

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 170

In the Matter of	)	
	)	
PACIFIC POWER & LIGHT COMPANY	)	ALJ
(dba PacifiCorp)	)	MEMORANDUM
	)	
Request for a General Rate Increase in the	)	
Company's Oregon Annual Revenues.	)	

The purpose of this memorandum is to address several issues in advance of the July 20, 2005 hearing. These issues are PacifiCorp's Motion to Disqualify, issues for cross-examination, order of witnesses for hearing, introduction of prefiled testimony into evidence, exhibit list, and request of Klamath Water Users Association's regarding irrigation rates in the Klamath River Basin.

**PacifiCorp Motion to Disqualify**

On July 13, 2005, PacifiCorp filed a motion to disqualify Mr. Dan Meek. Mr. Meek's response to the motion is due by 5:00 pm on Friday, July 15, 2005. A ruling will issue on Monday, July 18, 2005.

**Issues for Cross-Examination**

Industrial Customers of Northwest Utilities (ICNU), Citizens' Utility Board (CUB), PacifiCorp and Staff filed cross-examination statements on July 13, 2005. In its statement, ICNU did not identify the issues for cross-examination, stating that it wished to cross-examine the named witnesses "generally regarding all aspects of their testimony." This is not sufficient. By noon on Friday, July 15, 2005, ICNU is to identify its issues for cross-examination.

**Order of Witnesses**

A ruling will issue tomorrow with the order of witnesses.

**Introduction of Prefiled Testimony**

Prefiled testimony must be either "sworn to orally or in writing by the witness under oath to be true" to be admitted into evidence. OAR 860-014-0060(4)(a). If a witness is not testifying at hearing, then an affidavit must be prepared and submitted prior to the testimony being received into evidence.

**Exhibit List**

Attached is a copy of an exhibit list with all the prefiled testimony. Please review, and let me know if there is an exhibit missing.

**Klamath Water Users Association's Request**

Klamath Water Users Association requested confirmation that the Klamath Basin irrigator rates will not be addressed in this phase of the docket. The issue of Klamath Basin rates will be resolved in a second phase of this docket, as stated by Chief Administrative Law Judge Michael Grant.

Dated at Salem, Oregon, this 14th day of July, 2005.

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Kathryn A. Logan  
Administrative Law Judge

## **UE 170 Exhibit List**

<b>PacifiCorp</b>	<b>11/12/04, 6/6/05</b>	<b>R/NR</b>
100	Furman Testimony - Summary	
200	Hadaway Testimony – Cost of Equity	
201	Exhibit - Resume	
202	Exhibit - Historical Capital Market Costs	
203	Exhibit - Discounted Cash Flow Analysis	
204	Exhibit - Risk Premium Analysis	
205	Hadaway Rebuttal Testimony – Cost of Equity/WACC	
206	Exhibit - DCF Model Update	
207	Exhibit - Risk Premium Analysis	
208	Exhibit - S&P's Trends and Projections	
209	Exhibit - Business Week Article	
210	Hadaway Sur-Surrebuttal Testimony – Cost of Equity/WACC	
211	Exhibit – Plot of ROEs	
300	Williams Testimony – Capital	
301	Exhibit - Cost of Long-term Debt	
302	Exhibit - PCRB Variable Rates	
303	Exhibit - Cost of Preferred Stock	
304	Williams Rebuttal Testimony – Cost of Equity/Preferred/Debt	
305	Exhibit - Overall Cost of Capital	
306	Exhibit - Long-term Debt Issuance	
307	Exhibit - Embedded Cost of Debt Example	
308	Exhibit - Capital Structure	
309	Exhibit - Comparable Company Capital Structure	
310	Exhibit - New Business Profile Scores by S&P's	
311	Exhibit - S&P's Utilities and Perspectives	
312	Williams Sur-Surrebuttal Testimony – Cost of Equity/Preferred/Debt	
313	Exhibit – Cost of Debt Summary	
314	Exhibit – Cost of Preferred Stock	
315	Exhibit – Cost of Debt	
316	Exhibit – S&P Summary	
400	Taylor Testimony – MSP and Cost of Service	
401	Exhibit - MSP, Revenue Requirement Impacts	
402	Exhibit - MSP Seasonal Factor Calculation	
403	Exhibit - Embedded Cost Differential Calculation	
404	Exhibit - Comparison of GRC to MSP Forecast	
405	Exhibit - Functionalized Revenue Requirement Forecast	
406	Exhibit - Unbundled Results of Operations	
407	Exhibit - Ancillary Services Revenue	
408	Exhibit - 20 Year Marginal Cost by Load Class	
409	Exhibit - Unbundled Revenue Requirement Allocation by Rate Schedule	
410	Exhibit - Functionalized Results of Operations	
411	Exhibit - Marginal Cost Study	
412	Taylor Rebuttal Testimony	

413	Exhibit - Functionalized Revenue Requirement Forecast
414	Exhibit - Unbundled Results of Operations
415	Exhibit - Ancillary Services Revenue
416	Exhibit - 20 Year Marginal Cost by Load Class
417	Exhibit – Unbundled Revenue Requirement Alloc. By Rate Sched.
418	Taylor Sur-Surrebuttal Testimony – Cost of Service
419	Exhibit – Unbundled Revenue Requirement Allocation by Rate Schedule
500	Davis Testimony – Load Forecasting
501	Exhibit - Oregon Retail Sales Forecast
600	Widmer Testimony – Net Power Costs
601	Exhibit - Normalized Sources of Energy
602	Exhibit - Normalized Sources of Peak Capacity
603	Exhibit - Short Term Firm Analysis
609	Widmer Rebuttal Testimony – Power Costs
610	Exhibit – On & Off Peak Outage Summary
611	Widmer Sur-Surrebuttal Testimony – Power Costs/RVM
700	Omohundro Testimony – TAM
701	Omohundro Rebuttal Testimony – TAM
702	Omohundro Sur-Surrebuttal Testimony - RVM
800	Weston Testimony – Revenue Requirement
801	Exhibit - Results of Operations
900	Tallman Testimony – Resource Acquisition
901	Tallman Rebuttal Testimony – Capital Additions
902	Exhibit – Application for waiver of OAR 860-038-0080(1)(b)
903	Tallman Sur-Surrebuttal Testimony – New Resource Waiver Rule
904	Exhibit – Present Value Revenue Requirement
905	Exhibit – Consulting Report
906	Exhibit – Comparison Bids
1000	Wilson Testimony – AIP & LTIP
1100	Rosborough Testimony – Pensions and Benefits
1101	Exhibit - Benefit Plan Survey Results
1102	Exhibit - Expenses
1103	Exhibit - PacifiCorp Active Experience
1104	Rosborough Rebuttal Testimony – Pensions and Benefits
1105	Exhibit – PacifiCorp Benefit Adjustments
1106	Rosborough Sur-Surrebuttal Testimony – Pensions and Benefits
1107	Exhibit – Expenses
1200	Griffith Testimony – Pricing
1201	Exhibit - Proposed Tariffs
1202	Exhibit - Effects of Proposed Prices
1203	Exhibit - Billing Determinants

1204 Griffith Rebuttal Testimony – Rate Spread/Rate Design  
1205 Exhibit – Effect of Company’s Proposed Prices  
1206 Exhibit – Effect of Company’s Proposed Prices  
1207 Exhibit – Forecast Billing Determinants and Base Rates  
1208 Exhibit – Effects of Prorating on Revenue  
1209 Griffith Sur-Surrebuttal Testimony – Rate Spread/Rate Design  
1210 Exhibit – Effect of Proposed Price Changes  
1211 Exhibit – Effect of Eliminating Schedule 94  
1212 Exhibit – Billing Determinants  
1213 Exhibit – Estimated Revenues of Adjustment Schedules

1300 Martin Rebuttal Testimony – Tax  
1301 Martin Sur-Surrebuttal Testimony – Tax  
1302 Exhibit – Staff Response to OPUC Data Request 5.11

1400 Uffelman Rebuttal Testimony – Tax  
1401 Exhibit - Resume  
1402 Exhibit - Survey of Federal Income Taxes in Regulation

1500 Kopec Rebuttal Testimony – Tax

1600 Wrigley Rebuttal Testimony – Revenue Requirement  
1601 Wrigley Sur-Surrebuttal Testimony – Revenue Requirement  
1602 Exhibit – Results of Operations

1700 Larson Rebuttal Testimony – Policy  
1701 Larson Sur-Surrebuttal Testimony - Policy

**Staff 5/9/05**

100 Durrenberger Testimony – Summary  
101 Exhibit - Witness Qualification  
102 Exhibit - Summary Tables of Staff Proposals

200 Morgan Testimony – Capital Structure/Rate of Return  
201 Exhibit - Witness Qualification Statement  
202 Exhibit - Documents in support of capital structure/rate of return  
1200 Morgan Surrebuttal Testimony – cost of equity/capitals structure  
1201 Exhibit - Documents of tables and articles

300 Peng Testimony – Long-term Cost of Debt and Preferred Stock  
301 Exhibit - Witness Qualification Statement  
302 Exhibit - Tables in support of testimony  
1300 Peng Surrebuttal Testimony – Embedded Cost of Debt/Stock

400 Dougherty Testimony – Pension and Benefits  
401 Exhibit - Witness Qualification Statement  
402 Exhibit - Adjustments to Pension Expenses  
403 Exhibit - Adjustments to Benefit Expenses  
1100 Dougherty Surrebuttal Testimony – Pension and Benefits

1101	Exhibit – Adjustments to Pension Expenses
500	Breen Testimony – Georgia Pacific
501	Exhibit - Witness Qualification Statement
900	Breen Surrebuttal Testimony – Georgia Pacific/Rate Spread
600	Galbraith Testimony – TAM
601	Exhibit - Witness Qualification Statement
602	Exhibit – supporting testimony
700	Galbraith Surrebuttal Testimony – TAM
800	Wordley Surrebuttal Testimony – Waiver of New Resource Rule
801	Exhibit - Witness Qualification Statement
1000	Conway/Johnson Surrebuttal Testimony – Tax
1001	Exhibit - Witness Qualification Statements
1002	Exhibit - supporting testimony
1400	Brown Surrebuttal Testimony – Grid West
1401	Exhibit - Witness Qualification Statement
1402	Exhibit - supporting testimony

#### **Fred Meyer Stores**

100	Higgins Testimony – Cost of Service & Rate Spread
101	Exhibit - Witness Qualification Statement
102	Exhibit – Impact of Partial Stipulation on Revenue Req.
103	Exhibit – Rate Spread
104	Higgins Surrebuttal Testimony – Rate Schedules & RMA

#### **Citizens’ Utility Board**

100	Jenks Testimony – Taxes & TAM
101	Exhibit - Witness Qualification Statement
102	Exhibit – PacifiCorp Tax Data
103	Exhibit – Analyst Assessments
104	Brubaker Testimony – Taxes
105	Exhibit – Interest Data
106	Exhibit – Analyst Commentary
107	Exhibit – CUB Data Request 23
108	Exhibit – CUB Data Request 24
109	Exhibit – Schedule Prices
110	Exhibit – Number of Bills
111	Exhibit – Customer Energy Use
112	Exhibit – CUB Data Request 11
113	Exhibit – ICNU Data Request 8.4
114	Exhibit – CUB Data Request 21
200	Jenks Surrebuttal Testimony – Taxes & TAM
201	Exhibit – CUB Data Request 38
202	Exhibit – CUB Data Request 36

## **Industrial Customers of Northwest Utilities**

100	Falkenberg Testimony – Net Power Costs & Revenue Req.
101	Exhibit - Witness Qualification Statement
102	Exhibit – NOVA Black-Scholes Formula Excerpt
103	Exhibit – West Valley Economic Evaluation
104	Exhibit – Letters Regarding West Valley
105	Exhibit – Excerpts from Utah Commission
106	Exhibit – GRID Comparison
107	Exhibit – Transition Adjustment Price Calculation
108	Exhibit – PGE RVM
109	Exhibit – ICNU Data Requests 17.4, 17.5, 17.7
110	Exhibit – ICNU Data Request 13.49
111	Falkenberg Surrebuttal Testimony – QF, RVM, G-P
112	Exhibit – Falkenberg UE 134 Testimony
113	Exhibit – Excerpts from UE 147 GRID Backcast
200	Selecky Testimony – Pension & RTO
201	Exhibit - Witness Qualification Statement
202	Exhibit – Staff Data Request 88
203	Exhibit – Health Care Adjustment
204	Exhibit – Staff Data Request 299
205	Exhibit – Staff Data Request 22
206	Exhibit – ICNU Data Request 15.2
207	Exhibit – ICNU Data Request 19.4
208	Exhibit – Pension Expenses
209	Exhibit – ICNU Data Request 16.9
210	Exhibit – ICNU Data Request 19.3
211	Selecky Surrebuttal Testimony – Taxes, Pensions & RTO
300	Iverson Testimony – Costs & Base Rates
301	Exhibit - Witness Qualification Statement
302	Exhibit – Generation and Transmission
303	Exhibit – Unbundled Generation and Transmission
304	Exhibit – Effect of Proposed Price Change
305	Exhibit – ICNU Data Request 6.2
306	Exhibit – KWUA Data Request 1.20
307	Iverson Surrebuttal Testimony – Demand/Energy & Supply Service
400	Gorman Testimony – ROE
401	Exhibit - Witness Qualification Statement
402	Exhibit – Staff Data Request 80
403	Exhibit – Calculations and Analyses
404	Gorman Surrebuttal Testimony – ROE & Capital Structure
405	Exhibit – GDP
406	Exhibit – Dividend Growth Rate
407	Exhibit – DCF Model
408	Exhibit – Interest Rate Forecast
409	Exhibit – DCF Summary Results

## **Utility Reform Project**

200            Meek Testimony – Taxes

### **Stipulations**

- 1            Joint Testimony in Support of Stipulation on Partial Requirements and  
Economic Replacement Power Tariffs
- 2            Joint Testimony in Support of Second Partial Stipulation
  - i.   Staff, PacifiCorp
- 3            Joint Testimony in Support of Third Partial Stipulation
  - i.   Staff, PacifiCorp, CUB, ICNU, Kroger