Oregon

Theodore R. Kulongoski, Governor

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January 23, 2009

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 2148
SALEM OR 97308-2148

RE: **Docket No. UE 203** - In the Matter of IDAHO POWER COMPANY 2008 Annual Power Cost Update.

Enclosed for electronic filing in the above-captioned docket is the Public Utility Commission Staff's Direct Testimony.

/s/ Lois Meerdink
Lois Meerdink
Regulatory Operations Division
Filing on Behalf of Public Utility Commission Staff
(503) 378-8959
Email: Lois.Meerdink@state.or.us

cc: UE 203 Service List - parties

PUBLIC UTILITY COMMISSION
OF OREGON

UE 203

STAFF DIRECT TESTIMONY

Ed Durrenberger

In the Matter of IDAHO POWER COMPANY
2008 Annual Power Cost Update

January 23, 2009

CASE: UE 203
WITNESS: Ed Durrenberger

PUBLIC UTILITY COMMISSION
OF
OREGON

STAFF EXHIBIT 100

Direct Testimony

January 23, 2009

Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Ed Durrenberger. I am a Senior Analyst in the Electric & Natural Gas Division of the Public Utility Commission of Oregon. My business address is 550 Capitol Street NE Suite 215, Salem, Oregon 97301-2551.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. My Witness Qualification Statement is found in Exhibit Staff/101.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am the Staff analyst responsible for reviewing the Idaho Power Company (Idaho Power or Company) October filing of the Annual Power Cost Update (APCU) for the April 2009 through March 2010 test year (October Update). The filing was made pursuant to the Company's power cost adjustment mechanism adopted by Order No. 08-238 and represents a "normalized" look at what the Company estimates the power supply expenses will be for the water year of April 2009 through March 2010. The testimony contained herein will address areas of concern that I identified in my review.

Q. DID YOU PREPARE AN EXHIBIT FOR THIS DOCKET?

A. Yes. I prepared Exhibit Staff/102, consisting of 2 pages.

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. I have broken down the evaluation of the October Update into two main categories. The first is an evaluation of the filing from a methodological standpoint, in other words, whether or not the filing conforms to the methodology for the October Update as detailed in Order No. 08-238. The second part of the evaluation concerns the appropriateness of some of the actual input values proposed by Idaho Power for the power cost model.

METHODOLOGICAL ISSUES

Q. PLEASE EXPLAIN THE METHODOLOGICAL ISSUES YOU HAVE DISCOVERED.

A. At this stage in my evaluation I have not uncovered any methodological issues. The filing appears to have been made according to Order No. 08-238. The October Update is a normalized look at power costs using a forward pricing method intended to minimize the effects of the current hydro generation conditions on the power costs in the forward test year. Data incorporating normal loads and average costs associated with multiple stream flow conditions go into formulating the normalized look at net power supply expenses. Idaho Power's normalized power costs for this October Update are \$10.94 per megawatt hour (MWh), derived by dividing \$163.7 million in projected power costs on a system wide basis by approximately 15 million megawatt hours of system sales at the consumer level. The previous year's normalized power costs were \$8.70 per MWh (\$126.8 million in costs divided by 14.6 million MWh of sales to consumers). A comparison of the normalized power costs from last year and the current October Update shows that per unit power costs are higher by 26% in the October Update.

Q. THAT SEEMS LIKE A LARGE INCREASE. WHAT ARE THE PRIMARY COST DRIVERS BEHIND THE PROPOSED CHANGE?

A. The main cost driver is a significant increase in power purchases from the market and a decrease in surplus power sales. Idaho Power forecasts that its system load will increase by approximately 50 average megawatts (aMW). However, Idaho Power forecasts no increase in their lower-cost fixed generation output, which consists of hydro and to a lesser extent coal generation. Accordingly, higher-cost power purchases must fill the gap created by the forecasted load growth. Further, the additional load cuts into the amount of surplus power sales the Company has traditionally been able to make thereby reducing the amount of power sales revenue available to offset power costs. Finally, and surprisingly, the Company is also forecasting approximately one-third less PURPA power purchases than last year. The Company enters into these long term power contracts at cost of service rates or at lower costs than the forecast for market energy purchases. The absence of these contracts puts further upward pressure on the base power costs. As discussed below, the sharp decline in PURPA power is one of the input issues I am continuing to investigate.

Q. HAVE YOU PROPOSED A METHODOLOGICAL ADJUSTMENT TO THE OCTOBER UPDATE?

A. Not at this time. I would not, however, want to be precluded from making such an adjustment in further testimony should the need arise.

MODEL INPUT ISSUES

Q. DO YOU HAVE SOME MODEL INPUT ISSUES?

A. Yes. I have noticed some anomalies between the current filing and the previous October Update that were not adequately explained in the Company's direct testimony or in responses to my first round of data requests. I am not prepared to request an adjustment for these items at this time but may in future testimony depending on the outcome of my continuing investigation.

Q. WHAT IS YOUR FIRST MODEL INPUT ISSUE?

A. I have identified currently unexplained cost increases for the Company's coal plants. Although I have seen similar overall percentage increases in coal plant costs recently for other utilities, the interplay between the fuel price increases and the overall power cost increases is confusing if not inconsistent. In addition, some of the coal plant forced outage rates, which are updated as part of the October Update, have increased dramatically without explanation. Another area that is under investigation is planned maintenance outage schedules for the thermal plants. Idaho Power is forecasting double the power purchases and half the power sales for July 2009 of the test year as compared to the previous July. The Company has indicated that this unusual model forecast may be related to planned outages even though the current thermal plant outage schedule appears to be consistent with what it has done in the past.

Q. WHAT OTHER MODEL INPUT ISSUE HAVE YOU IDENTIFIED?

A. I have some questions about the load growth that Idaho Power is projecting. Even though I have received additional information about the projected load, it appears out of line with what is happening in the economy. This may be a non-issue because the March Update allows for load and sales to be updated for known significant changes, and slower than currently forecast load growth due to recessionary concerns could be such a change.

Q. SINCE THE OCTOBER UPDATE IS INTENDED TO UPDATE UNIT COSTS WHY WOULD AN ERRONEOUS LOAD GROWTH FIGURE BE AN ISSUE?

A. If it were just a matter of loads increasing and the incremental power needed to serve that load being available at a unit cost equal to the current base power cost then the higher power costs increases would be proportional to the sales growth and load growth would be no issue. However, in this case, the Company's low cost generation capacity is essentially fixed, and all the increase in load due to customer growth is made up with additional market purchases and fewer surplus sales leading to dramatically higher unit costs than the current base. This causes overall power costs to rise disproportionally faster than sales causing the base unit cost to rise. In this case, the higher the predicted load increase the greater the percentage change in base power costs.

Q. HAVE YOU IDENTIFIED OTHER POTENTIAL INPUT ISSUES?

A. Yes. I have not yet been able to reconcile some of the adjusted figures on the Power Supply Cost Sheets included as Exhibit Idaho Power/101 Wright/1 and Idaho Power/105 Wright/ 1 (*See* Exhibit Staff/102 Durrenberger/1 and 2). One such figure is the Fixed Capacity Charge -Gas Transportation for Danskin which increased dramatically since last year's filing without explanation. Another which was mentioned above is the Market Energy and Surplus Sales for the month of July which is dramatically different than in the previous October Update. Another area of inquiry is the sharp decline in PURPA power contracts. The Company has provided data on which contracts or projects are not yet performing but no further information on whether they will produce power and if so when. PURPA contract power displaces what can be higher cost market purchases and could affect the base power costs. Another issue whose effect is unknown to the power cost calculation is a reduction in modeled capacity to the Bennett Mountain Gas Plant. The Company has stated that the change reflects actual rather than theoretical plant capacity but it will require further investigation.

Q. ARE THERE ANY OTHER ISSUES?

A. No, not at this time. The process of the Annual Power Cost Update includes both an initial October Update and a later March Update. The March Update will include a single forecast of the water year's flow and a limited number of other adjustments that should fine-tune expected power costs that are the basis for the rate update in June. Although this filing appears to conform to the October Update methodology described in Order No. 08-238, some of the inputs are still under investigation and have not been verified to my satisfaction. I cannot yet make a definitive determination that the normalized power cost contained in the October Update is correct.

Q. DO YOU WISH TO DISCUSS ANYTHING ELSE?

A. No, this concludes my testimony at this time.

CASE: UE 203
WITNESS: Ed Durrenberger

PUBLIC UTILITY COMMISSION OF OREGON

STAFF EXHIBIT 101

Exhibits in Support of Direct Testimony

January 23, 2009

WITNESS QUALIFICATION STATEMENT

NAME:	Ed Durrenberger
EMPLOYER:	Public Utility Commission of Oregon
TITLE:	Senior Utility Analyst, Electric and Natural Gas Division
ADDRESS:	550 Capitol St. NE, Ste. 215, Salem, Oregon 97301
EDUCATION:	B.S. Mechanical Engineering Oregon State University, Corvallis, Oregon
EXPERIENCE:	I have been employed at the Oregon Public Utility Commission of since February of 2004. My current responsibilities include staff research, analysis and technical support on a wide range of electric and natural gas cost recovery issues with an emphasis on electricity and fuel costs.
OTHER EXPERIENCE:	I worked for over twenty years in industrial boiler plant engineering, maintenance and operations. I this capacity I managed plant operations, fuel supplies and utilities, environmental compliance issues and all aspects of boiler machinery design, installation and repair. I have also worked as a production manager and machine shop manager for an ISO certified high tech equipment manufacturer servicing the silicon wafer fabrication and biomedical business sectors.

CASE: UE 203
WITNESS: Ed Durrenberger

PUBLIC UTILITY COMMISSION OF OREGON

STAFF EXHIBIT 102

Exhibits in Support of Direct Testimony

January 23, 2009

IPCO POWER SUPPLY COSTS FOR APRIL 1, 2009 - MARCH 31, 2010 (Multiple Gas Prices/80 Hydro Conditions)

AVERAGE

	April	May	June	July	August	September	October	November	December	January	February	March	Annual
Hydroelectric Generation (MWh)	864,268.9	866,449.0	842,395.2	727,873.1	688,036.5	555,471.4	527,759.4	478,321.1	695,521.7	743,548.7	858,155.2	870,114.3	8,717,914.4
Bridger													
Energy (MWh)	330,372.1	330,372.1	429,803.8	455,179.3	455,179.3	440,496.2	455,179.3	440,496.2	455,179.3	455,179.3	411,129.7	422,142.1	5,080,708.9
Cost ($ x 1000)	$ 5,133.8	$ 5,133.8	$ 6,679.0	$ 7,073.3	$ 7,073.3	$ 6,845.1	$ 7,073.3	$ 6,845.1	$ 7,073.3	$ 7,601.5	$ 6,865.8	$ 7,049.8	$ 80,447.1
Boardman													
Energy (MWh)	30,791.4	6,410.6	28,422.9	40,365.2	41,031.4	39,532.0	40,965.7	39,726.2	41,067.7	38,748.7	34,978.2	39,163.3	421,203.3
Cost ($ x 1000)	$ 496.8	$ 105.3	$ 471.2	$ 647.2	$ 656.5	$ 632.9	$ 655.6	$ 635.6	$ 657.0	$ 671.7	$ 606.7	$ 678.0	$ 6,914.5
Valmy													
Energy (MWh)	88,830.8	157,350.2	151,362.6	172,657.9	173,151.8	166,575.0	172,391.7	168,288.3	174,160.1	167,583.7	150,037.1	166,302.1	1,908,691.2
Cost ($ x 1000)	$ 2,171.1	$ 3,844.3	$ 3,712.0	$ 4,206.1	$ 4,217.3	$ 4,058.7	$ 4,200.0	$ 4,097.8	$ 4,240.4	$ 4,639.1	$ 4,155.9	$ 4,605.9	$ 48,148.6
Danskin													
Energy (MWh)	64.4	1.0	371.4	18,418.2	9,753.4	1,199.8	613.2	4,822.8	2,289.7	1,199.1	420.0	62.6	39,215.7
Cost ($ x 1000)	$ 6.2	$ 0.1	$ 33.4	$ 1,507.8	$ 794.9	$ 111.1	$ 52.4	$ 428.3	$ 216.0	$ 132.9	$ 47.3	$ 6.6	$ 3,336.8
Fixed Capacity Charge - Gas Transportation ($ x 1000)	$ 315.5	$ 296.9	$ 315.5	$ 306.2	$ 315.5	$ 306.2	$ 315.5	$ 315.5	$ 306.2	$ 315.5	$ 306.2	$ 315.5	$ 3,730.3
Total Cost	$ 321.7	$ 297.0	$ 348.9	$ 1,814.0	$ 1,110.4	$ 417.3	$ 367.9	$ 743.8	$ 522.2	$ 448.4	$ 353.5	$ 322.1	$ 7,067.1
Bennett Mountain													
Energy (MWh)	2.4	-	10.4	7,658.1	3,726.1	59.9	14.4	404.8	134.1	70.2	23.8	0.6	12,104.9
Cost ($ x 1000)	$ 0.2	$ -	$ 1.0	$ 658.1	$ 313.7	$ 5.9	$ 1.4	$ 38.0	$ 13.2	$ 8.2	$ 2.8	$ 0.1	$ 1,042.7
Fixed Capacity Charge - Gas Transportation ($ x 1000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Cost	$ 0.2	$ -	$ 1.0	$ 658.1	$ 313.7	$ 5.9	$ 1.4	$ 38.0	$ 13.2	$ 8.2	$ 2.8	$ 0.1	$ 1,042.7
Purchased Power (Excluding CSPP)													
Market Energy (MWh)	4,048.0	11,051.7	70,244.5	187,228.9	104,442.2	67,262.7	8,781.5	65,667.7	93,483.4	93,575.4	4,424.8	1,388.2	711,599.0
Contract Energy (MWh)	34,356.0	31,709.3	69,427.5	72,599.6	67,511.3	30,031.7	35,463.5	32,718.0	42,172.0	34,868.2	31,284.2	35,271.0	517,412.2
Total Energy Excl. CSPP (MWh)	38,404.0	42,761.0	139,672.0	259,828.5	171,953.5	97,294.3	44,245.0	98,385.7	135,655.4	128,443.6	35,709.0	36,659.1	1,229,011.2
Market Cost ($ x 1000)	$ 271.8	$ 707.5	$ 4,131.4	$ 13,485.3	$ 7,364.0	$ 5,534.1	$ 728.7	$ 5,524.1	$ 7,474.4	$ 7,403.7	$ 403.3	$ 98.3	$ 53,126.6
Contract Cost ($ x 1000)	$ 1,285.0	$ 1,190.0	$ 3,317.7	$ 3,854.4	$ 3,573.4	$ 1,534.4	$ 1,804.6	$ 2,000.7	$ 2,563.6	$ 1,786.3	$ 1,603.1	$ 1,327.6	$ 25,841.0
Total Cost Excl. CSPP ($ x 1000)	$ 1,556.7	$ 1,897.5	$ 7,449.2	$ 17,339.7	$ 10,937.4	$ 7,068.5	$ 2,533.3	$ 7,524.9	$ 10,038.0	$ 9,190.0	$ 2,006.4	$ 1,425.9	$ 78,967.6
Surplus Sales													
Energy (MWh)	355,681.0	271,256.5	206,160.4	20,049.8	14,772.6	75,161.1	150,111.6	56,220.7	72,282.3	123,788.2	326,344.6	396,926.6	2,068,755.4
Revenue Including Transmission Costs ($ x 1000)	$ 17,359.1	$ 11,482.0	$ 6,897.2	$ 993.0	$ 847.9	$ 3,836.0	$ 7,712.4	$ 2,810.0	$ 4,065.8	$ 6,404.9	$ 18,933.3	$ 22,992.2	$ 104,333.7
Transmission Costs ($ x 1000)	$ 355.7	$ 271.3	$ 206.2	$ 20.0	$ 14.8	$ 75.2	$ 150.1	$ 56.2	$ 72.3	$ 123.8	$ 326.3	$ 396.9	$ 2,068.8
Revenue Excluding Transmission Costs ($ x 1000)	$ 17,003.4	$ 11,210.8	$ 6,691.0	$ 973.0	$ 833.2	$ 3,760.9	$ 7,562.2	$ 2,753.8	$ 3,993.5	$ 6,281.1	$ 18,606.9	$ 22,595.3	$ 102,265.0
Net Power Supply Costs ($ x 1000)	$ (7,322.9)	$ 67.1	$ 11,970.2	$ 30,765.4	$ 23,475.5	$ 15,267.6	$ 7,269.1	$ 17,131.4	$ 18,550.5	$ 16,277.9	$ (4,615.7)	$ (8,513.6)	$ 120,322.5
Purchased Power	67.14	64.02	58.81	72.03	70.51	82.28	82.98	84.12	79.95	79.12	91.15	70.79	74.66
Surplus Sales	48.81	42.33	33.46	49.53	57.40	51.04	51.38	49.98	56.25	51.74	58.02	57.93	50.43

IPCO POWER SUPPLY COSTS FOR APRIL 1, 2009 -- MARCH 31, 2010 (Mulitple Gas Prices/80 Years of Hydro)
Repriced Using UE195 Settlement Methodology - October Update
AVERAGE

	April	May	June	July	August	September	October	November	December	January	February	March	Annual
Hydroelectric Generation (MWh)	864,268.9	866,449.0	842,395.2	727,873.1	688,036.5	555,471.4	527,759.4	478,321.1	695,521.7	743,548.7	858,155.2	870,114.3	8,717,914.4
Bridger													
Energy (MWh)	330,372.1	330,372.1	429,803.8	455,179.3	455,179.3	440,496.2	455,179.3	440,496.2	455,179.3	455,179.3	411,129.7	422,142.1	5,080,708.9
Cost ($ x 1000)	$ 5,133.8	$ 5,133.8	$ 6,679.0	$ 7,073.3	$ 7,073.3	$ 6,845.1	$ 7,073.3	$ 6,845.1	$ 7,073.3	$ 7,601.5	$ 6,865.8	$ 7,049.8	$ 80,447.1
Boardman													
Energy (MWh)	30,791.4	6,410.6	28,422.9	40,365.2	41,031.4	39,532.0	40,965.7	39,726.2	41,067.7	38,748.7	34,978.2	39,163.3	421,203.3
Cost ($ x 1000)	$ 496.8	$ 105.3	$ 471.2	$ 647.2	$ 656.5	$ 632.9	$ 655.6	$ 635.6	$ 657.0	$ 671.7	$ 606.7	$ 678.0	$ 6,914.5
Valmy													
Energy (MWh)	88,830.8	157,350.2	151,362.6	172,657.9	173,151.8	166,575.0	172,391.7	168,288.3	174,160.1	167,583.7	150,037.1	166,302.1	1,908,691.2
Cost ($ x 1000)	$ 2,171.1	$ 3,844.3	$ 3,712.0	$ 4,206.1	$ 4,217.3	$ 4,058.7	$ 4,200.0	$ 4,097.8	$ 4,240.4	$ 4,639.1	$ 4,155.9	$ 4,605.9	$ 48,148.6
Danskin													
Energy (MWh)	64.4	1.0	371.4	18,418.2	9,753.4	1,199.8	613.2	4,822.8	2,289.7	1,199.1	420.0	62.6	39,215.7
Cost ($ x 1000)	$ 6.2	$ 0.1	$ 33.4	$ 1,507.8	$ 794.9	$ 111.1	$ 52.4	$ 428.3	$ 216.0	$ 132.9	$ 47.3	$ 6.6	$ 3,336.8
Fixed Capacity Charge - Gas Transportation ($ x 1000	$ 315.5	$ 296.9	$ 315.5	$ 306.2	$ 315.5	$ 306.2	$ 315.5	$ 315.5	$ 306.2	$ 315.5	$ 306.2	$ 315.5	$ 3,730.3
Total Cost	$ 321.7	$ 297.0	$ 348.9	$ 1,814.0	$ 1,110.4	$ 417.3	$ 367.9	$ 743.8	$ 522.2	$ 448.4	$ 353.5	$ 322.1	$ 7,067.1
Bennett Mountain													
Energy (MWh)	2.4	-	10.4	7,658.1	3,726.1	59.9	14.4	404.8	134.1	70.2	23.8	0.6	12,104.9
Cost ($ x 1000)	$ 0.2	$ -	$ 1.0	$ 658.1	$ 313.7	$ 5.9	$ 1.4	$ 38.0	$ 13.2	$ 8.2	$ 2.8	$ 0.1	$ 1,042.7
Fixed Capacity Charge - Gas Transportation ($ x 1000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Cost	$ 0.2	$ -	$ 1.0	$ 658.1	$ 313.7	$ 5.9	$ 1.4	$ 38.0	$ 13.2	$ 8.2	$ 2.8	$ 0.1	$ 1,042.7
Purchased Power (Excluding CSPP)													
Market Energy (MWh)	4,048.0	11,051.7	70,244.5	187,228.9	104,442.2	67,262.7	8,781.5	65,667.7	93,483.4	93,575.4	4,424.8	1,388.2	711,599.0
Contract Energy (MWh)	34,356.0	31,709.3	69,427.5	72,599.6	67,511.3	30,031.7	35,463.5	32,718.0	42,172.0	34,868.2	31,284.2	35,271.0	517,412.2
Total Energy Excl. CSPP (MWh)	38,404.0	42,761.0	139,672.0	259,828.5	171,953.5	97,294.3	44,245.0	98,385.7	135,655.4	128,443.6	35,709.0	36,659.1	1,229,011.2
Market Cost ($ x 1000)	$ 225.3	$ 526.8	$ 3,225.8	$ 13,360.3	$ 8,932.5	$ 5,504.1	$ 669.6	$ 5,204.6	$ 7,915.6	$ 7,577.8	$ 357.3	$ 99.4	$ 53,599.3
Contract Cost ($ x 1000)	$ 1,285.0	$ 1,190.0	$ 3,317.7	$ 3,854.4	$ 3,573.4	$ 1,534.4	$ 1,804.6	$ 2,000.7	$ 2,563.6	$ 1,786.3	$ 1,603.1	$ 1,327.6	$ 25,841.0
Total Cost Excl. CSPP ($ x 1000)	$ 1,510.2	$ 1,716.8	$ 6,543.6	$ 17,214.7	$ 12,506.0	$ 7,038.5	$ 2,474.3	$ 7,205.4	$ 10,479.2	$ 9,364.2	$ 1,960.4	$ 1,427.0	$ 79,440.3
Surplus Sales													
Energy (MWh)	355,681.0	271,256.5	206,160.4	20,049.8	14,772.6	75,161.1	150,111.6	56,220.7	72,282.3	123,788.2	326,344.6	396,926.6	2,068,755.4
Revenue Including Transmission Costs ($ x 1000)	$ 17,947.4	$ 11,722.9	$ 8,583.6	$ 1,297.2	$ 1,145.6	$ 5,576.9	$ 10,380.9	$ 4,041.0	$ 5,550.7	$ 9,090.7	$ 23,900.3	$ 25,776.5	$ 125,013.7
Transmission Costs ($ x 1000)	$ 355.7	$ 271.3	$ 206.2	$ 20.0	$ 14.8	$ 75.2	$ 150.1	$ 56.2	$ 72.3	$ 123.8	$ 326.3	$ 396.9	$ 2,068.8
Revenue Excluding Transmission Costs ($ x 1000)	$ 17,591.7	$ 11,451.6	$ 8,377.5	$ 1,277.2	$ 1,130.9	$ 5,501.7	$ 10,230.8	$ 3,984.8	$ 5,478.4	$ 8,966.9	$ 23,574.0	$ 25,379.5	$ 122,944.9
Net Hedges													
Energy (MWh)													
Cost($ X 1000)													
Net Power Supply Costs ($ x 1000)	$ (7,957.7)	$ (354.4)	$ 9,378.1	$ 30,336.2	$ 24,746.3	$ 13,496.7	$ 4,541.5	$ 15,580.9	$ 17,506.9	$ 13,766.2	$ (9,628.8)	$ (11,296.8)	$ 100,115.3
PURPA ($ x 1000)	$ 3,760.1	$ 3,825.6	$ 3,418.3	$ 4,221.4	$ 5,290.1	$ 7,664.0	$ 8,119.4	$ 7,927.9	$ 6,414.2	$ 4,616.4	$ 4,064.0	$ 4,337.5	$ 63,659.0
Total Net Power Supply Expense ($ x 1000)	$ (4,197.6)	$ 3,471.2	$ 12,796.5	$ 34,557.6	$ 30,036.5	$ 21,160.7	$ 12,661.0	$ 23,508.7	$ 23,921.2	$ 18,382.6	$ (5,564.7)	$ (6,959.3)	$ 163,774.3
Sales at Customer Level (In 000s MWH)	1,023.002	1,059.790	1,234.928	1,447.472	1,514.781	1,410.612	1,159.171	1,103.558	1,242.955	1,344.423	1,275.857	1,150.879	14,967.426
Hours in Month	720	744	720	744	744	720	744	720	744	744	672	744	8760
Unit Cost / MWH (for PCAM)	($4.10)	$3.28	$10.36	$23.87	$19.83	$15.00	$10.92	$21.30	$19.25	$13.67	($4.36)	($6.05)	$10.94
Prices Used in Purchased Power & Surplus Sales Above:													
Heavy Load													
Portion of Purchased Power considered HL F	64.25%	64.25%	64.25%	64.25%	64.25%	64.25%	64.25%	64.25%	64.25%	64.25%	64.25%	64.25%	
Purchased Power HL Price	60.74	54.42	52.16	79.70	93.67	89.84	80.34	82.84	88.21	86.04	83.08	74.12	
Portion of Surplus Sales considered HL Surp	62.70%	62.70%	62.70%	62.70%	62.70%	62.70%	62.70%	62.70%	62.70%	62.70%	62.70%	62.70%	
Surplus Sales HL Price	56.35	50.49	48.39	73.95	86.91	83.36	74.54	76.86	81.84	79.83	77.09	68.77	
Light Load													
Portion of Purchased Power considered LL F	35.75%	35.75%	35.75%	35.75%	35.75%	35.75%	35.75%	35.75%	35.75%	35.75%	35.75%	35.75%	
Purchased Power LL Price	46.50	35.54	34.72	56.36	70.89	67.43	68.91	72.82	78.32	71.89	76.56	67.08	
Portion of Surplus Sales considered LL Surp	37.30%	37.30%	37.30%	37.30%	37.30%	37.30%	37.30%	37.30%	37.30%	37.30%	37.30%	37.30%	
Surplus Sales LL Price	40.55	30.99	30.27	49.15	61.82	58.80	60.10	63.51	68.30	62.70	66.76	58.50	

CERTIFICATE OF SERVICE

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I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to the following parties or attorneys of parties.

Dated at Salem, Oregon, this 23nd day of January, 2009.

Lois Meerdink

Lois Meerdink
Public Utility Commission
Regulatory Operations
550 Capitol St NE Ste 215
Salem, Oregon 97301-2551
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