towers & Fixtures	52,811,012	S2	40.00	(90.00)	(47,529,911)	40,996,953	59,343,970	27.88	2,128,550	4.03	3.83	2,022,662	105,888
365.00	OH Conductors & Devices	32,156,819	R0.5	42.00	(35.00)	(11,254,887)	12,581,610	30,830,096	32.98	934,812	2.91	2.72	874,665	60,146
366.00	UG Conduit	6,316,271	R2	60.00	(45.00)	(2,842,322)	2,372,843	6,785,750	48.48	139,970	2.22	2.38	150,327	(10,357)
367.00	UG Conductors & Devices	20,797,084	R2	50.00	(15.00)	(3,119,563)	7,180,011	16,736,636	38.87	430,580	2.07	2.16	449,217	(18,637)
368.00	Line Transformers	58,088,551	R0.5	45.00	(10.00)	(5,808,855)	16,748,608	47,148,798	36.26	1,300,298	2.24	2.31	1,341,846	(41,548)
369.00	Services	22,842,503	S5	55.00	(15.00)	(3,426,375)	6,262,197	20,006,681	45.28	441,844	1.93	2.25	513,956	(72,113)
370.00	Meters	13,729,088	R2.5	26.00	(3.00)	(411,873)	7,034,534	7,106,427	15.23	466,607	3.40	3.32	455,806	10,801
371.00	I.O.C.P.	159,013	L0	25.00	(45.00)	(71,556)	105,320	125,249	16.41	7,632	4.80	4.57	7,267	366
372.00	Leased Property on Customers' Premises	4,873	L0	30.00	-	-	3,725	1,148	13.00	88	1.81	2.60	127	(38)
373.00	Street Lighting & Signal Systems	553,612	R0.5	25.00	(50.00)	(276,806)	361,403	469,015	16.93	27,703	5.00	5.69	31,501	(3,797)
	TOTAL IDAHO - DISTRIBUTION	228,782,258		43.92	(33.51)	(76,664,985)	98,611,113	206,836,130	34.05	6,359,143	2.78	2.73	6,248,403	110,740
	TOTAL DISTRIBUTION PLANT	4,602,926,757		46.78	(49.72)	(2,288,730,233)	1,759,617,958	5,132,039,032	35.36	150,211,219	3.26	2.74	126,273,661	23,937,558

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance $	[4] IOWA CURVE	[5] Average Life Yrs	[6] Percent %	[7] NET SALVAGE Amount $	[8] 12/31/2006 Book Reserve $	[9] Net Plant $	[10] Rem. Life Yrs	[11] Annual Amount $	[12] Deprec. Rate %	[13] Existing Rate %	[14] Annual Amount $	[15] Increase or (Decrease) $
GENERAL PLANT														
	OREGON - GENERAL													
390.00	Structures & Improvements	56,989,775	R1.5	50.00	(10.00)	(5,698,978)	11,084,283	51,604,470	40.92	1,261,106	2.21	2.32	1,322,163	(61,056)
391.10	Mainframe Computers	4,039,625	L2	5.00	-	-	1,721,348	2,318,277	2.81	825,010	20.42	26.85	1,084,639	(259,630)
392.10	Transp. Eqpt. - Light Trucks & Vans	9,408,666	R3	12.00	10.00	940,867	3,302,354	5,165,445	7.20	717,423	7.63	7.12	669,897	47,526
392.50	Transp. Eqpt. - Medium Trucks	9,772,613	S2	18.00	10.00	977,261	2,447,336	6,348,016	12.86	493,625	5.05	6.65	649,879	(156,254)
392.90	Transp. Eqpt. - Trailers	2,653,228	S1	35.00	15.00	397,984	599,886	1,655,358	25.44	65,069	2.45	2.19	58,106	6,963
396.30	Light Power Operated Equipment	5,501,554	R4	9.00	15.00	825,233	2,380,023	2,296,298	4.30	534,023	9.71	7.22	397,212	136,811
396.70	Heavy Power Operated Equipment	22,553,445	L1	15.00	20.00	4,510,689	5,141,908	12,900,848	10.61	1,215,914	5.39	4.88	1,100,608	115,306
397.00	Communication Equipment	84,043,634	R2	25.00	-	-	28,548,140	55,495,494	16.28	3,408,814	4.06	5.44	4,571,974	(1,163,160)
	TOTAL OREGON - GENERAL	194,962,540		29.44	1.00	1,953,057	55,225,278	137,784,205	21.72	8,520,984	4.37	5.05	9,854,478	(1,333,494)
	AZ, CO, MT, ETC. - GENERAL													
390.00	Structures & Improvements	374,036	R1	40.00	-	-	168,525	205,511	26.62	7,720	2.06	2.34	8,752	(1,032)
392.10	Transp. Eqpt. - Light Trucks & Vans	434,917	L0	13.00	-	-	189,076	245,841	8.81	27,905	6.42	6.71	29,183	(1,278)
392.50	Transp. Eqpt. - Medium Trucks	285,272	R1.5	16.00	15.00	42,791	183,048	59,433	7.03	8,454	2.96	5.64	16,089	(7,635)
392.90	Transp. Eqpt. - Trailers	51,384	R1.5	25.00	-	-	39,217	12,167	10.84	1,122	2.18	2.51	1,290	(167)
396.70	Heavy Power Operated Equipment	1,974,037	R3	25.00	5.00	98,702	1,143,858	731,477	13.68	53,471	2.71	5.81	114,692	(61,221)
397.00	Communication Equipment	4,887,547	R1.5	25.00	(5.00)	(244,377)	2,844,849	2,287,075	14.71	155,478	3.18	4.31	210,653	(55,176)
	TOTAL AZ, CO, MT, ETC. - GENERAL	8,007,193		24.73	(1.28)	(102,885)	4,568,573	3,541,505	14.39	254,150	3.17	4.75	380,659	(126,510)
	WASHINGTON - GENERAL													
390.00	Structures & Improvements	10,852,793	R3	30.00	(10.00)	(1,085,279)	3,541,952	8,396,120	20.37	412,181	3.80	3.80	412,406	(225)
392.10	Transp. Eqpt. - Light Trucks & Vans	2,336,736	R3	12.00	10.00	233,674	813,479	1,289,583	6.98	184,754	7.91	7.11	166,142	18,612
392.50	Transp. Eqpt. - Medium Trucks	2,983,492	R3	14.00	10.00	298,349	798,743	1,886,400	9.50	198,568	6.66	7.34	218,988	(20,420)
392.90	Transp. Eqpt. - Trailers	618,162	S0.5	33.00	15.00	92,724	129,882	395,556	24.18	16,359	2.65	2.87	17,741	(1,382)
396.30	Light Power Operated Equipment	1,697,352	R4	10.00	10.00	169,735	716,601	811,016	4.93	164,506	9.69	8.93	151,574	12,933
396.70	Heavy Power Operated Equipment	5,405,808	L1.5	13.00	15.00	810,871	1,500,301	3,094,636	8.41	367,971	6.81	7.16	387,056	(19,085)
397.00	Communication Equipment	12,790,163	R2	20.00	-	-	4,638,074	8,152,089	12.16	670,402	5.24	5.30	677,879	(7,477)
	TOTAL WASHINGTON - GENERAL	36,684,506		20.69	1.42	520,074	12,139,032	24,025,400	13.36	2,014,741	5.49	5.54	2,031,786	(17,044)
	IDAHO - GENERAL													
389.20	Land Rights	4,868	R1	40.00	-	-	2,855	2,013	20.57	98	2.01	2.36	115	(17)
390.00	Structures & Improvements	10,279,706	R1	40.00	(5.00)	(513,985)	4,335,362	6,458,329	29.69	217,525	2.12	2.43	249,797	(32,271)
392.10	Transp. Eqpt. - Light Trucks & Vans	2,304,705	S4	11.00	10.00	230,471	1,182,552	891,683	5.81	153,474	6.66	6.69	154,185	(711)
392.50	Transp. Eqpt. - Medium Trucks	2,747,101	L2	15.00	15.00	412,065	770,761	1,564,275	10.90	143,511	5.22	5.64	154,936	(11,425)
392.90	Transp. Eqpt. - Trailers	836,404	L2	33.00	10.00	83,640	257,275	495,489	23.66	20,942	2.50	2.51	20,994	(52)
396.30	Light Power Operated Equipment	1,479,460	R3	7.00	10.00	147,946	934,698	396,816	2.93	135,432	9.15	9.55	141,288	(5,856)
396.70	Heavy Power Operated Equipment	6,368,663	L0.5	18.00	25.00	1,592,166	1,465,106	3,311,391	13.43	246,567	3.87	5.81	370,019	(123,453)
397.00	Communication Equipment	11,635,654	S-.5	25.00	(5.00)	(581,783)	4,701,177	7,516,260	17.03	441,354	3.79	4.75	552,694	(111,340)
	TOTAL IDAHO - GENERAL	35,656,561		25.84	3.84	1,370,520	13,649,786	20,636,255	18.41	1,358,903	3.81	4.61	1,644,028	(285,125)
	WYOMING - GENERAL													
389.20	Land Rights	23,404	SQ	50.00	-	-	575	22,829	48.63	469	2.01	2.36	552	(83)
390.00	Structures & Improvements	6,118,855	R3	40.00	(15.00)	(917,828)	2,121,382	4,915,301	26.52	185,343	3.03	2.58	157,866	27,477
392.10	Transp. Eqpt. - Light Trucks & Vans	4,786,508	S1.5	13.00	10.00	478,651	1,405,111	2,902,746	8.26	351,422	7.34	5.89	281,925	69,497
392.50	Transp. Eqpt. - Medium Trucks	4,802,133	S2	14.00	10.00	480,213	1,370,577	2,951,343	9.04	326,476	6.80	4.67	224,260	102,216
392.90	Transp. Eqpt. - Trailers	2,123,847	R4	30.00	5.00	106,192	679,162	1,338,493	18.71	71,539	3.37	3.27	69,450	2,089
396.30	Light Power Operated Equipment	2,407,263	R4	9.00	15.00	361,089	880,002	1,166,172	4.67	249,716	10.37	7.82	188,248	61,468
396.70	Heavy Power Operated Equipment	23,714,268	S-.5	15.00	25.00	5,928,567	4,278,483	13,507,218	10.97	1,231,287	5.19	3.93	931,971	299,316
397.00	Communication Equipment	32,265,699	L2	20.00	(2.00)	(645,314)	10,595,185	22,315,828	12.80	1,743,424	5.40	4.86	1,568,113	175,311
	TOTAL WYOMING - GENERAL	76,241,977		19.17	7.60	5,791,571	21,330,477	49,119,929	12.73	4,159,676	5.46	4.49	3,422,385	737,291

PACIFICORP
REMAINING LIFE DEPRECIATION RATES

SCHEDULE 1

[1] Account Number	[2] Description	[3] 12/31/2006 Balance	[4] IOWA CURVE	[5] Average Life	[6] Percent	[7] NET SALVAGE Amount	[8] 12/31/2006 Book Reserve	[9] Net Plant	[10] Rem. Life	[11] Annual Amount	[12] Deprec. Rate	[13] Existing Rate	[14] Annual Amount	[15] Increase or (Decrease)
		$		Yrs	%	$	$	$	Yrs	$	%	%	$	$
	CALIFORNIA - GENERAL													
390.00	Structures & Improvements	1,411,660	R3	50.00	(20.00)	(282,332)	566,924	1,127,068	33.57	33,574	2.38	2.22	31,339	2,235
392.10	Transp. Eqpt. - Light Trucks & Vans	706,803	S3	10.00	20.00	141,361	242,527	322,915	5.79	55,771	7.89	6.31	44,599	11,172
392.50	Transp. Eqpt. - Medium Trucks	804,491	L2	15.00	15.00	120,674	186,282	497,535	10.99	45,272	5.63	5.04	40,546	4,725
392.90	Transp. Eqpt. - Trailers	282,127	R4	35.00	5.00	14,106	95,010	173,011	22.82	7,582	2.69	2.30	6,489	1,093
396.30	Light Power Operated Equipment	1,034,237	R4	8.00	15.00	155,136	529,458	349,643	3.27	106,925	10.34	5.92	61,227	45,698
396.70	Heavy Power Operated Equipment	2,683,072	R2.5	15.00	15.00	402,461	880,654	1,399,957	9.31	150,371	5.60	3.42	91,761	58,610
397.00	Communication Equipment	4,354,177	R2	25.00	(5.00)	(217,709)	1,774,777	2,797,109	15.47	180,809	4.15	4.15	180,698	110
	TOTAL CALIFORNIA - GENERAL	11,276,567		22.79	2.96	333,696	4,275,632	6,667,239	14.41	580,303	5.15	4.05	456,660	123,643
	UTAH - GENERAL													
389.20	Land Rights	35,298	R1	40.00	-	-	18,357	16,941	20.32	834	2.36	2.36	833	1
390.00	Structures & Improvements	82,299,796	R1	40.00	5.00	4,114,990	23,253,236	54,931,570	28.74	1,911,328	2.32	2.43	1,999,885	(88,557)
392.10	Transp. Eqpt. - Light Trucks & Vans	18,602,220	R3	12.00	10.00	1,860,222	7,672,256	9,069,742	6.80	1,333,786	7.17	6.69	1,244,489	89,297
392.30	Aircraft	3,627,673	SQ	10.00	64.00	2,321,711	69,006	1,236,956	9.50	130,206	3.59	3.60	130,596	(390)
392.50	Transp. Eqpt. - Medium Trucks	19,720,064	L2	16.00	10.00	1,972,006	6,329,113	11,418,945	10.60	1,077,259	5.46	5.64	1,112,212	(34,953)
392.90	Transp. Eqpt. - Trailers	6,759,351	S1	28.00	25.00	1,689,838	1,944,931	3,124,582	17.83	175,243	2.59	2.51	169,660	5,583
396.30	Light Power Operated Equipment	3,293,654	R4	8.00	10.00	329,365	1,846,344	1,117,945	3.28	340,837	10.35	9.55	314,544	26,293
396.70	Heavy Power Operated Equipment	44,065,692	L0.5	12.00	15.00	6,609,854	12,482,731	24,973,107	8.22	3,038,091	6.89	5.81	2,560,217	477,874
397.00	Communication Equipment	74,584,419	R1	25.00	(5.00)	(3,729,221)	21,922,580	56,391,060	18.38	3,068,066	4.11	4.75	3,542,760	(474,694)
	TOTAL UTAH - GENERAL	252,988,167		25.60	6.00	15,168,765	75,538,554	162,280,848	18.18	11,075,649	4.38	4.38	11,075,195	455
	TOTAL GENERAL PLANT	615,817,511		25.68	4.07	25,034,798	186,727,332	404,055,381	18.24	27,964,406	4.54	4.69	28,865,190	(900,784)
UTAH MINING														
399.30	Structures & Improvements	13,118,775	FCST	33.56	(0.50)	(65,594)	11,918,959	1,265,410	11.43	110,710	0.84	2.61	342,400	(231,691)
399.30	Structures & Improvements - Prep Plant	24,022,508	FCST	51.89	(7.21)	(1,732,023)	9,464,183	16,290,348	37.33	436,388	1.82	3.13	751,905	(315,517)
399.41	Surface Processing Equip - Prep Plant	8,178,843	FCST	51.47	(7.21)	(589,695)	3,153,784	5,614,754	37.33	150,409	1.84	3.22	263,359	(112,950)
399.44	Surface Electric Power Facilities	3,181,747	SQ	13.20	-	-	176,296	3,005,451	12.70	236,650	7.44	6.67	212,223	24,427
399.45	Underground Equipment	106,004,030	L2	12.00	5.00	5,300,202	70,494,819	30,209,010	6.26	4,825,720	4.55	7.57	8,024,505	(3,198,785)
399.51	Vehicles	1,051,693	S3	14.00	5.00	52,585	624,453	374,655	8.02	46,715	4.44	5.67	59,631	(12,916)
399.52	Heavy Construction Equipment	3,180,145	R5	18.00	5.00	159,007	2,114,097	907,041	9.39	96,596	3.04	4.50	143,107	(46,510)
399.60	Miscellaneous Equipment	2,114,401	L1.5	13.00	1.00	21,144	1,328,308	764,949	7.36	103,933	4.92	6.76	142,934	(39,000)
399.61	Computer Equipment	600,464	R4	8.00	-	-	574,703	25,761	2.77	9,300	1.55	7.79	46,776	(37,476)
399.70	Mine Development	34,700,270	FCST	24.17	-	-	23,823,168	10,877,102	12.23	889,379	2.56	4.39	1,523,342	(633,963)
	TOTAL UTAH MINING	196,152,876		22.25	1.60	3,145,626	123,672,770	69,334,480	12.93	6,905,799	3.52	5.87	11,510,180	(4,604,381)
	TOTAL ELECTRIC PLANT	14,049,535,106		48.45	(23.90)	(3,357,527,927)	5,757,725,973	11,649,337,060	33.05	378,627,133	2.69	2.91	409,204,552	(30,577,419)

PACIFICORP **SCHEDULE 2**

Summary of Thermal Production Mortality Characteristics
Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Account	Description	Retirement Year	Interim* Addition Factor	Interim Retirement Ratio	Interim Net Salvage	Terminal** Net Salvage
				%	%	$
	STEAM PRODUCTION PLANT					
310.2	Land Rights		0.0	0.00	0	
311.0	Structures and Improvements		1.0	0.20	(25)	
312.0	Boiler Plant Equipment		1.0	0.50	(10)	
314.0	Turbogenerator Units		1.0	0.80	(15)	
315.0	Accessory Electric Equipment		1.0	0.15	(10)	
316.0	Miscellaneous Power Plant Equipment		1.0	1.50	(5)	
	Blundell	2033				1,150,000
	Carbon	2020				8,600,000
	Cholla	2045				19,000,000
	Colstrip	2049				7,400,000
	Craig	2034				8,250,000
	Dave Johnston	2030				38,600,000
	Gadsby	2017				11,750,000
	Hayden	2030				3,900,000
	Hunter	2045				56,100,000
	Huntington	2039				44,750,000
	James River	2016				286,000
	Jim Bridger	2040				70,600,000
	Naughton	2032				35,000,000
	Wyodak	2042				13,400,000
	OTHER PRODUCTION PLANT					
341.0	Structures and Improvements		1.0	0.01	(5)	
342.0	Fuel Holders, Producers & Accessories		1.0	0.20	0	
343.0	Prime Movers		1.0	0.20	0	
344.0	Generators		1.0	0.04	0	
345.0	Accessory Electric Equipment		1.0	0.02	0	
346.0	Miscellaneous Power Plant Equipment		1.0	0.01	0	
	Currant Creek	2040				10,800,000
	Gadsby Peaking Units	2027				1,080,000
	Hermiston	2031				4,760,000
	Little Mountain	2009				126,000
	Foote Creek	2024				297,000

*** Interim Additions Equal to Interim Retirements for Five Years (2007-2011)**
**** Amounts derived from Unit Cost Factor ($/kw)**

PACIFICORP **SCHEDULE 2**

Summary of Hydraulic Production Mortality Characteristics

Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Account	Description	Retirement Year	Interim* Addition Factor	Interim Retirement Ratio	Interim Net Salvage	Terminal Net Salvage
				%	%	$
	HYDRAULIC PRODUCTION PLANT					
331.0	Structures and Improvements		1.0	0.15	(30)	
332.0	Reservoirs, Dams and Waterways		1.0	0.13	(50)	
333.0	Waterwheels, Turbines & Generators		1.0	0.20	(60)	
334.0	Accessory Electric Equipment		1.0	0.50	(30)	
335.0	Miscellaneous Power Plant Equipment		1.0	0.50	0	
336.0	Roads, Railroads and Bridges		1.0	0.15	(40)	
	American Fork	2007				3,750,000
	Ashton/St. Anthony	2027				
	Bear River	2033				
	Bend	2010				
	Big Fork	2053				
	Cline Falls	2013				
	Condit	2008				22,195,000
	Cove (Included with Bear River)	2006				18,000
	Cutler	2024				
	Eagle Point	2025				
	Fountain Green	2010				
	Granite	2030				
	Klamath River	2046				
	Last Chance	2025				
	Lifton	2033				
	Merwin	2046				
	North Umpqua	2038				
	Olmstead	2016				
	Paris	2010				
	Pioneer	2030				
	Powerdale	2010				6,251,000
	Prospect #1, 2 & 4	2037				
	Prospect #3	2018				
	Santa Clara	2020				
	Snake Creek	2020				
	Stairs	2025				
	Swift	2046				
	Upper Beaver	2030				
	Viva Naughton	2040				
	Wallowa Falls	2016				
	Weber	2020				
	Yale	2046				

*** Interim Additions Equal to Interim Retirements for Five Years (2007-2011)**

PACIFICORP - SYSTEM **SCHEDULE 2**
Summary of Mortality Characteristics
Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		EXISTING				PROPOSED			
Account Number	Description	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %
	TRANSMISSION PLANT								
350.2	Land Rights	70.0	R5	0	0	70.0	R5	0	0
352.0	Structures and Improvements	65.0	R2	0	10	75.0	S1	0	5
353.0	Station Equipment	58.0	R1.5	5	10	58.0	R1.5	0	10
353.7	Supervisory and Alarm Equipment	20.0	R1	0	5	25.0	R2	0	0
354.0	Towers and Fixtures	60.0	S6	1	31	65.0	R5	0	10
355.0	Poles and Fixtures	50.0	R3	1	31	52.0	R2.5	1	51
356.0	Overhead Conductors and Devices	60.0	R5	5	35	60.0	R4	2	47
356.2	Clearing Land and R/W	70.0	R5	0	0	65.0	S6	0	0
357.0	Underground Conduit	60.0	R2	5	95	60.0	R2	5	75
358.0	Underground Conductors and Devices	50.0	R2	5	25	60.0	R2	5	45
359.0	Roads and Trails	70.0	R5	0	0	70.0	R5	0	0

PACIFICORP - OREGON **SCHEDULE 2**
Summary of Mortality Characteristics
Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		EXISTING				PROPOSED			
Account Number	Description	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %
	DISTRIBUTION PLANT								
360.2	Land Rights	55.0	S4	0	0	50.0	R4	0	0
361.0	Structures and Improvements	60.0	R2	0	10	60.0	S0.5	0	5
362.0	Station Equipment	55.0	S0.5	0	30	52.0	R1	0	15
362.7	Supervisory and Alarm Equipment	20.0	L4	0	0	23.0	R2.5	0	0
364.0	Poles, Towers and Fixtures	40.0	R0.5	5	95	45.0	R1.5	3	128
365.0	Overhead Conductors and Devices	45.0	R0.5	10	60	50.0	R1.5	5	95
366.0	Underground Conduit	53.0	R5	1	41	60.0	R2.5	5	65
367.0	Underground Conductors and Devices	48.0	R1.5	1	16	52.0	R2.5	1	61
368.0	Line Transformers	38.0	R1	5	5	40.0	R1.5	10	35
369.1	Overhead Services	50.0	R1.5	10	10	55.0	R1.5	1	26
369.2	Underground Services	54.0	R2.5	10	10	55.0	R4	2	42
370.0	Meters	27.0	R1	2	0	26.0	R2.5	0	2
371.0	Installation on Customers' Premises	20.0	L0	2	7	25.0	S1	2	62
373.0	Street Lighting and Signal Systems	40.0	S-.5	0	15	40.0	R1	5	40
	GENERAL PLANT								
390.0	Structures and Improvements	45.0	L1	2	0	50.0	R1.5	0	10
391.1	Mainframe Computers	5.0	L2	0	0	5.0	L2	0	0
392.1	Transp. Eqpt. - Light Trucks	13.0	L1.5	10	0	12.0	R3	10	0
392.5	Transp. Eqpt. - Medium Trucks	16.0	L3	10	0	18.0	S2	10	0
392.9	Transp. Eqpt. - Trailers	39.0	R2	20	0	35.0	S1	15	0
396.3	Light Power Operated Equipment	10.0	S3	37	0	9.0	R4	15	0
396.7	Heavy Power Operated Equipment	15.0	R1.5	35	0	15.0	L1	20	0
397.0	Communication Equipment	20.0	R1	0	5	25.0	R2	0	0

PACIFICORP - WASHINGTON **SCHEDULE 2**

Summary of Mortality Characteristics

Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		EXISTING				PROPOSED			
Account Number	Description	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %
	DISTRIBUTION PLANT								
360.2	Land Rights	50.0	R4	0	0	50.0	R4	0	0
361.0	Structures and Improvements	55.0	R2	0	5	60.0	R1.5	0	5
362.0	Station Equipment	50.0	R1.5	5	30	53.0	R1.5	0	20
362.7	Supervisory and Alarm Equipment	18.0	R5	0	0	22.0	R4	0	0
364.0	Poles, Towers and Fixtures	50.0	R1.5	10	175	50.0	R1.5	5	115
365.0	Overhead Conductors and Devices	55.0	R1	20	60	60.0	R1.5	15	95
366.0	Underground Conduit	60.0	S1	5	25	40.0	R4	5	110
367.0	Underground Conductors and Devices	45.0	R2.5	0	10	45.0	R4	20	55
368.0	Line Transformers	45.0	R2	5	5	42.0	R2.5	25	50
369.1	Overhead Services	50.0	R1.5	10	20	50.0	R2.5	1	36
369.2	Underground Services	55.0	R3	10	20	55.0	R4	2	42
370.0	Meters	27.0	R1	0	0	26.0	R2.5	0	1
371.0	Installation on Customers' Premises	30.0	L0	0	15	30.0	L0	2	52
373.0	Street Lighting and Signal Systems	35.0	S0	5	20	40.0	R3	1	36
	GENERAL PLANT								
390.0	Structures and Improvements	35.0	R3	20	50	30.0	R3	0	10
392.1	Transp. Eqpt. - Light Trucks	12.0	S2	20	0	12.0	R3	10	0
392.5	Transp. Eqpt. - Medium Trucks	13.0	L3	10	0	14.0	R3	10	0
392.9	Transp. Eqpt. - Trailers	33.0	S0.5	15	0	33.0	S0.5	15	0
396.3	Light Power Operated Equipment	10.0	R4	15	0	10.0	R4	10	0
396.7	Heavy Power Operated Equipment	12.0	S0.5	20	0	13.0	L1.5	15	0
397.0	Communication Equipment	20.0	R1.5	0	1	20.0	R2	0	0

PACIFICORP - WYOMING **SCHEDULE 2**
Summary of Mortality Characteristics
Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		EXISTING				PROPOSED			
Account Number	Description	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %
	DISTRIBUTION PLANT								
360.2	Land Rights	50.0	R5	0	0	50.0	R4	0	0
361.0	Structures and Improvements	45.0	R2.5	0	10	55.0	R2	0	10
362.0	Station Equipment	45.0	S-.5	5	10	50.0	S1	0	15
362.7	Supervisory and Alarm Equipment	20.0	R4	0	0	20.0	R4	0	0
364.0	Poles, Towers and Fixtures	45.0	R1	35	140	50.0	R1	6	126
365.0	Overhead Conductors and Devices	50.0	R1	15	50	55.0	R1	15	55
366.0	Underground Conduit	50.0	R3	5	40	42.0	R3	5	75
367.0	Underground Conductors and Devices	40.0	R4	5	15	40.0	R5	5	55
368.0	Line Transformers	40.0	R1.5	5	10	38.0	R1	15	35
369.1	Overhead Services	55.0	S-.5	15	40	60.0	R2	2	22
369.2	Underground Services	50.0	R2	15	40	45.0	S5	5	45
370.0	Meters	27.0	R1	0	0	26.0	R2.5	0	5
371.0	Installation on Customers' Premises	25.0	L0	0	10	20.0	S-.5	5	65
373.0	Street Lighting and Signal Systems	45.0	S-.5	5	35	50.0	R0.5	0	45
	GENERAL PLANT								
389.2	Land Rights	40.0	R1	0	0	50.0	SQ	0	0
390.0	Structures and Improvements	40.0	R3	0	5	40.0	R3	0	15
392.1	Transp. Eqpt. - Light Trucks	15.0	L2	10	0	13.0	S1.5	10	0
392.5	Transp. Eqpt. - Medium Trucks	20.0	S2	5	0	14.0	S2	10	0
392.9	Transp. Eqpt. - Trailers	30.0	R3	0	0	30.0	R4	5	0
396.3	Light Power Operated Equipment	10.0	R4	20	0	9.0	R4	15	0
396.7	Heavy Power Operated Equipment	15.0	S0.5	40	0	15.0	S-.5	25	0
397.0	Communication Equipment	20.0	R2	0	0	20.0	L2	0	2

PACIFICORP - MONTANA **SCHEDULE 2**
Summary of Mortality Characteristics
Book Depreciation Study as of March 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		EXISTING				PROPOSED			
Account Number	Description	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %
	GENERAL PLANT								
390.0	Structures and Improvements	40.0	R1	0	0	40.0	R1	0	0
392.1	Transp. Eqpt. - Light Trucks	12.0	S2	15	0	13.0	L0	0	0
392.5	Transp. Eqpt. - Medium Trucks	-	-	-	-	16.0	R1.5	15	0
392.9	Transp. Eqpt. - Trailers	-	-	-	-	25.0	R1.5	0	0
396.7	Heavy Power Operated Equipment	13.0	S-.5	20	0	25.0	R3	5	0
397.0	Communication Equipment	20.0	S0.5	0	0	25.0	R1.5	0	5

PACIFICORP - IDAHO **SCHEDULE 2**
Summary of Mortality Characteristics
Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		EXISTING				PROPOSED			
Account Number	Description	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %
	DISTRIBUTION PLANT								
360.2	Land Rights	52.0	R5	0	0	50.0	R4	0	0
361.0	Structures and Improvements	55.0	R3	0	10	60.0	R2	0	0
362.0	Station Equipment	55.0	R0.5	5	10	45.0	S-.5	2	12
362.7	Supervisory and Alarm Equipment	15.0	R5	0	0	25.0	R3	0	0
364.0	Poles, Towers and Fixtures	42.0	R1.5	5	80	40.0	S2	5	95
365.0	Overhead Conductors and Devices	40.0	R2	5	25	42.0	R0.5	5	40
366.0	Underground Conduit	60.0	R2	5	55	60.0	R2	10	55
367.0	Underground Conductors and Devices	50.0	R2	5	20	50.0	R2	5	20
368.0	Line Transformers	40.0	R1	0	0	45.0	R0.5	25	35
369.0	Services	50.0	S5	0	20	55.0	S5	5	20
370.0	Meters	27.0	R0.5	0	0	26.0	R2.5	0	3
371.0	Installation on Customers' Premises	20.0	L1	0	10	25.0	L0	0	45
372.0	Leased Property	25.0	L0	0	0	30.0	L0	0	0
373.0	Street Lighting and Signal Systems	20.0	R0.5	0	30	25.0	R0.5	0	50
	GENERAL PLANT								
389.2	Land Rights	40.0	R1	0	0	40.0	R1	0	0
390.0	Structures and Improvements	40.0	R1	0	0	40.0	R1	0	5
392.1	Transp. Eqpt. - Light Trucks	12.0	S2	15	0	11.0	S4	10	0
392.5	Transp. Eqpt. - Medium Trucks	15.0	S1	10	0	15.0	L2	15	0
392.9	Transp. Eqpt. - Trailers	28.0	R2.5	25	0	33.0	L2	10	0
396.3	Light Power Operated Equipment	10.0	R3	0	0	7.0	R3	10	0
396.7	Heavy Power Operated Equipment	13.0	S-.5	20	0	18.0	L0.5	25	0
397.0	Communication Equipment	20.0	S0.5	5	5	25.0	S-.5	0	5

PACIFICORP - CALIFORNIA **SCHEDULE 2**
Summary of Mortality Characteristics
Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		EXISTING				PROPOSED			
Account Number	Description	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %
	DISTRIBUTION PLANT								
360.2	Land Rights	55.0	R4	0	0	55.0	R4	0	0
361.0	Structures and Improvements	50.0	R3	0	5	55.0	R4	0	5
362.0	Station Equipment	55.0	R1	0	25	55.0	R1	0	25
362.7	Supervisory and Alarm Equipment	20.0	R5	0	0	20.0	R5	0	0
364.0	Poles, Towers and Fixtures	50.0	R1.5	0	90	50.0	R1.5	1	126
365.0	Overhead Conductors and Devices	60.0	S-.5	5	60	65.0	S-.5	5	100
366.0	Underground Conduit	50.0	R2	5	35	50.0	R5	2	62
367.0	Underground Conductors and Devices	45.0	R2	2	2	45.0	S6	5	140
368.0	Line Transformers	45.0	S1.5	0	52	50.0	R5	15	60
369.1	Overhead Services	45.0	R1	5	10	55.0	R1	0	120
369.2	Underground Services	55.0	R2.5	5	10	60.0	R4	6	106
370.0	Meters	27.0	R1	0	0	26.0	R2.5	0	4
371.0	Installation on Customers' Premises	25.0	L0	0	30	25.0	L0	0	95
373.0	Street Lighting and Signal Systems	30.0	S0	0	35	35.0	R3	0	70
	GENERAL PLANT								
390.0	Structures and Improvements	45.0	R2	0	10	50.0	R3	0	20
392.1	Transp. Eqpt. - Light Trucks	11.0	S4	20	0	10.0	S3	20	0
392.5	Transp. Eqpt. - Medium Trucks	15.0	S2	10	0	15.0	L2	15	0
392.9	Transp. Eqpt. - Trailers	40.0	S3	0	0	35.0	R4	5	0
396.3	Light Power Operated Equipment	10.0	S6	30	0	8.0	R4	15	0
396.7	Heavy Power Operated Equipment	10.0	R4	25	0	15.0	R2.5	15	0
397.0	Communication Equipment	20.0	R1	5	0	25.0	R2	0	5

PACIFICORP - UTAH **SCHEDULE 2**
Summary of Mortality Characteristics
Book Depreciation Study as of December 31, 2006

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
		EXISTING				PROPOSED			
Account Number	Description	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %	ASL yrs.	Iowa Curve	Gross Salvage %	Cost of Removal %
	DISTRIBUTION PLANT								
360.2	Land Rights	52.0	R5	0	0	50.0	R4	0	0
361.0	Structures and Improvements	55.0	R3	0	10	60.0	R2	0	0
362.0	Station Equipment	55.0	R0.5	5	10	45.0	S-.5	2	12
362.7	Supervisory and Alarm Equipment	15.0	R5	0	0	25.0	R3	0	0
363.0	Storage Battery Equipment	-	-	-	-	15.0	SQ	0	0
363.7	Storage Battery Supervisory Equipment	-	-	-	-	15.0	SQ	0	0
364.0	Poles, Towers and Fixtures	42.0	R1.5	5	80	40.0	S2	5	110
365.0	Overhead Conductors and Devices	40.0	R2	5	25	42.0	R0.5	5	80
366.0	Underground Conduit	60.0	R2	5	55	60.0	R2	5	75
367.0	Underground Conductors and Devices	50.0	R2	5	20	50.0	R2	5	50
368.0	Line Transformers	40.0	R1	0	0	45.0	R0.5	50	65
369.0	Services	50.0	S5	0	20	55.0	S5	3	23
370.0	Meters	27.0	R0.5	0	0	26.0	R2.5	0	5
371.0	Installation on Customers' Premises	20.0	L1	0	10	25.0	L0	2	72
372.0	Leased Property	25.0	L0	0	0	30.0	L0	0	0
373.0	Street Lighting and Signal Systems	20.0	R0.5	0	30	25.0	R0.5	0	20
	GENERAL PLANT								
389.2	Land Rights	40.0	R1	0	0	40.0	R1	0	0
390.0	Structures and Improvements	40.0	R1	0	0	40.0	R1	20	15
392.1	Transp. Eqpt. - Light Trucks	12.0	S2	15	0	12.0	R3	10	0
392.3	Transp. Eqpt. - Aircraft	-	-	-	-	10.0	SQ	64	0
392.5	Transp. Eqpt. - Medium Trucks	15.0	S1	10	0	16.0	L2	10	0
392.9	Transp. Eqpt. - Trailers	28.0	R2.5	25	0	28.0	S1	25	0
396.3	Light Power Operated Equipment	10.0	R3	0	0	8.0	R4	10	0
396.7	Heavy Power Operated Equipment	13.0	S-.5	20	0	12.0	L0.5	15	0
397.0	Communication Equipment	20.0	S0.5	5	5	25.0	R1	0	5
	UTAH MINING OPERATIONS								
399.30	Structures and Improvements	23.8	Forecast	0	0	33.6	Forecast	0	0.50
399.30	Wash Plant Structs. & Improvements	30.0	Forecast	0	0	51.9	Forecast	0	7.21
399.41	Wash Plant Coal Handling Equipment	29.3	Forecast	0	0	51.5	Forecast	0	7.21
399.44	Surface Electric Power Facilities	-	-	-	-	13.2	SQ	0	0
399.45	Underground Equipment	11.0	L2	2	0	12.0	L2	5	0
399.51	Vehicles	15.0	S1.5	5	0	14.0	S3	5	0
399.52	Heavy Construction Equipment	20.0	R3	1	0	18.0	R5	5	0
399.60	Miscellaneous Equipment	13.0	S0.5	0	0	13.0	L1.5	1	0
399.61	Computer Equipment	10.0	R4	0	0	8.0	R4	0	0
399.70	Mine Development	18.2	Forecast	0	0	24.2	Forecast	0	0

SCHEDULE 3

PACIFICORP
ACCOUNT 312 - STEAM, BOILER PLANT EQUIPMENT
HUNTER

Interim Net Salvage	-10.00%
Terminal Net Salvage	-5.81%
Average Net Salvage	-6.66%
Average Age Survivors	20.64
Average Remaining Life	34.78
Average Service Life	55.42
Book Reserve Ratio	48.54%
Theoretical Reserve	204,371,699
COR Reserve =	5,090,126
Interim Retmt. Ratio	0.50%
Interim Addition Factor	1.0
Depreciation Rate	1.671%
COR Rate	0.163%
Life Rate =	1.508%

[1] YEAR	[2] INTERIM RETMTS $	[3] INTERIM NET SALV. $	[4] TERMINAL RETMTS. $	[5] TERMINAL NET SALV. $	[6] INTERIM ADDITIONS $	[7] ENDING BALANCE $	[8] AVERAGE BALANCE $	[9] DEPREC. AMOUNT $	[10] ENDING RESERVE $
2006						514,488,895			249,724,780
2007	2,572,444	(257,244)			2,572,444	514,488,895	514,488,895	8,597,250	255,492,341
2008	2,572,444	(257,244)			2,572,444	514,488,895	514,488,895	8,597,250	261,259,903
2009	2,572,444	(257,244)			2,572,444	514,488,895	514,488,895	8,597,250	267,027,464
2010	2,572,444	(257,244)			2,572,444	514,488,895	514,488,895	8,597,250	272,795,025
2011	2,572,444	(257,244)			2,572,444	514,488,895	514,488,895	8,597,250	278,562,587
2012	2,572,444	(257,244)			-	511,916,451	513,202,673	8,575,757	284,308,655
2013	2,559,582	(255,958)			-	509,356,868	510,636,659	8,532,878	290,025,993
2014	2,546,784	(254,678)			-	506,810,084	508,083,476	8,490,214	295,714,744
2015	2,534,050	(253,405)			-	504,276,034	505,543,059	8,447,763	301,375,052
2016	2,521,380	(252,138)			-	501,754,653	503,015,343	8,405,524	307,007,058
2017	2,508,773	(250,877)			-	499,245,880	500,500,267	8,363,496	312,610,903
2018	2,496,229	(249,623)			-	496,749,651	497,997,765	8,321,679	318,186,730
2019	2,483,748	(248,375)			-	494,265,902	495,507,777	8,280,071	323,734,678
2020	2,471,330	(247,133)			-	491,794,573	493,030,238	8,238,670	329,254,885
2021	2,458,973	(245,897)			-	489,335,600	490,565,086	8,197,477	334,747,492
2022	2,446,678	(244,668)			-	486,888,922	488,112,261	8,156,490	340,212,636
2023	2,434,445	(243,444)			-	484,454,477	485,671,700	8,115,707	345,650,454
2024	2,422,272	(242,227)			-	482,032,205	483,243,341	8,075,129	351,061,083
2025	2,410,161	(241,016)			-	479,622,044	480,827,125	8,034,753	356,444,658
2026	2,398,110	(239,811)			-	477,223,934	478,422,989	7,994,579	361,801,316
2027	2,386,120	(238,612)			-	474,837,814	476,030,874	7,954,606	367,131,191
2028	2,374,189	(237,419)			-	472,463,625	473,650,720	7,914,833	372,434,416
2029	2,362,318	(236,232)			-	470,101,307	471,282,466	7,875,259	377,711,125
2030	2,350,507	(235,051)			-	467,750,800	468,926,054	7,835,883	382,961,451
2031	2,338,754	(233,875)			-	465,412,046	466,581,423	7,796,703	388,185,525
2032	2,327,060	(232,706)			-	463,084,986	464,248,516	7,757,720	393,383,478
2033	2,315,425	(231,542)			-	460,769,561	461,927,274	7,718,931	398,555,442
2034	2,303,848	(230,385)			-	458,465,713	459,617,637	7,680,337	403,701,546
2035	2,292,329	(229,233)			-	456,173,385	457,319,549	7,641,935	408,821,919
2036	2,280,867	(228,087)			-	453,892,518	455,032,951	7,603,725	413,916,691
2037	2,269,463	(226,946)			-	451,623,055	452,757,787	7,565,707	418,985,989
2038	2,258,115	(225,812)			-	449,364,940	450,493,998	7,527,878	424,029,940
2039	2,246,825	(224,682)			-	447,118,115	448,241,528	7,490,239	429,048,671
2040	2,235,591	(223,559)			-	444,882,525	446,000,320	7,452,787	434,042,309
2041	2,224,413	(222,441)			-	442,658,112	443,770,318	7,415,524	439,010,979
2042	2,213,291	(221,329)			-	440,444,822	441,551,467	7,378,446	443,954,805
2043		-			-	440,444,822	440,444,822	7,359,954	451,314,759
2044		-			-	440,444,822	440,444,822	7,359,954	458,674,712
2045		-	440,444,822	(25,589,844)	-	-	440,444,822	7,359,954	(0)
TOTALS	86,906,296	(8,690,630)	440,444,822	(25,589,844)	12,862,222		18,665,571,581		

Docket No. UM-1329
Exhibit PPL/304
Witness: Donald S. Roff

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

PACIFICORP

Exhibit Accompanying Direct Testimony of Donald S. Roff

August 2007

STEAM PRODUCTION PLANT
Net Salvage Indicated by Engineering Studies of the Removal of Coal and Lignite Units

(1) Utility and Plant	(2) Number of Units	(3) Total Owned Capacity	(4) Average Capacity	(5) Study Date	(6) All Units Current Removal Cost	(7) 2006 (a)	(8) Net Removal Cost at Study Date
		MW	MW		$	$/kW	$
Alabama Power Company							
Barry 1 - 5	5	1,658	332	2001	111,407,504	67	98,468,000
Chickasaw 1 - 3	3	120	40	1993	4,812,382	40	3,491,000
Gasden 1 & 2	2	130	65	2001	7,162,945	55	6,331,000
Green County 1 & 2 (60% owned)	2	337	280	2001	24,014,818	71	21,225,600
Gorgas 6-9	4	565	141	2001	22,783,167	40	20,137,000
Gorgas 10	1	673	673	2001	45,760,937	68	40,446,000
Miller 1 - 4 (95.92% owned)	4	1,471	383	2001	114,237,156	78	100,969,000
Appalachian Power Company							
Amos 1 - 3	3	2,033	678	1990	99,725,872	49	67,177,834
Clinch River 1 - 3	3	705	235	1990	26,475,132	38	17,834,309
Glen Lyn 5 & 6	2	335	168	1990	16,942,096	51	11,412,618
Kanawha River 1 & 2	2	400	200	1990	16,585,384	41	11,172,328
Mountaineer 1	1	1,300	1,300	1990	54,368,645	42	36,624,075
Sporn 1 & 3	2	300	150	1990	17,365,579	58	11,697,887
Consumers Power Company							
Campbell 1 - 3	3	1,294	431	1993	39,005,935	30	28,295,700
Cobb 1 - 5	5	436	87	1993	11,218,736	26	8,138,300
Karn 1 & 2	2	515	258	1993	38,196,335	74	27,708,400
Weadock 1 - 8	8	612	77	1993	1,948,388	3	1,413,400
Whiting 1 - 3	3	310	103	1993	9,116,231	29	6,613,100
Edmonton Power Authority							
Genessee 1 & 2	2	758	379	1995	30,599,173	40	23,321,000
Florida Power Corporation							
Crystal River North 4 & 5	2	1,479	740	1992	58,193,266	39	41,184,957
Crystal River South 1 & 2	2	964	482	1992	60,125,170	62	42,552,218
Florida Power & Light Company							
Scherer 4	1	818	818	1998	23,325,569	29	19,144,381
St. Johns 1 & 2 (20% owned)	2	272	679	1998	19,660,896	72	16,136,613
Georgia Power Company							
Arkwright 1 - 4	4	160	40	1997	13,033,134	81	10,436,000
Bowen 1 - 4	4	3,160	790	1997	75,297,695	24	60,293,000
Branch 1 - 4	4	1,468	367	1997	61,882,409	42	49,551,000
Hammond 1 - 4	4	800	200	1997	36,519,251	46	29,242,000
McDonough 1 & 2	2	490	245	1997	19,889,392	41	15,926,000
Mitchell 1 - 3	3	171	57	1997	17,853,745	104	14,296,000
Scherer 1 - 3 (31% owned)	3	751	807	1997	20,540,530	27	16,447,385
Wansley 1 & 2 (53.5% owned)	2	926	865	1997	25,864,433	28	20,710,385
Yates 1 - 7	7	1,250	179	1997	68,857,309	55	55,136,000
Gulf Power Company							
Crist 1 - 7	7	1,045	149	1993	96,869,350	93	70,271,000
Daniel 1 & 2 (50% owned)	2	500	500	1993	32,552,160	65	23,614,000
Scherer 3 (25% owned)	1	205	818	1993	6,859,471	34	4,976,000
Scholz 1 & 2	2	80	40	1993	16,509,048	206	11,976,000
Smith 1 & 2	2	305	153	1993	37,506,529	123	27,208,000

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(1) Utility and Plant	(2) Number of Units	(3) Total Owned Capacity	(4) Average Capacity	(5) Study Date	(6) All Units Current Removal Cost	(7) 2006 (a)	(8) Net Removal Cost at Study Date
		MW	MW		$	$/kW	$
Indiana Michigan Power Company							
Breed 1	1	400	400	1993	19,783,737	49	14,351,526
Rockport 1	1	1,300	1,300	1993	29,904,875	23	21,693,606
Tanners Creek 1 - 4	4	995	249	1993	32,537,629	33	23,603,459
Indianapolis Power & Light Company							
Petersburg 1 - 4	4	1,713	428	1993	87,683,787	51	63,607,606
Pritchard 3 - 6	4	276	69	1993	27,225,377	99	19,749,843
Stout 5 - 7	3	630	210	1993	37,066,535	59	26,888,820
Minnesota Power & Light Company							
Boswell 1 & 2	2	138	69	1992	2,805,103	20	1,985,248
Boswell 3	1	350	350	1992	15,009,321	43	10,622,505
Boswell 4 (80% owned)	1	428	535	1992	17,515,926	41	12,396,497
Hibbard 1 & 2	2	50	25	1992	1,403,086	28	993,002
Laskin 1 & 2	2	110	55	1992	7,348,857	67	5,200,986
Mississippi Power Company							
Daniel 1 & 2 (50% owned)	2	500	500	1996	20,464,072	41	15,986,500
Green County 1 & 2 (40% owned)	2	200	250	1996	16,626,250	83	12,988,400
Watson 1 - 5	5	1,012	202	1996	51,982,953	51	40,609,000
Montana Power Company							
Colstrip 1 & 2 (50% owned)	2	333	333	1994	25,435,210	76	18,912,500
Colstrip 3 & 4 (30% owned)	2	431	719	1994	35,665,241	83	26,519,100
Corette 1	1	163	163	1994	21,541,084	132	16,017,000
Ohio Power Company							
Amos 3 (2/3 owned)	1	867	1,300	1993	39,696,058	46	28,796,329
Cardnal 1	1	600	600	1993	9,679,279	16	7,021,546
Gavin 1 - 2	2	2,600	1,300	1993	29,689,858	11	21,537,628
Kammer 1 - 3	3	630	210	1993	39,381,395	63	28,568,066
Mitchell 1 - 2	2	1,600	800	1993	27,952,736	17	20,277,484
Muskingum River 1 - 4	4	840	210	1993	19,601,090	23	14,219,030
Muskingum River 5	1	585	585	1993	13,621,095	23	9,881,020
Sporn 2, 4 & 5	3	750	250	1993	40,631,594	54	29,474,986
Otter Tail Power Company							
Big Stone	1	456	456	1996	5,616,499	12	4,387,600
PacifiCorp							
Hunter	3	1,108	369	2004	56,519,423	51	53,796,000
Dave Johnson	4	772	193	2004	49,048,301	64	46,684,879
Carbon	2	175	88	2004	29,721,257	170	28,289,120
PECO Energy Company							
Conemaugh 1 & 2 (20.72% owned)	2	352	850	1997	26,245,956	75	21,015,882
Cromby 1 & 2	2	345	173	1997	30,040,150	87	24,054,000
Edystone 1 & 2	2	581	291	1997	38,671,042	67	30,965,000
Keystone 1 & 2 (20.99% owned)	2	357	850	1997	27,149,460	76	21,739,343
Pennsylvania Power & Light Company							
Brunner Island 1 - 3	3	1,442	481	1994	226,051,603	157	168,082,000

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(1) Utility and Plant	(2) Number of Units	(3) Total Owned Capacity	(4) Average Capacity	(5) Study Date	(6) All Units Current Removal Cost	(7) 2006 (a)	(8) Net Removal Cost at Study Date
		MW	MW		$	$/kW	$
Holtwood 15 - 17	3	102	34	1994	58,655,981	575	43,614,000
Martins Creek 1 & 2	2	300	150	1994	96,653,125	322	71,867,000
Montour 1 & 2	2	1,500	750	1994	180,065,820	120	133,889,000
Sunbury 1 - 4	4	425	106	1994	183,458,974	432	136,412,000
Public Service Co. of Indiana							
Cayuga 1 & 2	2	995	498	1991	38,791,580	39	26,784,250
Edwardsport 6 - 8	3	160	53	1991	12,760,955	80	8,811,000
Gallagher 1 - 4	4	560	140	1991	24,561,145	44	16,958,625
Gibson 1 - 5	5	2,853	571	1991	96,158,337	34	66,394,020
Noblesville 1 & 2	2	90	45	1991	7,913,139	88	5,463,750
Wabash 1 - 5	5	435	87	1991	23,082,976	53	15,938,000
Wabash 6	1	318	318	1991	11,146,103	35	7,696,000
Public Service Electric & Gas Company							
Mercer 1	1	326	326	1998	7,847,733	24	6,441,000
Mercer 2	1	326	326	1998	19,414,032	59	15,934,000
Hudson 1	1	455	455	1998	23,918,467	53	19,631,000
Hudson 2	1	660	660	1998	52,390,106	79	42,999,000
Savannah Electric Company							
Kraft 1 - 4	4	323	81	2000	31,737,330	98	27,367,000
McIntosh 1	1	168	168	2000	13,947,633	83	12,027,000
Southern California Edison Co.							
Four Corners 4 & 5 (48% owned)	2	754	785	2002	77,156,521	102	69,900,000
Mohave 1 & 2 (56% owned)	2	885	790	1995	27,580,271	31	21,020,160
Southern Electric Generating Company							
Gaston 1 - 4	4	1,000	250	1993	55,877,945	56	40,535,000
Tampa Electric Company							
Big Bend 1 - 4	4	1,635	409	1998	63,007,274	39	51,713,004
Gannon 1 - 6	6	1,180	197	1998	46,753,626	40	38,372,878
TransAlta Utilities Corp.							
Keephills 1 & 2	2	754	377	1995	22,978,574	30	17,513,000
Sheerness 1 (50% owned)	1	183	366	1995	11,050,394	60	8,422,000
Sundance 1 - 6	6	1,987	331	1995	40,531,669	20	30,891,000
Wabamun 1 - 4	4	569	142	1995	23,370,888	41	17,812,000
Wisconsin Electric Power Company							
Port Washington 1 - 5	5	400	80	1990	57,746,826	144	38,899,702
Total or Average	266	71,226	268		3,850,939,036	54	2,955,798,390

NOTES:
(a) Inflation from study date at: 2.50%

Average 69.7
Standard Dev. 76.9