

To: PacifiCorp, CUB, ICNU and Staff
From: Kathryn A. Logan, Administrative Law Judge
Date: August 30, 2004
Subject: UM 1050

The Commission wants the parties to respond to the following in their briefs:

The evidence shows that the Revised Protocol allocation is closer to Rolled In than to Hybrid with respect to the 14-year net present values of Oregon revenue requirements. (See Staff/202, Wordley/31,44.) Assume that the Commission viewed Hybrid as a better approach to cost allocation, but recognized that the public interest is served by obtaining an agreement among (most of) the states.

Based on the above, should the Commission impose conditions on the ratification of the Revised Protocol that: 1) reduce the forecasted deviation from Hybrid with a specified payment to Oregon customers as long as the Commission retains all other provisions of Revised Protocol; and/or 2) limit the allowable percentage increase in Oregon revenue requirement actually caused by the use of Revised Protocol instead of Hybrid (as it is specified by agreement of the parties) in each future rate case?