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Via Electronic Mail **puc.filingcenter@state.or.us**
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July 9, 2008

Public Utility Commission of Oregon
550 Capitol Street NE, Suite 215
Salem, Oregon 97310
Attn: Carol Hulse

Re: **Case No. UE-197**

Dear Ms. Hulse:

Please find enclosed the original and five (5) copies of the DIRECT TESTIMONY AND EXHIBITS OF KEVIN C. HIGGINS FILED ON BEHALF OF THE FRED MEYERS STORES AND QUALITY FOOD CENTERS, DIVISIONS OF KROGER CO. in the above referenced matter. I also enclose (under seal) one copy of the CONFIDENTIAL FM Exhibit No. 102.

Copies have been served on all parties of record. Please place this document of file.

Very truly yours,

Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Enclosure
cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served via electronic mail (when available) and regular U.S. Mail (unless otherwise noted), this 9TH day of July, 2008.

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Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.

FM Exhibit 100
Witness: Kevin C. Higgins

BEFORE THE PUBLIC UTILITY COMMISSION OF THE STATE OF OREGON

Portland General Electric	)	
General Rate Case Filing	)	**Docket No. UE-197**

Direct Testimony of Kevin C. Higgins

on behalf of

Fred Meyer Stores

July 9, 2008

DIRECT TESTIMONY OF KEVIN C. HIGGINS

Introduction

Q. Please state your name and business address.

A. Kevin C. Higgins, 215 South State Street, Suite 200, Salt Lake City, Utah, 84111.

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

A. I am a Principal in the firm of Energy Strategies, LLC. Energy Strategies is a private consulting firm specializing in economic and policy analysis applicable to energy production, transportation, and consumption.

Q. On whose behalf are you testifying in this phase of the proceeding?

A. My testimony is being sponsored by Fred Meyer Stores ("Fred Meyer"). Fred Meyer purchases more than 150 million kWh annually in the service territory of Portland General Electric ("PGE"). Fred Meyer receives most of its service from PGE under Schedules 83 and 583.

Q. Please describe your professional experience and qualifications.

A. My academic background is in economics, and I have completed all coursework and field examinations toward a Ph.D. in Economics at the University of Utah. In addition, I have served on the adjunct faculties of both the University of Utah and Westminster College, where I taught undergraduate and graduate courses in economics. I joined Energy Strategies in 1995, where I assist private and public sector clients in the areas of energy-related economic and policy analysis, including evaluation of electric and gas utility rate matters.

Prior to joining Energy Strategies, I held policy positions in state and local government. From 1983 to 1990, I was economist, then assistant director, for the Utah Energy Office, where I helped develop and implement state energy policy. From 1991 to 1994, I was chief of staff to the chairman of the Salt Lake County Commission, where I was responsible for development and implementation of a broad spectrum of public policy at the local government level.

Q. Have you ever testified before this Commission?

A. Yes. I have testified in several other proceedings in Oregon, including the most recent Portland General Electric ("PGE") general rate case UE-180 (2006) as well as the PGE restructuring proceeding, UE-115 (2001). In addition, I have testified in three PacifiCorp general rate cases, UE-179 (2006), UE-170 (2005), and UE-147 (2003), and I have filed testimony in the PacifiCorp Transition Adjustment Mechanism proceeding, UE-199 (2008).

Q. Have you participated in any workshop processes sponsored by this Commission?

A. Yes. In 2003, I was an active participant in the collaborative process initiated by the Commission to examine direct access issues in Oregon, UM-1081.

Q. Have you testified before utility regulatory commissions in other states?

A. Yes. I have testified in over eighty proceedings on the subjects of utility rates and regulatory policy before state utility regulators in Alaska, Arizona, Arkansas, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nevada, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Utah, Virginia, Washington, West

Virginia, and Wyoming. I have also filed affidavits in proceedings at the Federal Energy Regulatory Commission.

A more detailed description of my qualifications is contained in Attachment A, attached to my direct testimony.

<u>Overview and Conclusions</u>

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

A. My testimony addresses three topics: (1) the relationship between PGE's proposed rate increases for Schedules 83-S and 83-P; (2) PGE's revenue decoupling proposal; and (3) the implications of the Domestic Production Activities Deduction for PGE's revenue requirement.

Q. Please summarize your conclusions and recommendations to the Commission.

A. I offer the following conclusions and recommendations:

(1) PGE has proposed an overall increase of 7.7 percent for Schedule 83. However, the proposed rate increase for 83-S is 7.6 percent and the proposed rate increase for 83-P is 9.1 percent. The higher rate increase for 83-P occurs because PGE's rate design shifts some of the costs associated with providing distribution service for 83-S onto 83-P. This cost shift is unreasonable and should be corrected. If this correction is made, Schedules 83-S and 83-P would receive approximately the same percentage rate increase.

(2) I recommend against adoption of PGE's decoupling proposal, both as a general matter as well as on grounds specific to the Company's proposal. Under

conventional ratemaking practice, the risk associated with declining usage per customer is borne by the utility. Under revenue decoupling, utilities shed this risk. Decoupling also provides unwarranted insulation to the utility from the effects of price elasticity. If revenue decoupling is adopted, there should be some recognition of this risk reduction in allowed return on equity.

Revenue decoupling is also an example of single-issue ratemaking, and as such, suffers from serious drawbacks, as discussed in my testimony. Further, according to the Company's decoupling proposal, fixed generation costs would be recovered from customers taking both cost-based service and direct access service. Charging fixed generation costs to shopping customers through a decoupling mechanism is particularly unreasonable. If a decoupling mechanism is adopted by the Commission, then I recommend the fixed generation cost component should not be applied to direct access service.

(3) The benefit of the Domestic Production Activities deduction should be passed on to customers to reflect the reduced tax burden attributable to the deduction. Since the amount of the deduction is a function of the utility's taxable income attributable to generation, the final amount of the deduction for ratemaking purposes is a function of the final revenue requirement determined by the Commission.

If a revenue requirement increase is awarded to PGE that is less than $85.4 million, then the Domestic Production Activity Deduction would not be applicable in this case. Alternatively, if PGE is awarded the full revenue requirement increase of $166 million it now requests, then this amount should be reduced by $397,000 to account for the tax benefit of the Domestic Production Activity Deduction.

For a revenue requirement increase that is between $85.4 million and $166 million, the revenue requirement adjustment associated with the Domestic Production Activity Deduction should be set between zero and $397,000 on a pro-rata basis.

<u>PGE's Proposed Rate Increases for Schedules 83-S and 83-P</u>

Q. By way of background, please describe the type of service provided by Schedule 83-S and 83-P.

A. Schedule 83 applies to Standard Service provided to Large Non-Residential Customers – customers whose billing demands are greater than 30 kW, but have not exceeded 1,000 kW more than once in the past thirteen months. Schedule 83-S is used for customers taking service at secondary voltage, whereas Schedule 83-P is used for customers taking service at primary voltage. In addition, Schedule 83 has a counterpart Direct Access rate schedule, Schedule 583. The Distribution Charges for Schedules 83-S and 583-S are identical, and the Distribution Charges for Schedules 83-P and 583-P are identical.

Q. What rate increases has PGE proposed for Schedules 83-S and 83-P?

A. PGE has proposed an overall increase of 7.7 percent for Schedule 83. However, the proposed rate increase for 83-S is 7.6 percent and the proposed rate increase for 83-P is 9.1 percent.

Q. Is the higher proposed rate increase for Schedule 83-P reasonable?

A. No. The higher rate increase for 83-P occurs because PGE's rate design shifts some of the costs associated with providing distribution service for 83-S to 83-P. If this unreasonable cost shift is corrected, Schedules 83-S and 83-P would receive approximately the same percentage rate increase.

Q. Please explain.

A. PGE is proposing identical Distribution Demand Charges for Schedules 83-S and 83-P of $2.13 per kW. However, my analysis of the Company's cost-of-service study indicates that the allocated <u>cost</u> to Schedule 83-P for distribution demand is just $1.72 per kW, whereas the allocated cost is $2.15 per kW for Schedule 83-S. [See FM Exhibit 101, page 4.] Thus, in proposing identical Distribution Demand Charges for Schedules 83-S and 83-P, PGE is placing some of the costs to serve 83-S customers onto 83-P customers. (Because there are many more 83-S customers than 83-P customers, a small reduction in the 83-S rate causes a much larger increase in the 83-P rate when costs are shifted in this manner.) Because of this unreasonable cost shift, Schedule 83-P customers receive a greater rate increase than is warranted under the Company's proposal in this proceeding.

Q. Are the Distribution Demand Charges identical for Schedules 83-S and 83-P under current rates?

A. No, the Distribution Demand Charges currently are not uniform between Schedule 83-S and 83-P, and it is not necessary to force these charges to be uniform in this proceeding – particularly as doing so would result in a non-uniform rate impact between Schedules 83-S and 83-P.

Q. What is your recommendation to the Commission on this issue?

A. PGE's proposal that the Distribution Demand Charge be equalized between Schedules 83-S and 83-P should be rejected. Instead, the Distribution Demand Charge for Schedule 83-P should be set equal to cost, $1.72 per kW (at the proposed class revenue requirement), and the Distribution Demand Charge for Schedule 83-S also should be set equal to cost, $2.15 per kW (at the proposed class revenue requirement).

Additionally, because the Distribution Demand Charges for Schedule 83-S and 583-S are identical, my recommendation applies equally to Schedule 583-S. For the same reason, my recommended changes for Schedule 83-P also apply to Schedule 583-P.

Q. What is the rate increase impact of making this rate design change you are recommending?

A. If my recommended change is made, and the Company's proposed revenue requirement for Schedule 83 as a whole is unchanged, the rate increase for Schedule 83-S would be 7.68 percent and the rate increase for Schedule 83-P would be 7.74 percent, i.e., the increases would be approximately equal. These calculations are shown in FM Exhibit 101, pages 1 and 2.

<u>Revenue Decoupling</u>

Q. What is PGE proposing with respect to revenue decoupling?

A. As explained in the direct testimony of PGE witness James J. Piro, PGE is proposing the adoption of a revenue decoupling mechanism called the Sales

Normalization Adjustment ("SNA"). The SNA would be implemented through a new rate schedule, Schedule 123. It would be applicable to residential customers, small non-residential customers, and large non-residential customers with loads less than 1 MWa.

Q. What is revenue decoupling?

A. Revenue decoupling provides utilities with single-issue rate increases to offset reductions in fixed-cost recovery attributable to reductions in energy consumption per customer. Utilities that advocate revenue decoupling generally argue that such a mechanism removes utilities' disincentives to encourage energy conservation.

Q. How would PGE's proposed decoupling mechanism work?

A. For residential and small non-residential customers, the proposed mechanism is typical of decoupling proposals. Baseline per-customer usage would be established for the affected customer classes based on the most recent general rate case. Deviations in per-customer fixed cost recovery would be measured each month based on actual consumption, normalized for weather. Then once a year, a new Schedule 123 adjustment rate would be established to recover from (or credit to) affected customers the revenue associated with these deviations on a forward-going basis.

For affected large non-residential customers, PGE proposes a different approach, because a fixed-cost-per-customer mechanism makes no sense for a class of customers that vary significantly in size. For these customers, PGE proposes a Lost Revenue Recovery mechanism that would provide for rate increases to offset the effect of energy savings from PGE's incremental energy efficiency program proposed in Advice No 07-25. This PGE proposal appears to be a standard "lost margins" proposal, in that that it would increase rates to recover reductions in fixed-cost-recovery margins associated with specific energy conservation programs. PGE also offers an alternative approach that would be based on examining the difference between class load growth projected in the Company's current IRP and actual load growth.

PGE proposes to cap the annual rate impact of Schedule 123 at 2 percent.

Q. What is PGE's justification for its revenue decoupling proposal?

A. The Company's justification is explained by Mr. Piro on pages 18-19 of his direct testimony. As stated by Mr. Piro, the proposed decoupling mechanism:

> ... removes the financial disincentives we experience when we support efforts to encourage customers to pursue energy efficiency. The disincentives are manifest through reduced energy usage that lowers PGE's revenues, particularly revenues to cover the fixed costs of PGE's operations. Decoupling mechanisms are necessary because the traditional regulatory model and pricing structures cause earnings to fall when customers conserve energy. [p. 18, lines 4-9.]

Q. What is your assessment of PGE's decoupling proposal?

A. I recommend against adoption of PGE's decoupling proposal both as a general matter as well as on grounds specific to the Company's proposal.

Q. Please explain your general opposition to adoption of revenue decoupling mechanisms.

A. At the most fundamental level, decoupling is as much a "revenue assurance" mechanism as it is a "conservation enabling" mechanism. Under conventional ratemaking practice, the risk associated with declining usage per customer is borne by the utility in between rate cases. Under revenue decoupling, utilities shed this risk; if decoupling is adopted, there should be some recognition of this risk reduction in allowed return on equity. Yet utilities typically resist accepting a reduced return-on-equity to reflect this risk reduction. In this proceeding, PGE has not proposed recognizing the diminished risk from decoupling through a reduction in its return on equity.

Decoupling also provides unwarranted insulation to the utility from the effects of price elasticity. Generally, all sellers of goods face a risk that price increases will reduce sales. But, with decoupling, if PGE customers respond to the Company's rate hikes by reducing their electric consumption, Schedule 123 will be increased to compensate PGE for any resultant reduction in per-customer usage. The transfer of this risk is a clear benefit to the utility for which no compensation is being offered to customers.

Q. If consumption per customer declines due to energy conservation, is PGE precluded from reflecting that phenomenon in rates if revenue decoupling or "lost revenues" adjustments are not adopted?

A. No. Declining usage per customer would properly be reflected in rates as part of a general rate proceeding. In contrast, revenue decoupling is an example of single-issue ratemaking. Single-issue ratemaking suffers from serious drawbacks.

Q. What is single-issue ratemaking?

A. Single-issue ratemaking occurs when utility rates are adjusted in response to a change in a single cost or revenue item considered in isolation. Single-issue ratemaking ignores the multitude of other factors that otherwise influence rates, some of which could, if properly considered, move rates in the opposite direction from the single-issue change.

When regulatory commissions determine the appropriateness of a rate or charge that a utility seeks to impose on its customers, the standard practice is to review and consider all relevant factors, rather than just a single factor. To consider some costs in isolation might cause a commission to allow a utility to increase rates to recover higher costs in one area without recognizing counterbalancing savings in another area. For this reason, single-issue ratemaking, absent a compelling public interest, is generally not sound regulatory practice. In my opinion, PGE's proposal for a revenue decoupling does not present such a compelling public interest.

Q. But doesn't the claim that decoupling removes the utility's disincentive to promote energy conservation constitute a compelling public interest?

A. No. It is important to distinguish between energy conservation – which is in the public interest – from the practice of insulating the utility from any effects of energy conservation, which is <u>not</u> a compelling public interest objective, in my opinion.

First of all, the very fact that utilities can claim in the first instance that they have disincentives to promote energy conservation is due, in part, to past regulatory efforts to reduce utility risk. That is, in the current era of relatively high marginal costs of energy (relative to embedded costs), utilities <u>would</u> have an economic incentive to promote energy conservation <u>if</u> the utilities were fully exposed to the fuel cost risk associated with high today's marginal energy costs.

However, because many utilities (including PGE) are protected in whole or part from fuel cost exposure through power cost adjustment mechanisms, the incentive utilities would otherwise have to promote energy conservation is reduced or even neutralized, as an unintended consequence of having adopted the power cost adjustment mechanisms. Therefore, in many respects, utility insistence on the need for decoupling is a second generation argument for <u>further</u> utility risk reduction that takes as given the prior regulatory actions to reduce utility risk through power cost adjustment mechanisms. This gives rise to the following policy question: viewed in the context of the entire package of utility risk reduction measures that have been adopted over the years, including power cost adjustment mechanisms, is it in the public interest to adopt <u>additional</u> single-issue ratemaking treatment that would extend utility risk reduction to the potential effects of energy conservation? In my opinion, the answer is no. It is reasonable for regulators to draw a line on the degree of risk mitigation that will be provided to utilities through single-issue ratemaking.

Further, the utility case for special ratemaking treatment is especially weak in Oregon, as Oregon has made the effort of creating a non-utility administrator of energy conservation programs in the Energy Trust. One of the benefits of a non-utility administrator is that conservation program management is not placed in hands of the party which claims to have a disincentive to realize program success. Adopting revenue decoupling now to ameliorate utility disincentives for conservation ignores this advantage of having established an independent program administrator in the first instance.

Q. Aside from these general objections to revenue decoupling, what additional problems are present in PGE's specific proposal?

A. The proposed Schedule 123 would recover, among other things, fixed costs associated with PGE's generation facilities. According to the Company's decoupling proposal, these fixed generation costs would be recovered from customers taking both cost-based service and direct access service. Charging fixed generation costs to shopping customers through a decoupling mechanism is particularly unreasonable. If, notwithstanding my overall recommendation to reject the Company's proposal, a decoupling mechanism is adopted, then the fixed generation cost component should not be applied to direct access service.

Domestic Production Activities Deduction

Q. What is the Domestic Production Activities Deduction?

A. The Domestic Production Activities deduction was introduced as part of the American Jobs Creation Act of 2004 and became effective for taxable years beginning in 2005. For electric utilities, the deduction reduces the amount of the utility's net income associated with electric power generation that is subject to Federal Income Tax. In 2006, this deduction was 3 percent of taxable net income. In 2007, the deduction increased to 6 percent. In 2010, the deduction will increase to its permanent level of 9 percent. At this permanent level, the deduction will effectively reduce the marginal Federal Income Tax rate on generation-related activities to 31.85 percent.

Q. Does the Domestic Production Activities Deduction apply to distribution and transmission service?

A. No. For that reason, taxable income must be separately calculated for generation-related activities.

Q. How should the Domestic Production Activities Deduction be treated for ratemaking purposes?

A. The benefit should be passed on to customers to reflect the reduced tax burden attributable to the deduction. Since the amount of the deduction is a function of the utility's taxable income attributable to generation, the final amount of the deduction for ratemaking purposes is a function of the final revenue requirement determined by the Commission. In this sense, it is similar to the income tax gross-up factor – except it is smaller, applies only to generation, and works in the opposite direction.

Q. Did PGE reflect the tax reduction associated with the Domestic Production Activities Deduction in its determination of revenue requirement?

A. No. In PGE's Responses to Fred Meyer Data Requests 1.2 and 1.3, the Company indicates that it did not include the Domestic Production Activities Deduction because PGE forecasts that production-related taxable income will be zero or otherwise insufficient to provide a Domestic Production Activities Deduction in 2009.

Q. Do you agree with this treatment?

A. Not under all earnings scenarios. I agree that there are revenue levels at which PGE's production-related taxable income is likely to be zero or otherwise insufficient to provide a Domestic Production Activities Deduction in 2009. However, if PGE receives a significant portion of the revenue increase it is seeking in this case, then at some point, generation-related income is likely to become positive for tax purposes and would qualify for the Domestic Production Activity Deduction.

Q. At what revenue increase would generation-related income likely qualify for the Domestic Production Activity Deduction?

A. I estimate that the Domestic Production Activity Deduction would become applicable at a revenue increase of $85.4 million or greater. This calculation is presented in FM Confidential Exhibit No. 102.

Q. Have you estimated the amount of PGE's Domestic Production Activities Deduction if the Company receives the full revenue requirement increase it is seeking in this proceeding?

A. Yes. I estimate the amount of the deduction would be $1,135,000. To make this estimation I imputed 49.72 percent of PSE's electric net taxable income to generation, consistent with generation's share of PGE's rate base in the Company's original filing. This calculation is also shown in FM Confidential Exhibit No. 102.

Q. Have you estimated the revenue requirement impact of the Domestic Production Activities Deduction if the Company receives the full revenue requirement increase it is seeking in this proceeding?

A. Yes. I estimate that the revenue requirement impact would be a reduction of $397,000. This calculation is also shown in FM Confidential Exhibit No. 102.

Q. What is your recommendation to the Commission on this matter?

A. If a revenue requirement increase is awarded to PGE that is less than $85.4 million, then the Domestic Production Activity Deduction would not be applicable in this case. Alternatively, if PGE is awarded the full revenue requirement increase of $166 million it now requests (before consideration of the Domestic Production Activity Deduction), then this amount should be reduced by $397,000 to account for the tax benefit of the Domestic Production Activity Deduction.

For a revenue requirement increase that is between $85.4 million and $166 million (before consideration of the Domestic Production Activity Deduction), the revenue requirement adjustment associated with the Domestic Production Activity Deduction should be set between zero and $397,000 on a pro-rata basis.

Q. Does this conclude your direct testimony?

A. Yes, it does.

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

Portland General Electric	)	
General Rate Case Filing	)	**Docket No. UE-197**

AFFIDAVIT OF KEVIN C. HIGGINS

STATE OF UTAH	)
	)
COUNTY OF SALT LAKE	)

Kevin C. Higgins, being first duly sworn, deposes and states that:

1. He is a Principal with Energy Strategies, L.L.C., in Salt Lake City, Utah;

2. He is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Kevin C. Higgins;"

3. Said testimony was prepared by him and under his direction and supervision;

4. If inquiries were made as to the facts and schedules in said testimony he would respond as therein set forth; and

5. The aforesaid testimony and schedules are true and correct to the best of his knowledge, information and belief.

Kevin C. Higgins

Subscribed and sworn to or affirmed before me this 8th day of July, 2008, by Kevin C. Higgins.

Notary Public

My Commission Expires: April 10, 2011

Notary Public
KIMBERLIE A. IGNJATOVIC
215 South State Street, Suite 200
Salt Lake City, Utah 84111
My Commission Expires
April 10, 2011
State of Utah

KEVIN C. HIGGINS
Principal, Energy Strategies, L.L.C.
215 South State St., Suite 200, Salt Lake City, UT 84111

Vitae

PROFESSIONAL EXPERIENCE

Principal, Energy Strategies, L.L.C., Salt Lake City, Utah, January 2000 to present. Responsible for energy-related economic and policy analysis, regulatory intervention, and strategic negotiation on behalf of industrial, commercial, and public sector interests. Previously Senior Associate, February 1995 to December 1999.

Adjunct Instructor in Economics, Westminster College, Salt Lake City, Utah, September 1981 to May 1982; September 1987 to May 1995. Taught in the economics and M.B.A. programs. Awarded Adjunct Professor of the Year, Gore School of Business, 1990-91.

Chief of Staff to the Chairman, Salt Lake County Board of Commissioners, Salt Lake City, Utah, January 1991 to January 1995. Senior executive responsibility for all matters of county government, including formulation and execution of public policy, delivery of approximately 140 government services, budget adoption and fiscal management (over $300 million), strategic planning, coordination with elected officials, and communication with consultants and media.

Assistant Director, Utah Energy Office, Utah Department of Natural Resources, Salt Lake City, Utah, August 1985 to January 1991. Directed the agency's resource development section, which provided energy policy analysis to the Governor, implemented state energy development policy, coordinated state energy data collection and dissemination, and managed energy technology demonstration programs. Position responsibilities included policy formulation and implementation, design and administration of energy technology demonstration programs, strategic management of the agency's interventions before the Utah Public Service Commission, budget preparation, and staff development. Supervised a staff of economists, engineers, and policy analysts, and served as lead economist on selected projects.

Utility Economist, Utah Energy Office, January 1985 to August 1985. Provided policy and economic analysis pertaining to energy conservation and resource development, with an emphasis on utility issues. Testified before the state Public Service Commission as an expert witness in cases related to the above.

Acting Assistant Director, Utah Energy Office, June 1984 to January 1985. Same responsibilities as Assistant Director identified above.

Research Economist, Utah Energy Office, October 1983 to June 1984. Provided economic analysis pertaining to renewable energy resource development and utility issues. Experience includes preparation of testimony, development of strategy, and appearance as an expert witness for the Energy Office before the Utah PSC.

Operations Research Assistant, Corporate Modeling and Operations Research Department, Utah Power and Light Company, Salt Lake City, Utah, May 1983 to September 1983. Primary area of responsibility: designing and conducting energy load forecasts.

Instructor in Economics, University of Utah, Salt Lake City, Utah, January 1982 to April 1983. Taught intermediate microeconomics, principles of macroeconomics, and economics as a social science.

Teacher, Vernon-Verona-Sherrill School District, Verona, New York, September 1976 to June 1978.

EDUCATION

Ph.D. Candidate, Economics, University of Utah (coursework and field exams completed, 1981).

> Fields of Specialization: Public Finance, Urban and Regional Economics, Economic Development, International Economics, History of Economic Doctrines.

Bachelor of Science, Education, State University of New York at Plattsburgh, 1976 (cum laude).

Danish International Studies Program, University of Copenhagen, 1975.

SCHOLARSHIPS AND FELLOWSHIPS

University Research Fellow, University of Utah, Salt Lake City, Utah 1982 to 1983.
Research Fellow, Institute of Human Resources Management, University of Utah, 1980 to 1982.
Teaching Fellow, Economics Department, University of Utah, 1978 to 1980.
New York State Regents Scholar, 1972 to 1976.

EXPERT TESTIMONY

In the Matter of PacifiCorp, dba Pacific Power, 2009 Transition Adjustment Mechanism, Schedule 200, Cost-Based Supply Service," Public Utility Commission of **Oregon,** Docket No. UE-199. Reply testimony submitted June 23, 2008.

"2008 Puget Sound Energy General Rate Case," **Washington** Utilities and Transportation Commission, Docket Nos. UE-072300 and UG-072301. Response testimony submitted May 30, 2008. Cross-Answer testimony submitted July 3, 2008. Joint testimony in support of partial stipulation submitted July 3, 2008.

"Verified Petition of Duke Energy Indiana, Inc. Requesting the Indiana Utility Regulatory Commission to Approve an Alternative Regulatory Plan Pursuant to the Ind. Code 8-1-2.5, Et Seq., for the Offering of Energy Efficiency Conservation, Demand Response, and Demand-Side Management Programs and Associated Rate Treatment Including Incentives Pursuant to a Revised Standard Contract Rider No. 66 in Accordance with Ind. Code 8-1-2.5-1Et Seq. and 8-1-2-42(a); Authority to Defer Program Costs Associated with Its Energy Efficiency Portfolio of Programs; Authority to Implement New and Enhanced Energy Efficiency Programs in Its Energy Efficiency Portfolio of Programs; and Approval of a Modification of the Fuel Adjustment Clause Earnings and Expense Tests," **Indiana** Utility Regulatory Commission, Cause No. 43374. Direct testimony submitted May 21, 2008.

"Cinergy Corp., Duke Energy Ohio, Inc., Cinergy Power Investments, Inc., Generating Facilities LLCs," **Federal Energy Regulatory Commission**, Docket No. EC-08-78-000. Affidavit filed May 14, 2008.

"Application of Entergy Gulf States, Inc. for Authority to Change Rates and to Reconcile Fuel Costs, Public Utility Commission of **Texas**, Docket No. 34800 [SOAH Docket No. 473-08-0334]. Direct testimony submitted April 11, 2008. Testimony withdrawn pursuant to stipulation.

"Central Illinois Light Company d/b/a AmerenCILCO Proposed General Increase in Electric Delivery Service Rates, Central Illinois Public Service Company d/b/a AmerenCIPS Proposed General Increase in Electric Delivery Service Rates, Illinois Power Company d/b/a/ AmerenIP Proposed General Increase in Electric Delivery Service Rates, Central Illinois Light Company d/b/a AmerenCILCO, Proposed General Increase in Gas Delivery Service Rates, Central Illinois Public Service Company d/b/a AmerenCIPS Proposed General Increase in Gas Delivery Service Rates, Illinois Power Company d/b/a/ AmerenIP Proposed General Increase in Gas Delivery Service Rates, **Illinois** Commerce Commission, Docket Nos. 07-0585, 07-0586, 07-0587, 07-0588, 07-0589, 07-0590. Direct testimony submitted March 14, 2008. Rebuttal testimony submitted April 8, 2008.

"In the Matter of the Application of Public Service Company of Colorado for Authority to Implement an Enhanced Demand Side Management Cost Adjustment Mechanism to Include Current Recovery and Incentives," **Colorado** Public Utilities Commission, Docket No. 07A-420E. Answer testimony submitted March 10, 2008. Cross examined April 25, 2008.

"An Investigation of the Energy and Regulatory Issues in Section 50 of Kentucky's 2007 Energy Act," **Kentucky** Public Service Commission, Administrative Case No. 2007-00477. Direct testimony submitted February 29, 2008. Supplemental direct testimony submitted April 1, 2008. Cross examined April 30, 2008.

In the Matter of the Application of Tucson Electric Power Company for the Establishment of Just and Reasonable Rates and Charges Designed to Realize a Reasonable Rate of Return on the Fair Value of Its Operations throughout the State of Arizona, **Arizona** Corporation Commission, Docket No. E-01933A-07-0402. Direct testimony submitted February 29, 2008 (revenue requirement), March 14, 2008 (rate design), and June 12, 2008 (settlement agreement).

"Commonwealth Edison Company Proposed General Increase in Electric Rates," **Illinois** Commerce Commission, Docket No. 07-0566. Direct testimony submitted February 11, 2008. Rebuttal testimony submitted April 8, 2008.

"In the Matter of the Application of Questar Gas Company to File a General Rate Case," **Utah** Public Service Commission, Docket No. 07-057-13. Direct testimony submitted January 28, 2008 (test period), March 31, 2008 (rate of return), and April 21, 2008 (revenue requirement). Surrebuttal testimony submitted May 12, 2008 (rate of return). Cross examined February 8, 2008 (test period) and May 21, 2008 (rate of return).

"In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Consisting of a General Rate Increase of Approximately $161.2 Million Per Year, and for Approval of a New Large Load Surcharge," **Utah** Public Service Commission, Docket No. 07-035-93. Direct testimony submitted January 25, 2008 (test period) and April 7, 2008 (revenue requirement). Surrebuttal testimony submitted May 23, 2008 (revenue requirement). Cross examined February 7, 2008 (test period).

"In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Increase Rates for Distribution Service, Modify Certain Accounting Practices and for Tariff Approvals," Public Utilities Commission of **Ohio**, Case Nos. 07-551-EL-AIR, 07-552-EL-ATA, 07-553-EL-AAM, and 07-554-EL-UNC. Direct testimony submitted January 10, 2008.

"In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Wyoming, Consisting of a General Rate Increase of Approximately $36.1 Million per Year, and for Approval of a New Renewable Resource Mechanism and Marginal Cost Pricing Tariff," **Wyoming** Public Service Commission, Docket No. 20000-277-ER-07. Direct testimony submitted January 7, 2008. Cross examined March 6, 2008.

"In the Matter of the Application of Idaho Power Company for Authority to Increase Its Rates and Charges for Electric Service to Electric Customers in the State of Idaho," **Idaho** Public Utilities Commission, Case No. IPC-E-07-8. Direct testimony submitted December 10, 2007. Cross examined January 23, 2008.

"In The Matter of the Application of Consumers Energy Company for Authority to Increase Its Rates for the Generation and Distribution Of Electricity and Other Relief," **Michigan** Public Service Commission, Case No. U-15245. Direct testimony submitted November 6, 2007. Rebuttal testimony submitted November 20, 2007.

"In the Matter of Montana-Dakota Utilities Co., Application for Authority to Establish Increased Rates for Electric Service," **Montana** Public Service Commission, Docket No. D2007.7.79. Direct testimony submitted October 24, 2007.

"In the Matter of the Application of Public Service Company of New Mexico for Revision of its Retail Electric Rates Pursuant to Advice Notice No. 334," **New Mexico** Public Regulation Commission, Case No. 07-0077-UT. Direct testimony submitted October 22, 2007. Rebuttal testimony submitted November 19, 2007. Cross examined December 12, 2007.

"In The Matter of Georgia Power Company's 2007 Rate Case," **Georgia** Public Service Commission, Docket No. 25060-U. Direct testimony submitted October 22, 2007. Cross examined November 7, 2007.

"In the Matter of the Application of Rocky Mountain Power for an Accounting Order to Defer the Costs Related to the MidAmerican Energy Holdings Company Transaction," **Utah** Public Service Commission, Docket No. 07-035-04; "In the Matter of the Application of Rocky Mountain Power, a Division of PacifiCorp, for a Deferred Accounting Order To Defer the Costs of Loans Made to Grid West, the Regional Transmission Organization," Docket No. 06-035-163; "In the Matter of the Application of Rocky Mountain Power for an Accounting Order for Costs related to the Flooding of the Powerdale Hydro Facility," Docket No. 07-035-14. Direct testimony submitted September 10, 2007. Surrebuttal testimony submitted October 22, 2007. Cross examined October 30, 2007.

"In the Matter of General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc.," **Kentucky** Public Service Commission, Case No. 2006-00472. Direct testimony submitted July 6, 2007. Supplemental direct testimony submitted March 14, 2008.

"In the Matter of the Application of Sempra Energy Solutions for a Certificate of Convenience and Necessity for Competitive Retail Electric Service," **Arizona** Corporation Commission, Docket No. E-03964A-06-0168. Direct testimony submitted July 3, 2007. Rebuttal testimony submitted January 17, 2008.

"Application of Public Service Company of Oklahoma for a Determination that Additional Electric Generating Capacity Will Be Used and Useful," **Oklahoma** Corporation Commission, Cause No. PUD 200500516; "Application of Public Service Company of Oklahoma for a Determination that Additional Baseload Electric Generating Capacity Will Be Used and Useful," Cause No. PUD 200600030; "In the Matter of the Application of Oklahoma Gas and Electric Company for an Order Granting Pre-Approval to Construct Red Rock Generating Facility and Authorizing a Recovery Rider," Cause No. PUD200700012. Responsive testimony submitted May 21, 2007. Cross examined July 26, 2007.

"Application of Nevada Power Company for Authority to Increase Its Annual Revenue Requirement for General Rates Charged to All Classes of Electric Customers and for Relief Properly Related Thereto," Public Utilities Commission of **Nevada**, Docket No. 06-11022. Direct testimony submitted March 14, 2007 (Phase III – revenue requirements) and March 19, 2007 (Phase IV – rate design). Cross examined April 10, 2007 (Phase III – revenue requirements) and April 16, 2007 (Phase IV – rate design).

"In the Matter of the Application of Entergy Arkansas, Inc. for Approval of Changes in Rates for Retail Electric Service," **Arkansas** Public Service Commission, Docket No. 06-101-U. Direct testimony submitted February 5, 2007. Surrebuttal testimony submitted March 26, 2007.

"Monongahela Power Company and The Potomac Edison Company, both d/b/a Allegheny Power – Rule 42T Application to Increase Electric Rates and Charges," Public Service Commission of **West Virginia**, Case No. 06-0960-E-42T; "Monongahela Power Company and The Potomac Edison Company, both d/b/a Allegheny Power – Information Required for Change of Depreciation Rates Pursuant to Rule 20," Case No. 06-1426-E-D. Direct and rebuttal testimony submitted January 22, 2007.

"In the Matter of the Tariffs of Aquila, Inc., d/b/a Aquila Networks-MPS and Aquila Networks-L&P Increasing Electric Rates for the Services Provided to Customers in the Aquila Networks-MPS and Aquila Networks-L&P Missouri Service Areas," **Missouri** Public Service Commission, Case No. ER-2007-0004. Direct testimony submitted January 18, 2007 (revenue requirements) and January 25, 2007 (revenue apportionment). Supplemental direct testimony submitted February 27, 2007.

"In the Matter of the Filing by Tucson Electric Power Company to Amend Decision No. 62103, **Arizona** Corporation Commission, Docket No. E-01933A-05-0650. Direct testimony submitted January 8, 2007. Surrebuttal testimony filed February 8, 2007. Cross examined March 8, 2007.

"In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area," **Missouri** Public Service Commission, Case No. ER-2007-0002. Direct testimony submitted December 15, 2006 (revenue requirements) and December 29, 2006 (fuel adjustment clause/cost-of-service/rate design). Rebuttal testimony submitted February 5, 2007 (cost-of-service). Surrebuttal testimony submitted February 27, 2007. Cross examined March 21, 2007.

"In the Matter of Application of The Union Light, Heat and Power Company d/b/a Duke Energy Kentucky, Inc. for an Adjustment of Electric Rates," **Kentucky** Public Service Commission, Case No. 2006-00172. Direct testimony submitted September 13, 2006.

"In the Matter of Appalachian Power Company's Application for Increase in Electric Rates," **Virginia** State Corporation Commission, Case No. PUE-2006-00065. Direct testimony submitted September 1, 2006. Cross examined December 7, 2006.

"In the Matter of the Application of Arizona Public Service Company for a Hearing to Determine the Fair Value of the Utility Property for Ratemaking Purposes, to Fix a Just and Reasonable Rate of Return Thereon, To Approve Rate Schedules Designed to Develop Such Return, and to Amend Decision No. 67744, **Arizona** Corporation Commission," Docket No. E-01345A-05-0816. Direct testimony submitted August 18, 2006 (revenue requirements) and September 1, 2006 (cost-of-service/rate design). Surrebuttal testimony submitted September 27, 2006. Cross examined November 7, 2006.

"Re: The Tariff Sheets Filed by Public Service Company of Colorado with Advice Letter No 1454 – Electric," **Colorado** Public Utilities Commission, Docket No. 06S-234EG. Answer testimony submitted August 18, 2006.

"Portland General Electric General Rate Case Filing," Public Utility Commission of **Oregon,** Docket No. UE-180. Direct testimony submitted August 9, 2006. Joint testimony regarding stipulation submitted August 22, 2006.

"2006 Puget Sound Energy General Rate Case," **Washington** Utilities and Transportation Commission, Docket Nos. UE-060266 and UG-060267. Response testimony submitted July 19, 2006. Joint testimony regarding stipulation submitted August 23, 2006.

"In the Matter of PacifiCorp, dba Pacific Power & Light Company, Request for a General Rate Increase in the Company's Oregon Annual Revenues," Public Utility Commission of **Oregon**, Docket No. UE-179. Direct testimony submitted July 12, 2006. Joint testimony regarding stipulation submitted August 21, 2006.

"Petition of Metropolitan Edison Company for Approval of a Rate Transition Plan," **Pennsylvania** Public Utilities Commission, Docket Nos. P-00062213 and R-00061366; "Petition of Pennsylvania Electric Company for Approval of a Rate Transition Plan," Docket Nos. P-0062214 and R-00061367; Merger Savings Remand Proceeding, Docket Nos. A-110300F0095 and A-110400F0040. Direct testimony submitted July 10, 2006. Rebuttal testimony submitted August 8, 2006. Surrebuttal testimony submitted August 18, 2006. Cross examined August 30, 2006.

"In the Matter of the Application of PacifiCorp for approval of its Proposed Electric Rate Schedules & Electric Service Regulations," **Utah** Public Service Commission, Docket No. 06-035-21. Direct testimony submitted June 9, 2006 (Test Period). Surrebuttal testimony submitted July 14, 2006.

"Joint Application of Questar Gas Company, the Division of Public Utilities, and Utah Clean Energy for the Approval of the Conservation Enabling Tariff Adjustment Option and Accounting Orders," **Utah** Public Service Commission, Docket No. 05-057-T01. Direct testimony submitted May 15, 2006. Rebuttal testimony submitted August 8, 2007. Cross examined September 19, 2007.

"Central Illinois Light Company d/b/a AmerenCILCO, Central Illinois Public Service Company d/b/a AmerenCIPS, Illinois Power Company d/b/a AmerenIP, Proposed General Increase in Rates for Delivery Service (Tariffs Filed December 27, 2005)," **Illinois** Commerce Commission, Docket Nos. 06-0070, 06-0071, 06-0072. Direct testimony submitted March 26, 2006. Rebuttal testimony submitted June 27, 2006.

"In the Matter of Appalachian Power Company and Wheeling Power Company, both dba American Electric Power," Public Service Commission of **West Virginia**, Case No. 05-1278-E-PC-PW-42T. Direct and rebuttal testimony submitted March 8, 2006.

"In the Matter of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota," **Minnesota** Public Utilities Commission, Docket No. G-002/GR-05-1428. Direct testimony submitted March 2, 2006. Rebuttal testimony submitted March 30, 2006. Cross examined April 25, 2006.

"In the Matter of the Application of Arizona Public Service Company for an Emergency Interim Rate Increase and for an Interim Amendment to Decision No. 67744," **Arizona** Corporation Commission, Docket No. E-01345A-06-0009. Direct testimony submitted February 28, 2006. Cross examined March 23, 2006.

"In the Matter of the Applications of Westar Energy, Inc. and Kansas Gas and Electric Company for Approval to Make Certain Changes in Their Charges for Electric Service," State Corporation Commission of **Kansas**, Case No. 05-WSEE-981-RTS. Direct testimony submitted September 9, 2005. Cross examined October 28, 2005.

"In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Recover Costs Associated with the Construction and Ultimate Operation of an Integrated Combined Cycle Electric Generating Facility," Public Utilities Commission of **Ohio**," Case No. 05-376-EL-UNC. Direct testimony submitted July 15, 2005. Cross examined August 12, 2005.

"In the Matter of the Filing of General Rate Case Information by Tucson Electric Power Company Pursuant to Decision No. 62103," **Arizona** Corporation Commission, Docket No. E-01933A-04-0408. Direct testimony submitted June 24, 2005.

"In the Matter of Application of The Detroit Edison Company to Unbundle and Realign Its Rate Schedules for Jurisdictional Retail Sales of Electricity," **Michigan** Public Service Commission, Case No. U-14399. Direct testimony submitted June 9, 2005. Rebuttal testimony submitted July 1, 2005.

"In the Matter of the Application of Consumers Energy Company for Authority to Increase Its Rates for the Generation and Distribution of Electricity and Other Relief," **Michigan** Public Service Commission, Case No. U-14347. Direct testimony submitted June 3, 2005. Rebuttal testimony submitted June 17, 2005.

"In the Matter of Pacific Power & Light, Request for a General Rate Increase in the Company's Oregon Annual Revenues," Public Utility Commission of **Oregon**, Docket No. UE 170. Direct testimony submitted May 9, 2005. Surrebuttal testimony submitted June 27, 2005. Joint testimony regarding partial stipulations submitted June 2005, July 2005, and August 2005.

"In the Matter of the Application of Trico Electric Cooperative, Inc. for a Rate Increase," **Arizona** Corporation Commission, Docket No. E-01461A-04-0607. Direct testimony submitted April 13, 2005. Surrebuttal testimony submitted May 16, 2005. Cross examined May 26, 2005.

"In the Matter of the Application of PacifiCorp for Approval of its Proposed Electric Service Schedules and Electric Service Regulations," **Utah** Public Service Commission, Docket No. 04-035-42. Direct testimony submitted January 7, 2005.

"In the Matter of the Application by Golden Valley Electric Association, Inc., for Authority to Implement Simplified Rate Filing Procedures and Adjust Rates," Regulatory Commission of **Alaska**, Docket No. U-4-33. Direct testimony submitted November 5, 2004. Cross examined February 8, 2005.

"Advice Letter No. 1411 - Public Service Company of Colorado Electric Phase II General Rate Case," **Colorado** Public Utilities Commission, Docket No. 04S-164E. Direct testimony submitted October 12, 2004. Cross-answer testimony submitted December 13, 2004. Testimony withdrawn January 18, 2005, following Applicant's withdrawal of testimony pertaining to TOU rates.

"In the Matter of Georgia Power Company's 2004 Rate Case," **Georgia** Public Service Commission, Docket No. 18300-U. Direct testimony submitted October 8, 2004. Cross examined October 27, 2004.

"2004 Puget Sound Energy General Rate Case," **Washington** Utilities and Transportation Commission, Docket Nos. UE-040641 and UG-040640. Response testimony submitted September 23, 2004. Cross-answer testimony submitted November 3, 2004. Joint testimony regarding stipulation submitted December 6, 2004.

"In the Matter of the Application of PacifiCorp for an Investigation of Interjurisdictional Issues," **Utah** Public Service Commission, Docket No. 02-035-04. Direct testimony submitted July 15, 2004. Cross examined July 19, 2004.

"In the Matter of an Adjustment of the Gas and Electric Rates, Terms and Conditions of Kentucky Utilities Company," **Kentucky** Public Service Commission, Case No. 2003-00434. Direct testimony submitted March 23, 2004. Testimony withdrawn pursuant to stipulation entered May 2004.

"In the Matter of an Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company," **Kentucky** Public Service Commission, Case No. 2003-00433. Direct testimony submitted March 23, 2004. Testimony withdrawn pursuant to stipulation entered May 2004.

"In the Matter of the Application of Idaho Power Company for Authority to Increase Its Interim and Base Rates and Charges for Electric Service," **Idaho** Public Utilities Commission, Case No. IPC-E-03-13. Direct testimony submitted February 20, 2004. Rebuttal testimony submitted March 19, 2004. Cross examined April 1, 2004.

"In the Matter of the Applications of the Ohio Edison Company, the Cleveland Electric Illuminating Company and the Toledo Edison Company for Authority to Continue and Modify Certain Regulatory Accounting Practices and Procedures, for Tariff Approvals and to Establish

Rates and Other Charges, Including Regulatory Transition Charges Following the Market Development Period," Public Utilities Commission of **Ohio**, Case No. 03-2144-EL-ATA. Direct testimony submitted February 6, 2004. Cross examined February 18, 2004.

"In the Matter of the Application of Arizona Public Service Company for a Hearing to Determine the Fair Value of the Utility Property of the Company for Ratemaking Purposes, To Fix a Just and Reasonable Rate of Return Thereon, To Approve Rate Schedules Designed to Develop Such Return, and For Approval of Purchased Power Contract," **Arizona** Corporation Commission, Docket No. E-01345A-03-0437. Direct testimony submitted February 3, 2004. Rebuttal testimony submitted March 30, 2004. Direct testimony regarding stipulation submitted September 27, 2004. Responsive / Clarifying testimony regarding stipulation submitted October 25, 2004. Cross examined November 8-10, 2004 and November 29-December 3, 2004.

"In the Matter of Application of the Detroit Edison Company to Increase Rates, Amend Its Rate Schedules Governing the Distribution and Supply of Electric Energy, etc.," **Michigan** Public Service Commission, Case No. U-13808. Direct testimony submitted December 12, 2003 (interim request) and March 5, 2004 (general rate case).

"In the Matter of PacifiCorp's Filing of Revised Tariff Schedules," Public Utility Commission of **Oregon**, Docket No. UE-147. Joint testimony regarding stipulation submitted August 21, 2003.

"Petition of PSI Energy, Inc. for Authority to Increase Its Rates and Charges for Electric Service, etc.," **Indiana** Utility Regulatory Commission, Cause No. 42359. Direct testimony submitted August 19, 2003. Cross examined November 5, 2003.

"In the Matter of the Application of Consumers Energy Company for a Financing Order Approving the Securitization of Certain of its Qualified Cost," **Michigan** Public Service Commission, Case No. U-13715. Direct testimony submitted April 8, 2003. Cross examined April 23, 2003.

"In the Matter of the Application of Arizona Public Service Company for Approval of Adjustment Mechanisms," **Arizona** Corporation Commission, Docket No. E-01345A-02-0403. Direct testimony submitted February 13, 2003. Surrebuttal testimony submitted March 20, 2003. Cross examined April 8, 2003.

"Re: The Investigation and Suspension of Tariff Sheets Filed by Public Service Company of Colorado, Advice Letter No. 1373 – Electric, Advice Letter No. 593 – Gas, Advice Letter No. 80 – Steam," **Colorado** Public Utilities Commission, Docket No. 02S-315 EG. Direct testimony submitted November 22, 2002. Cross-answer testimony submitted January 24, 2003.

"In the Matter of the Application of The Detroit Edison Company to Implement the Commission's Stranded Cost Recovery Procedure and for Approval of Net Stranded Cost

Recovery Charges," **Michigan** Public Service Commission, Case No. U-13350. Direct testimony submitted November 12, 2002.

"Application of South Carolina Electric & Gas Company: Adjustments in the Company's Electric Rate Schedules and Tariffs," Public Service Commission of **South Carolina**, Docket No. 2002-223-E. Direct testimony submitted November 8, 2002. Surrebuttal testimony submitted November 18, 2002. Cross examined November 21, 2002.

"In the Matter of the Application of Questar Gas Company for a General Increase in Rates and Charges," **Utah** Public Service Commission, Docket No. 02-057-02. Direct testimony submitted August 30, 2002. Rebuttal testimony submitted October 4, 2002.

"The Kroger Co. v. Dynegy Power Marketing, Inc.," **Federal Energy Regulatory Commission**, EL02-119-000. Confidential affidavit filed August 13, 2002.

"In the matter of the application of Consumers Energy Company for determination of net stranded costs and for approval of net stranded cost recovery charges," **Michigan** Public Service Commission, Case No. U-13380. Direct testimony submitted August 9, 2002. Rebuttal testimony submitted August 30, 2002. Cross examined September 10, 2002.

"In the Matter of the Application of Public Service Company of Colorado for an Order to Revise Its Incentive Cost Adjustment," **Colorado** Public Utilities Commission, Docket 02A-158E. Direct testimony submitted April 18, 2002.

"In the Matter of the Generic Proceedings Concerning Electric Restructuring Issues," **Arizona** Corporation Commission, Docket No. E-00000A-02-0051, "In the Matter of Arizona Public Service Company's Request for Variance of Certain Requirements of A.A.C. R14-2-1606," Docket No. E-01345A-01-0822, "In the Matter of the Generic Proceeding Concerning the Arizona Independent Scheduling Administrator," Docket No. E-00000A-01-0630, "In the Matter of Tucson Electric Power Company's Application for a Variance of Certain Electric Competition Rules Compliance Dates," Docket No. E-01933A-02-0069, "In the Matter of the Application of Tucson Electric Power Company for Approval of its Stranded Cost Recovery," Docket No. E-01933A-98-0471. Direct testimony submitted March 29, 2002 (APS variance request); May 29, 2002 (APS Track A proceeding/market power issues); and July 28, 2003 (Arizona ISA). Rebuttal testimony submitted August 29, 2003 (Arizona ISA). Cross examined June 21, 2002 (APS Track A proceeding/market power issues) and September 12, 2003 (Arizona ISA).

"In the Matter of Savannah Electric & Power Company's 2001 Rate Case," **Georgia** Public Service Commission, Docket No. 14618-U. Direct testimony submitted March 15, 2002. Cross examined March 28, 2002.

"Nevada Power Company's 2001 Deferred Energy Case," Public Utilities Commission of **Nevada**, PUCN 01-11029. Direct testimony submitted February 7, 2002. Cross examined February 21, 2002.

"2001 Puget Sound Energy Interim Rate Case," **Washington** Utilities and Transportation Commission, Docket Nos. UE-011570 and UE-011571. Direct testimony submitted January 30, 2002. Cross examined February 20, 2002.

"In the Matter of Georgia Power Company's 2001 Rate Case," **Georgia** Public Service Commission, Docket No. 14000-U. Direct testimony submitted October 12, 2001. Cross examined October 24, 2001.

"In the Matter of the Application of PacifiCorp for Approval of Its Proposed Electric Rate Schedules and Electric Service Regulations," **Utah** Public Service Commission, Docket No. 01-35-01. Direct testimony submitted June 15, 2001. Rebuttal testimony submitted August 31, 2001.

"In the Matter of Portland General Electric Company's Proposal to Restructure and Reprice Its Services in Accordance with the Provisions of SB 1149," Public Utility Commission of **Oregon**, Docket No. UE-115. Direct testimony submitted February 20, 2001. Rebuttal testimony submitted May 4, 2001. Joint testimony regarding stipulation submitted July 27, 2001.

"In the Matter of the Application of APS Energy Services, Inc. for Declaratory Order or Waiver of the Electric Competition Rules," **Arizona** Corporation Commission, Docket No.E-01933A-00-0486. Direct testimony submitted July 24, 2000.

"In the Matter of the Application of Questar Gas Company for an Increase in Rates and Charges," **Utah** Public Service Commission, Docket No. 99-057-20. Direct testimony submitted April 19, 2000. Rebuttal testimony submitted May 24, 2000. Surrebuttal testimony submitted May 31, 2000. Cross examined June 6 & 8, 2000.

"In the Matter of the Application of Columbus Southern Power Company for Approval of Electric Transition Plan and Application for Receipt of Transition Revenues," Public Utility Commission of **Ohio**, Case No. 99-1729-EL-ETP; "In the Matter of the Application of Ohio Power Company for Approval of Electric Transition Plan and Application for Receipt of Transition Revenues," Public Utility Commission of **Ohio**, Case No. 99-1730-EL-ETP. Direct testimony prepared, but not submitted pursuant to settlement agreement effected May 2, 2000.

"In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company for Approval of Their Transition Plans and for Authorization to Collect Transition Revenues," Public Utility

Commission of **Ohio**, Case No. 99-1212-EL-ETP. Direct testimony prepared, but not submitted pursuant to settlement agreement effected April 11, 2000.

"2000 Pricing Process," **Salt River Project** Board of Directors, oral comments provided March 6, 2000 and April 10, 2000.

"Tucson Electric Power Company vs. Cyprus Sierrita Corporation," **Arizona** Corporation Commission, Docket No. E-000001-99-0243. Direct testimony submitted October 25, 1999. Cross examined November 4, 1999.

"Application of Hildale City and Intermountain Municipal Gas Association for an Order Granting Access for Transportation of Interstate Natural Gas over the Pipelines of Questar Gas Company for Hildale, Utah," **Utah** Public Service Commission, Docket No. 98-057-01. Rebuttal testimony submitted August 30, 1999.

"In the Matter of the Application by Arizona Electric Power Cooperative, Inc. for Approval of Its Filing as to Regulatory Assets and Transition Revenues," **Arizona** Corporation Commission, Docket No. E-01773A-98-0470. Direct testimony submitted July 30, 1999. Cross examined February 28, 2000.

"In the Matter of the Application of Tucson Electric Power Company for Approval of its Plan for Stranded Cost Recovery," **Arizona** Corporation Commission, Docket No. E-01933A-98-0471; "In the Matter of the Filing of Tucson Electric Power Company of Unbundled Tariffs Pursuant to A.A.C. R14-2-1601 et seq.," Docket No. E-01933A-97-0772; "In the Matter of the Competition in the Provision of Electric Service Throughout the State of Arizona," Docket No. RE-00000C-94-0165. Direct testimony submitted June 30, 1999. Rebuttal testimony submitted August 6, 1999. Cross examined August 11-13, 1999.

"In the Matter of the Application of Arizona Public Service Company for Approval of its Plan for Stranded Cost Recovery," **Arizona** Corporation Commission, Docket No. E-01345A-98-0473; "In the Matter of the Filing of Arizona Public Service Company of Unbundled Tariffs Pursuant to A.A.C. R14-2-1601 et seq.," Docket No. E-01345A-97-0773; "In the Matter of the Competition in the Provision of Electric Service Throughout the State of Arizona," Docket No. RE-00000C-94-0165. Direct testimony submitted June 4, 1999. Rebuttal testimony submitted July 12, 1999. Cross examined July 14, 1999.

"In the Matter of the Application of Tucson Electric Power Company for Approval of its Plan for Stranded Cost Recovery," **Arizona** Corporation Commission, Docket No. E-01933A-98-0471; "In the Matter of the Filing of Tucson Electric Power Company of Unbundled Tariffs Pursuant to A.A.C. R14-2-1601 et seq.," Docket No. E-01933A-97-0772; "In the Matter of the Application of Arizona Public Service Company for Approval of its Plan for Stranded Cost Recovery," Docket No. E-01345A-98-0473; "In the Matter of the Filing of Arizona Public Service Company of Unbundled Tariffs Pursuant to A.A.C. R14-2-1601 et seq.," Docket No. E-01345A-97-0773; "In the Matter of the Competition in the Provision of Electric Service Throughout the State of Arizona," Docket No. RE-00000C-94-0165. Direct testimony submitted November 30, 1998.

"Hearings on Pricing," **Salt River Project** Board of Directors, written and oral comments provided November 9, 1998.

"Hearings on Customer Choice," **Salt River Project** Board of Directors, written and oral comments provided June 22, 1998; June 29, 1998; July 9, 1998; August 7, 1998; and August 14, 1998.

"In the Matter of the Competition in the Provision of Electric Service Throughout the State of Arizona," **Arizona** Corporation Commission, Docket No. U-0000-94-165. Direct and rebuttal testimony filed January 21, 1998. Second rebuttal testimony filed February 4, 1998. Cross examined February 25, 1998.

"In the Matter of Consolidated Edison Company of New York, Inc.'s Plans for (1) Electric Rate/Restructuring Pursuant to Opinion No. 96-12; and (2) the Formation of a Holding Company Pursuant to PSL, Sections 70, 108, and 110, and Certain Related Transactions," **New York** Public Service Commission, Case 96-E-0897. Direct testimony filed April 9, 1997. Cross examined May 5, 1997.

"In the Matter of the Petition of Sunnyside Cogeneration Associates for Enforcement of Contract Provisions," **Utah** Public Service Commission, Docket No. 96-2018-01; "In the Matter of the Application of Rocky Mountain Power for an Order Approving an Amendment to Its Power Purchase Agreement with Sunnyside Cogeneration Associates," Docket Nos. 05-035-46, and 07-035-99. Direct testimony submitted July 8, 1996. Oral testimony provided March 18, 2008.

"In the Matter of the Application of PacifiCorp, dba Pacific Power & Light Company, for Approval of Revised Tariff Schedules and an Alternative Form of Regulation Plan," **Wyoming** Public Service Commission, Docket No. 2000-ER-95-99. Direct testimony submitted April 8, 1996.

"In the Matter of the Application of Mountain Fuel Supply Company for an Increase in Rates and Charges," **Utah** Public Service Commission, Case No. 95-057-02. Direct testimony submitted June 19, 1995. Rebuttal testimony submitted July 25, 1995. Surrebuttal testimony submitted August 7, 1995.

"In the Matter of the Investigation of the Reasonableness of the Rates and Tariffs of Mountain Fuel Supply Company," **Utah** Public Service Commission, Case No. 89-057-15. Direct testimony submitted July 1990. Surrebuttal testimony submitted August 1990.

"In the Matter of the Review of the Rates of Utah Power and Light Company pursuant to The Order in Case No. 87-035-27," **Utah** Public Service Commission, Case No. 89-035-10. Rebuttal testimony submitted November 15, 1989. Cross examined December 1, 1989 (rate schedule changes for state facilities).

"In the Matter of the Application of Utah Power & Light Company and PC/UP&L Merging Corp. (to be renamed PacifiCorp) for an Order Authorizing the Merger of Utah Power & Light Company and PacifiCorp into PC/UP&L Merging Corp. and Authorizing the Issuance of Securities, Adoption of Tariffs, and Transfer of Certificates of Public Convenience and Necessity and Authorities in Connection Therewith," **Utah** Public Service Commission, Case No. 87-035-27; Direct testimony submitted April 11, 1988. Cross examined May 12, 1988 (economic impact of UP&L merger with PacifiCorp).

"In the Matter of the Application of Mountain Fuel Supply Company for Approval of Interruptible Industrial Transportation Rates," **Utah** Public Service Commission, Case No. 86-057-07. Direct testimony submitted January 15, 1988. Cross examined March 30, 1988.

"In the Matter of the Application of Utah Power and Light Company for an Order Approving a Power Purchase Agreement," **Utah** Public Service Commission, Case No. 87-035-18. Oral testimony delivered July 8, 1987.

"Cogeneration: Small Power Production," **Federal Energy Regulatory Commission**, Docket No. RM87-12-000. Statement on behalf of State of Utah delivered March 27, 1987, in San Francisco.

"In the Matter of the Investigation of Rates for Backup, Maintenance, Supplementary, and Standby Power for Utah Power and Light Company," **Utah** Public Service Commission, Case No. 86-035-13. Direct testimony submitted January 5, 1987. Case settled by stipulation approved August 1987.

"In the Matter of the Application of Sunnyside Cogeneration Associates for Approval of the Cogeneration Power Purchase Agreement," **Utah** Public Service Commission, Case No. 86-2018-01. Rebuttal testimony submitted July 16, 1986. Cross examined July 17, 1986.

"In the Matter of the Investigation of Demand-Side Alternatives to Capacity Expansion for Electric Utilities," **Utah** Public Service Commission, Case No. 84-999-20. Direct testimony submitted June 17, 1985. Rebuttal testimony submitted July 29, 1985. Cross examined August 19, 1985.

"In the Matter of the Implementation of Rules Governing Cogeneration and Small Power Production in Utah," **Utah** Public Service Commission, Case No. 80-999-06, pp. 1293-1318.

Direct testimony submitted January 13, 1984 (avoided costs), May 9, 1986 (security for levelized contracts) and November 17, 1986 (avoided costs). Cross-examined February 29, 1984 (avoided costs), April 11, 1985 (standard form contracts), May 22-23, 1986 (security for levelized contracts) and December 16-17, 1986 (avoided costs).

OTHER RELATED ACTIVITY

Participant, Oregon Direct Access Task Force (UM 1081), May 2003 to November 2003.

Participant, Michigan Stranded Cost Collaborative, March 2003 to March 2004.

Member, Arizona Electric Competition Advisory Group, December 2002 to present.

Board of Directors, ex-officio, Desert STAR RTO, September 1999 to February 2002.

Member, Advisory Committee, Desert STAR RTO, September 1999 to February 2002. Acting Chairman, October 2000 to February 2002.

Board of Directors, Arizona Independent Scheduling Administrator Association, October 1998 to present.

Acting Chairman, Operating Committee, Arizona Independent Scheduling Administrator Association, October 1998 to June 1999.

Member, Desert Star ISO Investigation Working Groups: Operations, Pricing, and Governance, April 1997 to December 1999. Legal & Negotiating Committee, April 1999 to December 1999.

Participant, Independent System Operator and Spot Market Working Group, Arizona Corporation Commission, April 1997 to September 1997.

Participant, Unbundled Services and Standard Offer Working Group, Arizona Corporation Commission, April 1997 to October 1997.

Participant, Customer Selection Working Group, Arizona Corporation Commission, March 1997 to September 1997.

Member, Stranded Cost Working Group, Arizona Corporation Commission, March 1997 to September 1997.

Member, Electric System Reliability & Safety Working Group, Arizona Corporation Commission, November 1996 to September 1998.

Chairman, Salt Palace Renovation and Expansion Committee, Salt Lake County/State of Utah/Salt Lake City, multi-government entity responsible for implementation of planning, design, finance, and construction of an $85 million renovation of the Salt Palace Convention Center, Salt Lake City, Utah, May 1991 to December 1994.

State of Utah Representative, Committee on Regional Electric Power Cooperation, a joint effort of the Western Interstate Energy Board and the Western Conference of Public Service Commissioners, January 1987 to December 1990.

Member, Utah Governor's Economic Coordinating Committee, January 1987 to December 1990.

Chairman, Standard Contract Task Force, established by Utah Public Service Commission to address contractual problems relating to qualifying facility sales under PURPA, March 1986 to December 1990.

Chairman, Load Management and Energy Conservation Task Force, Utah Public Service Commission, August 1985 to December 1990.

Alternate Delegate for Utah, Western Interstate Energy Board, Denver, Colorado, August 1985 to December 1990.

Articles Editor, Economic Forum, September 1980 to August 1981.

Fred Meyer Schedule 83 Recommended Rate Design

Schedule 83 Secondary Voltage Present and PGE Proposed Schedule 83 Revenues

Schedule	Billing Determinants	Units	Current Price	Current Revenues	Proposed Price	Proposed Revenues
Schedule 83 Secondary Delivery Voltage 31-1,000 kW						
Large Non-Residential Standard Service						
Monthly Basic Charge						
Single Phase	9,615	bills	$20.00 /bill	$192,300	$20.00 /bill	$192,300
Three Phase	141,540	bills	$25.00 /bill	$3,538,500	$25.00 /bill	$3,538,500
Transmission & Related Service Charge	14,844,609	kW	$0.66 /kW	$9,797,442	$0.75 /kW	$11,133,457
Distribution Facilities Charge						
Block 1 (first 30 kW)	4,534,752	faccap	$2.12 /kW	$9,613,674	$1.54 /kW	$6,983,518
Block 2 (over 30 kW)	13,140,741	faccap	$2.12 /kW	$27,858,371	$2.34 /kW	$30,749,334
Distribution Demand Charge						
Block 1 (first 30 kW)	4,359,338	kW	$1.41 /kW	$6,146,667	$2.15 /kW	$9,372,577
Block 2 (over 30 kW)	10,485,271	kW	$2.70 /kW	$28,310,232	$2.15 /kW	$22,543,333
System Usage Charge	5,442,588	MWh	4.31 mills/kWh	$23,457,555	4.19 mills/kWh	$22,804,445
Reactive Power Charge	1,605,239	kVar	$0.50 /kVar	$802,620	$0.50 /kVar	$802,620
Energy Charge	5,442,588	MWh	56.65 mills/kWh	$308,322,621	63.13 mills/kWh	$343,590,592
Schedule 120	5,442,588	MWh	0.52 mills/kWh	$2,830,146	0.00 mills/kWh	$0
Schedule 125	5,442,588	MWh	(0.25) mills/kWh	($1,360,647)	0.00 mills/kWh	$0
Totals	5,442,588	MWh		$419,509,480		$451,710,675
Total (¢/kWh)				7.71		8.30
Total ¢/kWh Change						0.59
				Total $ Change		$32,201,195
				Total $ Percent Change		7.68%

Fred Meyer Schedule 83 Recommended Rate Design

Schedule 83 Primary Voltage Present and PGE Proposed Schedule 83 Revenues

Schedule	Billing Determinants	Units	Current Price		Current Revenues	Proposed Price		Proposed Revenues
Schedule 83 Primary Delivery Voltage 31-1,000 kW								
Large Non-Residential Standard Service								
Monthly Basic Charge								
Single Phase	0	bills	$90.00	/bill	$0	$80.00	/bill	$0
Three Phase	1,712	bills	$90.00	/bill	$154,080	$80.00	/bill	$136,960
Transmission & Related Service Charge	650,438	kW	$0.66	/kW	$429,289	$0.75	/kW	$487,829
Distribution Facilities Charge	779,958	faccap	$1.81	/kW	$1,411,724	$1.81	/kW	$1,411,724
Distribution Demand Charge								
Block 1 (first 30 kW)	51,261	kW	$2.27	/kW	$116,362	$1.72	/kW	$88,169
Block 2 (over 30 kW)	599,177	kW	$2.27	/kW	$1,360,132	$1.72	/kW	$1,030,584
System Usage Charge	275,761	MWh	3.64	mills/kWh	$1,003,770	4.03	mills/kWh	$1,111,317
Reactive Power Charge	125,053	kVar	$0.50	/kVar	$62,527	$0.50	/kVar	$62,527
Energy Charge	275,761	MWh	54.54	mills/kWh	$15,040,005	61.06	mills/kWh	$16,837,967
Schedule 120	275,761	MWh	0.50	mills/kWh	$137,881	0.00	mills/kWh	$0
Schedule 125	275,761	MWh	(0.25)	mills/kWh	($68,940)	0.00	mills/kWh	$0
Totals	275,761	MWh			$19,646,829			$21,167,076
Total (¢/kWh)					7.12			7.68
Total ¢/kWh Change								0.55
					Total $ Change			$1,520,247
					Total $ Percent Change			7.74%

Fred Meyer Schedule 83 Recommended Rate Design

Schedule 83 Secondary and Primary Rate Design

Schedule	Inputs ($000)	Billing Determinants Amount	Billing Determinants Units	Rate	Rate Unit	Annual Revenue ($000)
Schedule 83 Delivery Voltage 31-1,000 kW						
Large Non-Residential Standard Service						
Theoretic - Secondary						
Functional Costs						
Basic Charge						
Single Phase Secondary	$325	801	Customers	$33.81	per customer, per mo.	$325
Three Phase Secondary	$5,233	11,808	Customers	$36.93	per customer, per mo.	$5,233
Transmission & Related Service Charge	$10,543	14,844,609	kW demand	$0.71	per kW demand	$10,540
Distribution Charges						
13 kV System	$24,343	17,768,506	kW faccap	$1.37	per kW faccap	$24,343
Connect Charge	$13,866	17,768,506	kW faccap	$0.78	per kW faccap	$13,859
Subtransmission Charge	$12,537	14,924,883	kW demand	$0.84	per kW demand	$12,537
Substation Charge	$18,805	14,924,883	kW demand	$1.26	per kW demand	$18,805
Secondary Franchise Fees & Other	$22,311	5,481,948	MWh	4.07	mills/kWh	$22,312
Secondary COS Energy Charge	$343,603	5,442,588	MWh	63.13	mills/kWh	$343,591
Subtotal	$451,566					$451,544
Theoretic - Primary						
Functional Costs						
Basic Charge						
Primary	$195	143	Customers	$114.04	per customer, per mo.	$195
Transmission & Related Service Charge	$469	650,438	kW demand	$0.72	per kW demand	$468
Distribution Charges						
13 kV System	$1,069	779,958	kW faccap	$1.37	per kW faccap	$1,069
Connect Charge	$128	779,958	kW faccap	$0.16	per kW faccap	$125
Subtransmission Charge	$546	650,438	kW demand	$0.84	per kW demand	$546
Substation Charge	$820	650,438	kW demand	$1.26	per kW demand	$820
Primary Franchise Fees & Other	$1,080	275,761	MWh	3.91	mills/kWh	$1,078
Primary COS Energy Charge	$16,839	275,761	MWh	61.06	mills/kWh	$16,838
Subtotal	$21,145					$21,139

Fred Meyer Schedule 83 Recommended Rate Design

Schedule 83 Secondary and Primary Rate Design

Schedule	Inputs ($000)	Billing Determinants Amount	Billing Determinants Units	Rate	Rate Unit	Annual Revenue ($000)		Revenues: Revenue	Costs	Over/ (Under)
Proposed										
Functional Costs										
Basic Charge										
Secondary Single Phase		801	Customers	$20.00	per customer, per mo.	$192	59.15%	$192	$325	($133)
Secondary Three Phase		11,808	Customers	$25.00	per customer, per mo.	$3,542	67.69%	$3,542	$5,233	($1,691)
Primary		143	Customers	$80.00	per customer, per mo.	$137	70.15%	$137	$195	($58)
Transmission & Related Service Charge										
First 30 kW		4,410,599	kW demand	$0.75	per kW demand	$3,308				
Over 30 kW		11,084,448	kW demand	$0.75	per kW demand	$8,313		$11,621	$11,012	$609
Distribution Charges										
Secondary Facilities Charge										
First 30 kW		4,539,432	kW faccap	$1.54	<= 30 kW kW faccap	$6,991				
Over 30 kW		13,229,074	kW faccap	$2.34	> 30 kW kW faccap	$30,956		$37,947	$38,209	($262)
Primary Facilities Charge										
First 30 kW		51,360	kW faccap	$1.81	<= 30 kW kW faccap	$93				
Over 30 kW		728,598	kW faccap	$1.81	> 30 kW kW faccap	$1,319		$1,412	$1,197	$215
Secondary Demand Charge										
First 30 kW		4,363,870	kW demand	$2.15	per kW demand	$9,382				
Over 30 kW		10,561,013	kW demand	$2.15	per kW demand	$22,706				
Primary Demand Charge										
First 30 kW		51,261	kW demand	$1.72	per kW demand	$88				
Over 30 kW		599,177	kW demand	$1.72	per kW demand	$1,031				
Secondary Usage Charge Calc										
Franchise Fees & Other		5,481,948	MWh	4.07	mills/kWh	$22,312		$22,312	$22,311	$1
Customer Impact Offset		5,481,948	MWh	0.12	mills/kWh	$658				
System Usage Charge		5,481,948	MWh	4.19	mills/kWh	$22,969				
Primary Usage Charge Calc										
Franchise Fees & Other		275,761	MWh	3.91	mills/kWh	$1,078		$1,078	$1,080	($2)
Customer Impact Offset		275,761	MWh	0.12	mills/kWh	$33				
System Usage Charge		275,761	MWh	4.03	mills/kWh	$1,111				
Secondary COS Energy Charge		5,442,588	MWh	63.13	mills/kWh	$343,591		$343,591	$343,603	($12)
Primary COS Energy Charge		275,761	MWh	61.06	mills/kWh	$16,838		$16,838	$16,839	($1)
Reactive Demand Charge		1,739,215	kVar	$0.50	per kVar	$870				
Subtotal						$473,437				
					w/o CIO	$472,746				
					Over/(Under) Recovery vs Costs	$35				

Source: UE-179/PGE 1200 Workpapers 28.

Calc of Demand Charge:	Sec.	Pri.
Costs ($000s)	$31,342	$1,366
Basic Charge & Facilities Over/(Under) by Design ($000s)	($2,085)	$157
Over/(Under) by Rounding ($000s)	($12)	($3)
Net ($000s)	$33,440	$1,212
KW Demand	14,924,883	650,438
Charge Before Adjs. ($/kW)	$2.24	$1.86
Trans. & Related Services Over/(Under) by Design ($/kW)	($0.04)	($0.04)
Reactive Revenue ($/kW)	($0.05)	($0.10)
Charge ($/kW)	$2.15	$1.72

Fred Meyer Schedule 83 Recommended Rate Design

Schedule 83 Theoretical Functional Costs
2009

Schedule	Inputs ($000)	Source
Schedule 83 Delivery Voltage 31-1,000 kW		
Large Non-Residential Standard Service		
Theoretic		
Functional Costs		
Basic Charge		
Meters	$66	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Metering RR	$18	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 16
Billing RR	$32	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 17
Consumer RR	$209	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 18
Single Phase Secondary	$325	
Meters	$1,419	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Metering RR	$266	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 16
Billing RR	$472	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 17
Consumer RR	$3,077	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 18
Three Phase Secondary	$5,233	
Meters	$149	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Metering RR	$3	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 16
Billing RR	$6	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 17
Consumer RR	$37	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 18
Primary	$195	
Secondary Transmission Revenue Req't	$8,902	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 5 with side calc.
Primary Transmission Revenue Req't.	$388	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 5 with side calc.
Secondary Ancillary Services Revenue Req't.	$1,641	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 6
Primary Ancillary Services Revenue Req't.	$81	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 6
Transmission & Related Service Charge	$11,012	
Distribution Charges		
13 kV System		
Single Phase Customer	$676	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Three Phase Customer	$24,668	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
13 kV System	$25,343	
Secondary Connect Costs		
Single Phase Secondary	$346	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Three Phase Secondary	$13,520	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Primary Connect Costs	$128	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Connect Charge	$13,993	
Subtransmission Charge	$13,122	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Substation Charge	$19,586	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 13
Franchise Fees	$10,772	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 9
Trojan Decommissioning	$1,266	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 8
Schedule 129 Transition Adjustment	$10,274	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 10
Secondary Franchise Fees & Other	$22,311	
Franchise Fees	$501	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 9
Trojan Decommissioning	$62	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 8
Schedule 129 Transition Adjustment	$517	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 10
Primary Franchise Fees & Other	$1,080	
Secondary COS Energy Charge	$343,603	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 4
Primary COS Energy Charge	$16,839	See UE-199 / PGE Exhibit 1204, Kuns-Cody / 4
Subtotal	$472,642	

Side Calc.:

	12-CP	12-CP %	Trans. RR
Sec. 83	887.8	28.3%	$\boxed{8,902}$
Pri. 83	38.7	1.2%	$\boxed{388}$
Total 83	926.5	29.6%	9,290
Total Sys	3134.6		31,430

Derivation of Fred Meyer Proposed 2009 Domestic Production Activities Deduction

($000s)
CONFIDENTIAL

CONFIDENTIAL EXHIBIT