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June 7, 2005

VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Joint Testimony in Support of Stipulation
Docket UE 170

Enclosed for filing is an original and 5 copies of Joint Testimony in Support of Stipulation in the above-referenced docket. A copy of this filing was served on all parties to this proceeding as indicated on the attached service list.

Very truly yours,

Katherine A. McDowell

KAM:knp
Enclosures
cc: Service List

Oregon
Washington
California
Utah
Idaho

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – PACIFICORP – CUB– ICNU – KROGER

Joint Testimony
in Support of Stipulation

June 2005

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 170

In the Matter of PACIFIC POWER & LIGHT (d/b/a PacifiCorp) Request for a General Rate Increase in the Company's Oregon Annual Revenues

STAFF, PACIFICORP, CUB, ICNU AND KROGER

JOINT TESTIMONY IN SUPPORT OF STIPULATION

WITNESSES: ED DURRENBERGER, PAUL WRIGLEY, BOB JENKS, RANDALL FALKENBERG, KEVIN HIGGINS

June 2005

Q. PLEASE STATE YOUR NAMES AND POSITIONS.

A. My name is Ed Durrenberger. I am employed by the Public Utility Commission of Oregon ("OPUC") as a Senior Revenue Requirements Analyst and am appearing here on behalf of the Staff of the OPUC ("Staff"). My qualifications are shown in First Stipulation Exhibit 101.

My name is Paul Wrigley. I am employed by PacifiCorp ("PacifiCorp" or the "Company") as a Manager of Revenue Requirement in the Regulation Department. My qualifications are shown in First Stipulation Exhibit 102.

My name is Bob Jenks. I am the Executive Director of the Citizens' Utility Board ("CUB"). My qualifications are shown in First Stipulation Exhibit 103.

My name is Randall Falkenberg. I am President of RFI Consulting, Inc. and am appearing in this proceeding on behalf of the Industrial Customers of Northwest Utilities ("ICNU"). My qualifications are shown in First Stipulation Exhibit 104.

My name is Kevin Higgins. I am a principal in Energy Strategies LLC and am appearing in this proceeding on behalf of Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co. ("Kroger"). My qualifications are shown in First Stipulation Exhibit 105.

Staff, PacifiCorp, CUB, ICNU and Kroger are referred to in this testimony as the First Stipulation Parties.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. This testimony describes and supports the Partial Stipulation dated May 3, 2005 among Staff, CUB, ICNU, Kroger and PacifiCorp ("Partial Stipulation"). The Partial Stipulation is identified as First Stipulation Exhibit 106.

Q. HOW DID THE FIRST STIPULATION PARTIES ARRIVE AT THE PARTIAL STIPULATION?

A. Administrative Law Judge Kirkpatrick's Prehearing Conference Memorandum scheduled settlement conferences in this Docket commencing on April 5, 2005. The conferences were open to all parties. The Partial Stipulation was reached as part of these conferences.

Q. HAVE OTHER PARTIES BEEN INVITED TO JOIN IN THE PARTIAL STIPULATION?

A. Yes. The Partial Stipulation has been circulated to the other parties to this Docket and they have been invited to join. Other parties may join by signing and filing a copy of the Partial Stipulation.

Q. HAVE YOU PREPARED AN EXHIBIT SUMMARIZING THE ADJUSTMENTS INCORPORATED IN THE PARTIAL STIPULATION?

A. Yes. First Stipulation Exhibit 107 lists the adjustments contained in the Partial Stipulation and the estimated revenue requirement impacts associated with these adjustments.

Q. WHAT ARE THE ESTIMATED REVENUE REQUIREMENT IMPACTS OF THE ADJUSTMENTS CONTAINED IN THE PARTIAL STIPULATION?

A. These adjustments would reduce PacifiCorp's proposed revenue requirement increase in this case from approximately $102 million to approximately $71 million.

Net Power Costs

Q. PLEASE DESCRIBE THE ADJUSTMENTS RELATING TO NET POWER COSTS.

A. The Parties agree that the reductions in the Partial Stipulation to the Company's filed annual Net Power Costs would result in Net Power Costs of approximately $785 million on a Total Company basis. The final Net Power Cost amount approved by the Commission may differ based on the resolution of the Net Power Cost issues not resolved in the Partial Stipulation. The Partial Stipulation addresses all of the First Stipulation Parties' proposed adjustments to the Company's Net Power Costs as originally filed, including STF margin, extrinsic value, the costs of the Aquila hydro hedge, P4 production, Morgan Stanley call, regulation modeling, hydro modeling (Vista), other outages, CT outage rate, JB 4 outage, Cholla 4 minimum, HDN-1 catastrophic outage, Colstrip 4 catastrophic outage, other Company error outages, loss modeling and reverse DJ-3 derate. The Partial Stipulation does not include issues raised by the Company's two supplemental filings related to power costs or the issues raised by the Company's proposal to adopt a Transition Adjustment Mechanism (commonly referred to as a Resource Valuation Mechanism, or "RVM"), specifically: (1) outage update period; (2) maintenance schedule; (3) thermal ramping; (4) deferred maintenance; and (5) station service. It also excludes an issue reserved by ICNU relating to outages during the UM 995 deferral period and non-power cost modeling issues such as GP Camas and new resource issues addressed in the Multi-State Process. The adjustments resolved in the Partial Stipulation results in an $8.0 million reduction in the Company's filed revenue requirement, an adjustment that the Company will incorporate into its RVM upon approval of this Partial Stipulation.

Q. HOW DOES THIS ADJUSTMENT RELATE TO PACIFICORP'S PROPOSED RVM?

A. Nothing in the Partial Stipulation suggests whether any of the First Stipulation Parties will support or oppose the RVM. The First Stipulation Parties agree that PacifiCorp will commit sufficient resources during the year following the approval of the Partial Stipulation to permit the evaluation of stochastic modeling of Net Power Costs for possible incorporation into rates. The analysis will consider the volatility of hydro generation, electricity prices, natural gas prices, system load and forced outages, as well as the correlations among these variables. PacifiCorp, with input from Staff, will develop a plan to complete the evaluation of stochastic modeling, including a schedule of quarterly public workshops to provide progress reports and receive inputs from interested parties. The Partial Stipulation does not address the appropriateness of introducing stochastic modeling of Net Power Costs into rates.

Other Adjustments

Q. PLEASE DESCRIBE THE OTHER ADJUSTMENTS PROPOSED IN THE PARTIAL STIPULATION.

A. Pursuant to the Partial Stipulation, the First Stipulation Parties propose the following additional adjustments to PacifiCorp's revenue requirement in this case:

Load Forecast Revision: The First Stipulation Parties agree that the line losses included in the Company's load forecast should be updated. This update and the resulting change in allocation factors reduces the Company's filed revenue requirement by $9.16 million.

Operating Revenue: The First Stipulation Parties agree that the Company's annual net operating revenue for the test period should not include an operating deduction related to the OPUC fee. This results in a $0.138 million reduction in the Company's filed revenue requirement.

Incentive Programs: The First Stipulation Parties agree that the Company's annual net costs for the test period for incentive programs will be set at $35.6 million on a Total Company basis. This adjustment ties PacifiCorp total compensation to market and excludes a portion of the incentive tied to the Company's financial performance. In addition, this adjustment excludes 100 percent of the Company's Long Term Incentive

Compensation ("LTIP"). This adjustment results in a $5.5 million reduction in the Company's filed revenue requirement.

Non-Labor Administrative and General Costs: The First Stipulation Parties agree to a $6.123 million reduction in the Company's filed revenue requirement in non-labor administrative and general costs. This does not include ICNU's proposed adjustment related to Regional Transmission Organization ("RTO") costs.

Other Revenues: The First Stipulation Parties agree to a $2.2 million reduction in the Company's filed revenue requirement to account for growth in other revenue accounts 450, 451, 454 and 456.

Bridger Coal: The First Stipulation Parties agree to smooth the impact of the nonrecurring (coal) costs in the test year associated with Bridger by amortizing the difference between the actual 2004 costs and the forecasted 2006 costs over a three-year period. The Company will be entitled to recover a return on the unamortized balance. This results in a $2.4 million reduction in the Company's filed revenue requirement.

FIT and SIT: The First Stipulation Parties agree that the Company's income tax expense for the test period should be adjusted based upon the final weighted average cost of debt.

Production Activity Deduction: The First Stipulation Parties agree to the methodology proposed by the Company for purposes of this proceeding. The final amount will be determined based upon the final revenue requirement authorized in this Docket. In the event that the Internal Revenue Service approves the production activity deduction methodology proposed by the Edison Electric Institute ("EEI"), the Company reserves its right to file for deferred accounting for the difference between the amount under the methodology proposed herein and the EEI methodology.

Hydroelectric Relicensing Costs: The First Stipulation Parties agree not to pursue this adjustment, which was first proposed by Staff.

Miscellaneous Corrections: The First Stipulation Parties agree that the Company's revenue requirement will be increased by $1.3 million for an adjustment to rate base allocated on the Ditbal factor; $0.992 million to correct the allocation factors for Hermiston and Gadsby; and $0.250 million to account for the costs of WSCC Membership and Little Mountain.

Allocation Factor Update: The First Stipulation Parties agree that the Company's revenue requirement will be updated based upon the new allocation factors resulting from the change described above in Load Forecast Revision.

Schedule 200 Tail Block: To effect a smooth transition from Schedules 28 to 30, the First Stipulation Parties agree that the Cost-Based Supply Service Energy Charges in Schedule 200 will have equal tailblock charges applicable for Schedules 28 and 30.

Change in G/Y Market Caps for Transition Adjustment Calculation: For purposes of calculating the Transition Adjustment as proposed in the RVM, the First Stipulation Parties agree that if 25 MW of Direct Access load is assumed in the calculation, the wholesale market caps during the graveyard hours will be increased by 10 MW for the COB and Mid C wholesale markets, respectively. If the amount of Direct Access load assumed in the calculation is different than 25 MW, the wholesale market caps during graveyard hours at COB and Mid-C will be changed proportionately. The increase in wholesale market caps is limited to the Transition Adjustment calculation and the increase shall not otherwise be used in the calculation of Net Power Costs or revenue requirement.

Issues Reserved by the First Stipulation Parties

Q. WHAT ISSUES HAVE THE FIRST STIPULATION PARTIES RESERVED TO PURSUE FURTHER IN THIS CASE?

A. Staff agrees to raise only the following issues in this case: cost of capital; pensions and benefits; the RVM, RVM input assumptions, and all power costs updates filed in this case associated with the RVM; revenues associated with the GP Camas contract; modifications to the Company's partial requirements rate design; and rate spread and rate design. Staff reserves the right to review and comment on issues raised by other parties to this case.

CUB's issues list for testimony in this case consists of the issues reserved by Staff, plus issues related to PacifiCorp's consolidated tax filing, allocation factors, and a billing cycle issue. CUB reserves the right to add additional issues if uncovered in further analysis and to review and comment on issues raised by other parties to this case.

Fred Meyer reserves the right to address cost-of-service, rate spread, rate design, and RVM issues not included in the Partial Stipulation. Fred Meyer reserves the right to respond to issues raised by other parties to this case.

ICNU reserves the right to raise any issue in this proceeding except as specifically resolved by the Partial Stipulation.

Q. ARE THERE ANY OTHER ISSUES RESERVED BY THE FIRST STIPULATION PARTIES?

A. Yes. All of the First Stipulation Parties reserve the right to respond to issues raised by other parties to the case and to issues introduced by the Commission and the public. In this regard, the First Stipulation Parties agree to support the Partial Stipulation throughout this case and any appeal, provide witnesses to sponsor the Partial Stipulation at the hearing, and recommend that the Commission issue an order adopting the settlements contained in the Partial Stipulation.

Other Terms of Partial Stipulation

Q. DO THE TERMS OF THE PARTIAL STIPULATION APPLY TO OTHER CASES?

A. Unless expressly stated in the Partial Stipulation, they do not. The Partial Stipulation represents a compromise in the positions of the First Stipulation Parties made for this case only. By entering into the Partial Stipulation, none of the First Stipulation Parties may be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed in arriving at the terms of the Partial Stipulation, other than those specifically identified in the body of the Partial Stipulation. None of the First Stipulation Parties has agreed that any provision of the Partial Stipulation is appropriate for resolving issues in any other proceeding, except as specified in the Partial Stipulation.

Q. IF THE COMMISSION REJECTS ANY PART OF THE PARTIAL STIPULATION, ARE THE FIRST STIPULATION PARTIES ENTITLED TO RECONSIDER THEIR PARTICIPATION IN THE PARTIAL STIPULATION?

A. Yes. The Partial Stipulation provides that if the Commission rejects any material conditions of the Partial Stipulation, any of the First Stipulation Parties that is disadvantaged by such action shall have the rights provided by OAR 860-014-0085 and shall be entitled to seek reconsideration or appeal of the Commission's Order.

Reasonableness of Partial Stipulation

Q. HAVE THE FIRST STIPULATION PARTIES EVALUATED THE OVERALL FAIRNESS OF THE PARTIAL STIPULATION?

A. Yes. Each of the First Stipulation Parties has reviewed the revenue requirement adjustments contained in the Partial Stipulation, as well as the revenue requirement levels resulting from their application. The First Stipulation Parties agree that the results of the Partial Stipulation are fair and reasonable in the context of this case and should be adopted.

Q. WHAT DO THE FIRST STIPULATION PARTIES RECOMMEND?

A. The First Stipulation Parties recommend that the Commission adopt the Partial Stipulation and include the listed adjustments and terms and conditions in its order in this case.

Q. DOES THIS CONCLUDE YOUR TESTIMONY IN SUPPORT OF THE PARTIAL STIPULATION?

A. Yes.

Case UE 170
Staff-PacifiCorp-CUB-ICNU-Kroger Exhibit 101
Witness: Ed Durrenberger

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – PACIFICORP – CUB– ICNU – KROGER

Exhibit Accompanying Joint Testimony
in Support of Stipulation

June 2005

WITNESS QUALIFICATION STATEMENT

NAME:	Ed Durrenberger
EMPLOYER:	Public Utility Commission of Oregon
TITLE:	Senior Revenue Requirement Analyst
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 Public Utility Commission of Oregon 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.
OTHER EXPERIENCE:	I have over twenty years of operations and maintenance experience managing a boiler plant in a heavy industrial manufacturing environment. I have also managed manufacturing and production in high tech equipment manufacturing.

Case UE 170
Staff-PacifiCorp-CUB-ICNU-Kroger Exhibit 102
Witness: Paul M. Wrigley

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – PACIFICORP – CUB– ICNU – KROGER

Exhibit Accompanying Joint Testimony
in Support of Stipulation

June 2005

PAUL M. WRIGLEY
PacifiCorp
825 NE Multnomah, Suite 800
Portland, OR 97232
(503) 813-6048

SUMMARY OF QUALIFICATIONS

PacifiCorp (1981 – Current)

Revenue Requirement Manager, Regulation (2004 – Current)

Responsibilities include the calculation and reporting of the Company's regulated earnings or revenue requirement and the explanation of those calculations to regulators in the six jurisdictions in which PacifiCorp operates.

Oregon State Manager, Regulation (2001 – 2004)

Responsible for the successful coordination and management of all regulatory issues and activities in the state of Oregon. This included preparation, delivery, and prosecution of state regulatory filings as well as ensuring implementation of and compliance with all regulatory orders.

Revenue Requirement Analyst, Regulation (1995 – 2001)

Assisted with the calculation and reporting of the Company's regulated earnings or revenue requirement and the explanation of those calculations to regulators in Company's jurisdictions.

Load Forecasting (1981 – 1995)

Assisted with the development of the forecasts of kWh sales, number of customers, system loads, and system peaks for the Company's retail jurisdictions.

EDUCATION

BS	Mathematics	Westfield College, London University	1974
M.S.	Probability & Statistics	Sheffield University	1975.
Post-Graduate Research		Sheffield University	1975-1977

TESTIMONY

Testified on behalf of PacifiCorp before the California, Idaho, Montana, Oregon and Washington Commissions.

Case UE 170
Staff-PacifiCorp-CUB-ICNU-Kroger Exhibit 103
Witness: Bob Jenks

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – PACIFICORP – CUB– ICNU – KROGER

Exhibit Accompanying Joint Testimony
in Support of Stipulation

June 2005

WITNESS QUALIFICATION STATEMENT

NAME:	Bob Jenks
EMPLOYER:	Citizens' Utility Board of Oregon
TITLE:	Executive Director
ADDRESS:	610 SW Broadway, Suite 308 Portland, OR 97205
EDUCATION:	Bachelor of Science, Economics Willamette University, Salem, OR
PREVIOUS EXPERIENCE:	Provided testimony or comments in a variety of OPUC dockets, including UE 88, UE 92, UM 903, UM 918, UE 102, UP 168, UT 125, UT 141, UE 115, UE 116, UE 137, UE 139, UE 161, UE 165, UE 167, UG 152, UM 995, UM 1050, UM 1071, UM 1147, and UM 1121. Participated in the development of a variety of Least Cost Plans and PUC Settlement Conferences. Provided testimony to Oregon Legislative Committees on consumer issues relating to energy and telecommunications. Lobbied the Oregon Congressional delegation on behalf of CUB and the National Association of State Utility Consumer Advocates. Between 1982 and 1991, worked for the Oregon State Public Interest Research Group, the Massachusetts Public Interest Research Group, and the Fund for Public Interest Research on a variety of public policy issues.
MEMBERSHIP:	National Association of State Utility Consumer Advocates Board of Directors, OSPIRG Citizen Lobby Telecommunications Policy Committee, Consumer Federation of America Electricity Policy Committee, Consumer Federation of America

Case UE 170
Staff-PacifiCorp-CUB-ICNU-Kroger Exhibit 104
Witness: Randall J. Falkenberg

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – PACIFICORP – CUB– ICNU – KROGER

Exhibit Accompanying Joint Testimony
in Support of Stipulation

June 2005

QUALIFICATIONS OF RANDALL J. FALKENBERG, PRESIDENT

EDUCATIONAL BACKGROUND

I received my Bachelor of Science degree with Honors in Physics and a minor in mathematics from Indiana University. I received a Master of Science degree in Physics from the University of Minnesota. My thesis research was in nuclear theory. At Minnesota I also did graduate work in engineering economics and econometrics. I have completed advanced study in power system reliability analysis.

PROFESSIONAL EXPERIENCE

After graduating from the University of Minnesota in 1977, I was employed by Minnesota Power as a Rate Engineer. I designed and coordinated the Company's first load research program. I also performed load studies used in cost-of-service studies and assisted in rate design activities.

In 1978, I accepted the position of Research Analyst in the Marketing and Rates department of Puget Sound Power and Light Company. In that position, I prepared the two-year sales and revenue forecasts used in the Company's budgeting activities and developed methods to perform both near- and long-term load forecasting studies.

In 1979, I accepted the position of Consultant in the Utility Rate Department of Ebasco Service Inc. In 1980, I was promoted to Senior Consultant in the Energy Management Services Department. At Ebasco I performed and assisted in numerous studies in the areas of cost of service, load research, and utility planning. In particular, I was involved in studies concerning analysis of excess capacity, evaluation of the planning activities of a major utility on behalf of its public service commission, development of a methodology for computing avoided costs and cogeneration rates, long-term electricity price forecasts, and cost allocation studies.

At Ebasco, I specialized in the development of computer models used to simulate utility production costs, system reliability, and load patterns. I was the principal author of production costing software used by eighteen utility clients and public service commissions for evaluation of marginal costs, avoided costs and production costing analysis. I assisted over a dozen utilities in the performance of marginal and avoided cost studies related to the PURPA of 1978. In this capacity, I worked with utility planners and rate specialists in quantifying the rate and cost impact of generation expansion alternatives. This activity included estimating carrying costs, O&M expenses, and capital cost estimates for future generation.

In 1982 I accepted the position of Senior Consultant with Energy Management Associates, Inc. and was promoted to Lead Consultant in June 1983. At EMA I trained and consulted with planners and financial analysts at several

QUALIFICATIONS OF RANDALL J. FALKENBERG, PRESIDENT

utilities in applications of the PROMOD and PROSCREEN planning models. I assisted planners in applications of these models to the preparation of studies evaluating the revenue requirements and financial impact of generation expansion alternatives, alternate load growth patterns and alternate regulatory treatments of new baseload generation. I also assisted in EMA's educational seminars where utility personnel were trained in aspects of production cost modeling and other modern techniques of generation planning.

I became a Principal in Kennedy and Associates in 1984. Since then I have performed numerous economic studies and analyses of the expansion plans of several utilities. I have testified on several occasions regarding plant cancellation, power system reliability, phase-in of new generating plants, and the proper rate treatment of new generating capacity. In addition, I have been involved in many projects over the past several years concerning the modeling of market prices in various regional power markets.

In January 2000, I founded RFI Consulting, Inc. whose practice is comparable to that of my former firm, J. Kennedy and Associates, Inc.

The testimony that I present is based on widely accepted industry standard techniques and methodologies, and unless otherwise noted relies upon information obtained in discovery or other publicly available information sources of the type frequently cited and relied upon by electric utility industry experts. All of the analyses that I perform are consistent with my education, training and experience in the utility industry. Should the source of any information presented in my testimony be unclear to the reader, it will be provided it upon request by calling me at 770-379-0505.

PAPERS AND PRESENTATIONS

Mid-America Regulatory Commissioners Conference - June 1984: "Nuclear Plant Rate Shock - Is Phase-In the Answer"

Electric Consumers Resource Council - Annual Seminar, September 1986: "Rate Shock, Excess Capacity and Phase-in"

The Metallurgical Society - Annual Convention, February 1987: "The Impact of Electric Pricing Trends on the Aluminum Industry"

Public Utilities Fortnightly - "Future Electricity Supply Adequacy: The Sky Is Not Falling" What Others Think, January 5, 1989 Issue

Public Utilities Fortnightly - "PoolCo and Market Dominance", December 1995 Issue

QUALIFICATIONS OF RANDALL J. FALKENBERG, PRESIDENT

APPEARANCES

3/84	8924	KY	Airco Carbide	Louisville . Gas & Electric	CWIP in rate base.
5/84	830470- EI	FL	Florida Industrial Power Users Group	Fla. Power Corp.	Phase-in of coal unit, fuel savings basis, cost allocation.
10/84	89-07-R	CT	Connecticut Ind. Energy Consumers	Connecticut Light & Power	Excess capacity.
11/84	R-842651	PA	Lehigh Valley	Pennsylvania Power Committee	Phase-in of nuclear unit. Power & Light Co.
2/85 cancellation of	I-840381	PA	Phila. Area Ind. Energy Users' Group	Electric Co.	Philadelphia Economics of nuclear generating units.
3/85 fossil	Case No. 9243	KY	Kentucky Industrial Utility Consumers	Louisville Gas & Electric Co.	Economics of cancelling generating units.
3/85 storage	R-842632	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Economics of pumped generating units, optimal res. margin, excess capacity.
3/85	3498-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Nuclear unit cancellation, load and energy forecasting, generation economics.
5/85	84-768- E-42T	WV	West Virginia Multiple Intervenors	Monongahela Power Co.	Economics - pumped storage generating units, reserve margin, excess capacity.
7/85	E-7, SUB 391	NC	Carolina Industrial Group for Fair Utility Rates	Duke Power Co.	Nuclear economics, fuel cost projections.
7/85	9299	KY	Kentucky Industrial Utility Consumers	Union Light, Heat & Power Co.	Interruptible rate design.
8/85	84-249-U	AR	Arkansas Electric Energy Consumers	Arkansas Power & Light Co.	Prudence review.
1/86	85-09-12	CT	Connecticut Ind. Energy Consumers	Connecticut Light & Power Co.	Excess capacity, financial impact of phase-in nuclear plant.
1/86	R-850152	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Phase-in and economics of nuclear plant.
2/86	R-850220	PA	West Penn Power Industrial Intervenors	West Penn Power	Optimal reserve margins, prudence, off-system sales guarantee plan.
5/86	86-081- E-GI	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Generation planning study , economics prudence of a pumped storage hydroelectric unit.
5/86	3554-U	GA	Attorney General &	Georgia Power Co.	Cancellation of nuclear

Expert Testimony Appearances
of
Randall J. Falkenberg

Date	Case	Jurisdict.	Party	Utility	Subject
			Georgia Public Service Commission Staff		plant.
9/86	29327/28	NY	Occidental Chemical Corp.	Niagara Mohawk Power Co.	Avoided cost, production cost models.
9/86	E7-Sub 408	NC	NC Industrial Energy Committee	Duke Power Co.	Incentive fuel adjustment clause.
12/86 613	9437/	KY	Attorney General of Kentucky	Big Rivers Elect. Corp.	Power system reliability analysis, rate treatment of excess capacity.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power	Economics and rate treatment of Bath County pumped storage County Pumped Storage Plant.
6/87	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend Nuclear Plant.
6/87	PUC-87-013-RD E002/E-015 -PA-86-722	MN	Eveleth Mines & USX Corp.	Minnesota Power/ Northern States	Sale of generating unit and reliability Power requirements.
7/87	Docket 9885	KY	Attorney General of Kentucky	Big Rivers Elec. Corp.	Financial workout plan for Big Rivers.
8/87	3673-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Nuclear plant prudence audit, Vogtle buyback expenses.
10/87	R-850220	PA	WPP Industrial Intervenors	West Penn Power	Need for power and economics, County Pumped Storage Plant
10/87	870220-EI	FL	Occidental Chemical	Fla. Power Corp.	Cost allocation methods and interruptible rate design.
10/87	870220-EI	FL	Occidental Chemical	Fla. Power Corp.	Nuclear plant performance.
1/88	Case No. 9934	KY	Kentucky Industrial Utility Consumers	Louisville Gas & Electric Co.	Review of the current status of Trimble County Unit 1.
3/88	870189-EI	FL	Occidental Chemical Corp.	Fla. Power Corp.	Methodology for evaluating interruptible load.
5/88	Case No. 10217	KY	National Southwire Aluminum Co., ALCAN Alum Co.	Big Rivers Elec. Corp.	Debt restructuring agreement.
7/88	Case No. 325224	LA Div. I 19th Judicial District	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend Nuclear Plant.
10/88	3780-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Weather normalization gas sales and revenues.

**Expert Testimony Appearances
of
Randall J. Falkenberg**

Date	Case	Jurisdict.	Party	Utility	Subject
10/88 gas	3799-U	GA	Georgia Public Service Commission Staff	United Cities Gas Co.	Weather normalization of sales and revenues.
12/88	88-171-EL-AIR 88-170-EL-AIR	OH OH	Ohio Industrial Energy Consumers	Toledo Edison Co., Cleveland Electric Illuminating Co.	Power system reliability reserve margin.
1/89	I-880052	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Nuclear plant outage, replacement fuel cost recovery.
2/89	10300	KY	Green River Steel K	Kentucky Util.	Contract termination clause and interruptible rates.
3/89	P-870216 283/284/286	PA	Armco Advanced Materials Corp., Allegheny Ludlum Corp.	West Penn Power	Reserve margin, avoided costs.
5/89	3741-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Prudence of fuel procurement.
8/89	3840-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Need and economics coal & nuclear capacity, power system planning.
10/89	2087	NM	Attorney General of New Mexico	Public Service Co. of New Mexico	Power system planning, economic and reliability analysis, nuclear planning, prudence.
10/89	89-128-U	AR	Arkansas Electric Energy Consumers	Arkansas Power Light Co.	Economic impact of asset transfer and stipulation and settlement agreement.
11/89	R-891364	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	Sale/leaseback nuclear plant, excess capacity, phase-in delay imprudence.
1/90	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Sale/leaseback nuclear power plant.
4/90	89-1001-EL-AIR	OH	Industrial Energy Consumers	Ohio Edison Co.	Power supply reliability, excess capacity adjustment.
4/90	N/A	N.O.	New Orleans Business Counsel	New Orleans Public Service Co.	Municipalization of investor-owned utility, generation planning & reliability
7/90	3723-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Weather normalization adjustment rider.
9/90	8278	MD	Maryland Industrial Group	Baltimore Gas & Electric Co.	Revenue requirements gas & electric, CWIP in rate base.
9/90 study.	90-158	KY	Kentucky Industrial Utility Consumers	Louisville Gas & Electric Co.	Power system planning
12/90	U-9346	MI	Association of	Consumers Power	DSM Policy Issues.

Expert Testimony Appearances
of
Randall J. Falkenberg

Date	Case	Jurisdict.	Party	Utility	Subject
			Businesses Advocating Tariff Equity (ABATE)		
5/91	3979-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	DSM, load forecasting and IRP.
7/91	9945	TX	Office of Public Utility Counsel	El Paso Electric Co.	Power system planning, quantification of damages of imprudence, environmental cost of electricity
8/91	4007-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Integrated resource planning, regulatory risk assessment.
11/91	10200	TX	Office of Public	Texas-New Mexico Utility Counsel	Imprudence disallowance. Power Co.
12/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Year-end sales and customer adjustment, jurisdictional allocation.
1/92	89-783-E-C	WVA	West Virginia Energy Users Group	Monongahela Power Co.	Avoided cost, reserve margin, power plant economics.
3/92	91-370	KY	Newport Steel Co.	Union Light, Heat & Power Co.	Interruptible rates, design, cost allocation.
5/92	91890	FL	Occidental Chemical Corp.	Fla. Power Corp.	Incentive regulation, jurisdictional separation, interruptible rate design.
6/92	4131-U	GA	Georgia Textile Manufacturers Assn.	Georgia Power Co.	Integrated resource planning, DSM.
9/92	920324	FL	Florida Industrial Power Users Group	Tampa Electric Co.	Cost allocation, interruptible rates decoupling and DSM.
10/92	4132-U	GA	Georgia Textile Manufacturers Assn.	Georgia Power Co.	Residential conservation program certification.
10/92	11000	TX	Office of Public Utility Counsel	Houston Lighting and Power Co.	Certification of utility cogeneration project.
11/92	U-19904	LA	Louisiana Public Service Commission Staff	Entergy/Gulf States Utilities (Direct)	Production cost savings from merger.
11/92	8469	MD	Westvaco Corp.	Potomac Edison Co.	Cost allocation, revenue distribution.
11/92	920606	FL	Florida Industrial Power Users Group	Statewide Rulemaking	Decoupling, demand-side management, conservation, Performance incentives.
12/92	R-009 22378	PA	Armco Advanced Materials	West Penn Power	Energy allocation of production costs.
1/93	8179	MD	Eastalco Aluminum/ Westvaco Corp.	Potomac Edison Co.	Economics of QF vs. combined cycle power plant.
2/93	92-E-0814 88-E-081	NY	Occidental Chemical Corp.	Niagara Mohawk Power Corp.	Special rates, wheeling.

Expert Testimony Appearances
of
Randall J. Falkenberg

Date	Case	Jurisdict.	Party	Utility	Subject
3/93	U-19904	LA	Louisiana Public Service Commission Staff	Entergy/Gulf States Utilities (Surrebuttal)	Production cost savings from merger.
4/93	EC92 21000 ER92-806-000	FERC	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy	GSU Merger prodcution cost savings
6/93	930055-EU	FL	Florida Industrial Power Users' Group	Statewide Rulemaking	Stockholder incentives for off-system sales.
9/93	92-490, 92-490A, 90-360-C	KY	Kentucky Industrial Utility Customers & Attorney General	Big Rivers Elec. Corp.	Prudence of fuel procurement decisions.
9/93	4152-U	GA	Georgia Textile Manufacturers Assn.	Georgia Power Co.	Cost allocation of pollution control equipment.
4/94	E-015/ GR-94-001	MN	Large Power Intervenors	Minn. Power Co.	Analysis of revenue req. and cost allocation issues.
4/94	93-465	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Review and critique proposed environmental surcharge.
4/94	4895-U	GA	Georgia Textile Manufacturers Assn.	Georgia Power Co	Purchased power agreement and fuel adjustment clause.
4/94	E-015/ GR-94-001	MN	Large Power Intervenors	Minnesota Power Light Co.	Rev. requirements, incentive compensation.
7/94	94-0035- E-42T	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue annualization, ROE performance bonus, and cost allocation.
8/94	8652	MD	Westvaco Corp.	Potomac Edison Co.	Revenue requirements, ROE performance bonus, and revenue distribution.
1/95	94-332	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Company	Environmental surcharge.
1/95	94-996- EL-AIR	OH	Industrial Energy Users of Ohio	Ohio Power Company	Cost-of-service, rate design, demand allocation of power
3/95	E999-CI	MN	Large Power Intervenor	Minnesota Public Utilities Comm.	Environmental Costs Of electricity
4/95	95-060	KY	Kentucky Industrial Utility Customers	Kentucky Utilities Company	Six month review of CAAA surcharge.
11/95	I-940032	PA	The Industrial Energy Consumers of Pennsylvania	Statewide - all utilities	Direct Access vs. Poolco, market power.
11/95	95-455	KY	Kentucky Industrial	Kentucky Utilities	Clean Air Act Surcharge,
12/95	95-455	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Company	Clean Air Act Compliance Surcharge.
6/96	960409-EI	FL	Florida Industrial	Tampa Electric Co.	Polk County Power Plant

Expert Testimony Appearances
of
Randall J. Falkenberg

Date	Case	Jurisdict.	Party	Utility	Subject
			Power Users Group		Rate Treatment Issues.
3/97	R-973877	PA	PAIEUG.	PECO Energy	Stranded Costs & Market Prices.
3/97	970096-EQ	FL	FIPUG	Fla. Power Corp.	Buyout of QF Contract
6/97	R-973593	PA	PAIEUG	PECO Energy	Market Prices, Stranded Cost
7/97	R-973594	PA	PPLICA	PP&L	Market Prices, Stranded Cost
8/97	96-360-U	AR	AEEC	Entergy Ark. Inc.	Market Prices and Stranded Costs, Cost Allocation, Rate Design
10/97	6739-U	GA	GPSC Staff	Georgia Power	Planning Prudence of Pumped Storage Power Plant
10/97	R-974008 R-974009	PA	MIEUG PICA	Metropolitan Ed. PENELEC	Market Prices, Stranded Costs
11/97	R-973981	PA	WPII	West Penn Power	Market Prices, Stranded Costs
11/97	R-974104	PA	DII	Duquesne Light Co.	Market Prices, Stranded Costs
2/98	APSC 97451 97452 97454	AR	AEEC	Generic Docket	Regulated vs. Market Rates, Rate Unbundling, Timetable for Competition.
7/98	APSC 87-166	AR	AEEC	Entergy Ark. Inc.	Nuclear decommissioning cost estimates & rate treatment.
9/98	97-035-01	UT	DPS and CCS	PacifiCorp	Net Power Cost Stipulation, Production Cost Model Audit
12/98	19270	TX	OPC	HL&P	Reliability, Load Forecasting
4/99	19512	TX	OPC	SPS	Fuel Reconciliation
4/99	99-02-05	CT	CIEC	CL&P	Stranded Costs, Market Prices
4/99	99-03-04	CT	CIEC	UI	Stranded Costs, Market Prices
6/99	20290	TX	OPC	CP&L	Fuel Reconciliation
7/99	99-03-36	CT	CIEC	CL&P	Interim Nuclear Recovery
7/99	98-0453	WV	WVEUG	AEP & APS	Stranded Costs, Market Prices
12/99	21111	TX	OPC	EGSI	Fuel Reconciliation
2/00	99-035-01	UT	CCS	PacifiCorp	Net Power Costs, Production Cost Modeling Issues
5/00	99-1658	OH	AK Steel	CG&E	Stranded Costs, Market Prices
6/00	UE-111	OR	ICNU	PacifiCorp	Net Power Costs, Production Cost Modeling Issues
9/00	22355	TX	OPC	Reliant Energy	Stranded cost

**Expert Testimony Appearances
of
Randall J. Falkenberg**

Date	Case	Jurisdict.	Party	Utility	Subject
10/00	22350	TX	OPC	TXU Electric	Stranded cost
10/00	99-263-U	AR	Tyson Foods	SW Elec. Coop	Cost of Service
12/00	99-250-U	AR	Tyson Foods	Ozarks Elec. Coop	Cost of Service
01/01	00-099-U	AR	Tyson Foods	SWEPCO	Rate Unbundling
02/01	99-255-U	AR	Tyson Foods	Ark. Valley Coop	Rate Unbundling
03/01	UE-116	OR	ICNU	PacifiCorp	Net Power Costs
6/01	01-035-01	UT	DPS and CCS	PacifiCorp	Net Power Costs
7/01	A.01-03-026	CA	Roseburg FP	PacifiCorp	Net Power Costs
7/01	23550	TX	OPC	EGSI	Fuel Reconciliation
7/01	23950	TX	OPC	Reliant Energy	Price to beat fuel factor
8/01	24195	TX	OPC	CP&L	Price to beat fuel factor
8/01	24335	TX	OPC	WTU	Price to beat fuel factor
9/01	24449	TX	OPC	SWEPCO	Price to beat fuel factor
10/01	20000-EP 01-167	WY	WIEC	PacifiCorp	Power Cost Adjustment Excess Power Costs
2/02	UM-995	OR	ICNU	PacifiCorp	Cost of Hydro Deficit
2/02	00-01-37	UT	CCS	PacifiCorp	Certification of Peaking Plant
4/02	00-035-23	UT	CCS	PacifiCorp	Cost of Plant Outage, Excess Power Cost Stipulation.
4/02	01-084/296	AR	AEEC	Entergy Arkansas	Recovery of Ice Storm Costs
5/02	25802	TX	OPC	TXU Energy	Escalation of Fuel Factor
5/02	25840	TX	OPC	Reliant Energy	Escalation of Fuel Factor
5/02	25873	TX	OPC	Mutual Energy CPL	Escalation of Fuel Factor
5/02	25874	TX	OPC	Mutual Energy WTU	Escalation of Fuel Factor
5/02	25885	TX	OPC	First Choice	Escalation of Fuel Factor
7/02	UE-139	OR	ICNU	Portland General	Power Cost Modeling
8/02	UE-137	OP	ICNU	Portland General	Power Cost Adjustment Clause
10/02	RPU-02-03	IA	Maytag, et al	Interstate P&L	Hourly Cost of Service Model
11/02	20000-Er 02-184	WY	WIEC	PacifiCorp	Net Power Costs, Deferred Excess Power Cost
12/02	26933	TX	OPC	Reliant Energy	Escalation of Fuel Factor
12/02	26195	TX	OPC	Centerpoint Energy	Fuel Reconciliation
1/03	27167	TX	OPC	First Choice	Escalation of Fuel Factor
1/03	UE-134	OR	ICNU	PacifiCorp	West Valley CT Lease payment

Expert Testimony Appearances
of
Randall J. Falkenberg

Date	Case	Jurisdict.	Party	Utility	Subject
1/03	27167	TX	OPC	First Choice	Escalation of Fuel Factor
1/03	26186	TX	OPC	SPS	Fuel Reconciliation
2/03	UE-02417	WA	ICNU	PacifiCorp	Rate Plan Stipulation, Deferred Power Costs
2/03	27320	TX	OPC	Reliant Energy	Escalation of Fuel Factor
2/03	27281	TX	OPC	TXU Energy	Escalation of Fuel Factor
2/03	27376	TX	OPC	CPL Retail Energy	Escalation of Fuel Factor
2/03	27377	TX	OPC	WTU Retail Energy	Escalation of Fuel Factor
3/03	27390	TX	OPC	First Choice	Escalation of Fuel Factor
4/03	27511	TX	OPC	First Choice	Escalation of Fuel Factor
4/03	27035	TX	OPC	AEP Texas Central	Fuel Reconciliation
05/03	03-028-U	AR	AEEC	Entergy Ark., Inc.	Power Sales Transaction
7/03	UE-149	OR	ICNU	Portland General	Power Cost Modeling
8/03	28191	TX	OPC	TXU Energy	Escalation of Fuel Factor
11/03	20000-ER -03-198	WY	WIEC	PacifiCorp	Net Power Costs
2/04	03-035-29	UT	CCS	PacifiCorp	Certification of CCCT Power Plant, RFP and Bid Evaluation
6/04	29526	TX	OPC	Centerpoint	Stranded cost true-up.
6/04	UE-161	OR	ICNU	Portland General	Power Cost Modeling
7/04	UE-032065	WA	ICNU	PacifiCorp	Power Cost modeling, Jurisdictional Allocation
7/04	UM-1050	OR	ICNU	PacifiCorp	Jurisdictional Allocation
10/04	15392-U 15392-U	GA	Calpine	Georgia Power/ SEPCO	Fair Market Value of Combined Cycle Power Plant
12/04	04-035-42	UT	CCS		PacifiCorp Net power costs
02/05	UE-165	OP	ICNU	Portland General	Hydro Adjustment Clause

Case UE 170
Staff-PacifiCorp-CUB-ICNU-Kroger Exhibit 105
Witness: Kevin C. Higgins

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – PACIFICORP – CUB– ICNU – KROGER

Exhibit Accompanying Joint Testimony
in Support of Stipulation

June 2005

KEVIN C. HIGGINS
Principal, Energy Strategies, L.L.C.
39 Market St., Suite 200, Salt Lake City, UT 84101
(801) 355-4365

Summary of Credentials

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.

EXPERT TESTIMONY

I have testified in over fifty proceedings on the subjects of utility rates and electric industry restructuring before state utility regulators in Alaska, Arizona, Colorado, Georgia, Idaho, Indiana, Michigan, Nevada, Ohio, Oregon, New York, South Carolina, Utah, Washington, and Wyoming.

BEFORE THE PUBLIC UTILITY COMMISSION OF THE STATE OF OREGON

STAFF – PACIFICORP – CUB– ICNU – KROGER

Exhibit Accompanying Joint Testimony
in Support of Stipulation

June 2005

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 170

In the Matter of PACIFIC POWER & LIGHT (d/b/a PacifiCorp) Request for a General Rate Increase in the Company's Oregon Annual Revenues	**PARTIAL STIPULATION**

This Partial Stipulation is entered into for the purpose of resolving specified adjustments to PacifiCorp's requested revenue requirement in this docket. It represents a settlement of the issues listed in Paragraph 5 of the Stipulation. It does not address the following issues: cost of capital; pensions and benefits; the Transition Adjustment Mechanism ("RVM") and all power costs updates filed in this case associated with the RVM; outages during the UM 995 deferral period; revenues associated with the GP Camas contract; modifications to the Company's partial requirements rate design; issues related to PacifiCorp's consolidated tax filing; allocation factors; a billing cycle issue; rate spread and rate design; and issues raised pursuant to Paragraph 6(e) of this Partial Stipulation.

PARTIES

1. The initial parties to this Partial Stipulation are PacifiCorp (or the "Company"), the Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board ("CUB"), the Industrial Customers of Northwest Utilities ("ICNU"), and Fred Meyer Food Stores and Quality Food Centers, Divisions of Kroger Co. ("Fred Meyer") (together "the Parties"). This Partial Stipulation will be made available to the other parties to this docket, who may participate by signing and filing a copy of this Partial Stipulation.

BACKGROUND

2. On November 12, 2004, PacifiCorp filed revised tariff schedules to effect a $102 million increase in its base prices to Oregon electric customers. PacifiCorp based its filing on a 2006 calendar year test period.

3. Pursuant to Administrative Law Judge Kirkpatrick's Prehearing Conference Memorandum, settlement conferences on UE 170 issues commenced on April 5, 2005. The settlement conferences were open to all parties.

4. As a result of the settlement conferences, the Parties have reached agreement on the matters set forth below. The net effect of this Partial Stipulation is a reduction in PacifiCorp's proposed revenue requirement to approximately $71 million, not taking into account any adjustment for the tax issues covered in paragraphs 5(h) and 5(i) and the allocation factor update covered in paragraph 5(l). The Parties submit this Partial Stipulation to the Commission and request that the Commission approve the settlement as presented.

AGREEMENT

5. Except for the issues reserved pursuant to Paragraph 6 of this Partial Stipulation, the Parties agree that the following adjustments, and the revenue requirement levels resulting from their application, are fair and reasonable:

a. Net Power Costs: The Parties agree that the Company's annual Net Power Costs will be set at approximately $785 million on a Total Company basis. The Partial Stipulation addresses all of the Parties' proposed adjustments to the Company's Net Power Costs as originally filed, including STF margin, extrinsic value, the costs of the Aquila hydro hedge, P4 production, Morgan Stanley call, regulation modeling, hydro modeling (Vista), other outages, CT outage rate, JB 4 outage, Cholla 4 minimum, HDN-1 catastrophic outage, Colstrip 4 catastrophic outage, other Company error outages, loss modeling and reverse DJ-3 derate. The Partial Stipulation does not include issues raised by the Company's two supplemental filings related to power costs or the issues raised by the Company's proposal to adopt an RVM, specifically: (1) outage update period; (2) maintenance schedule; (3) thermal ramping; (4) deferred maintenance; and (5) station service. It also excludes an issue reserved by ICNU relating to outages during the UM 995 deferral period and non-power cost modeling issues such as GP Camas and new resource issues addressed in the Multi-State Process. This adjustment results in an $8.00 million reduction in the Company's filed revenue requirement, an adjustment which the Company will incorporate into its RVM upon approval of this Partial Stipulation. Nothing in this Partial Stipulation suggests whether any Party will support or oppose the RVM. The Parties further agree that PacifiCorp will commit sufficient resources during the year following the approval of this Partial Stipulation to permit the evaluation of stochastic modeling of Net Power Costs for possible incorporation into rates. The analysis will consider the volatility of hydro generation, electricity prices, natural gas prices, system load and forced outages, as well as the correlations among these variables. PacifiCorp, with input from Staff, will develop a plan to complete the evaluation of stochastic modeling, including a schedule of quarterly public workshops to provide progress reports and receive inputs from interested parties. This Partial Stipulation does not address the appropriateness of introducing stochastic modeling of Net Power Costs into rates.

b. Load Forecast Revision: The Parties agree that the line losses included in the Company's load forecast should be updated. This update and the resulting change in allocation factors reduces the Company's filed revenue requirement by $9.16 million.

c. Operating Revenue: The Parties agree that the Company's annual net operating revenue for the test period should not include an operating deduction related to the OPUC fee. This results in a $0.138 million reduction in the Company's filed revenue requirement.

d. Incentive Programs: The Parties agree that the Company's annual net costs for the test period for incentive programs will be set at $35.6 million on a Total Company basis. This adjustment ties PacifiCorp total compensation to market and excludes a portion of the incentive tied to the Company's financial performance. In addition, this adjustment excludes 100 percent of the Company's Long Term Incentive Compensation ("LTIP"). This adjustment results in a $5.5 million reduction in the Company's filed revenue requirement.

e. Non-Labor Administrative and General Costs: The Parties agree to a $6.123 million reduction in the Company's filed revenue requirement in non-labor administrative and general costs. This does not include ICNU's proposed adjustment related to Regional Transmission Organization (RTO) costs.

f. Other Revenues: The Parties agree to a $2.2 million reduction in the Company's filed revenue requirement to account for growth in other revenue accounts 450, 451, 454 and 456.

g. Bridger Coal: The Parties agree to smooth the impact of the nonrecurring (coal) costs in the test year associated with Bridger by amortizing the difference between the actual 2004 costs and the forecasted 2006 costs over a three-year period. The Company will recover a return on the unamortized balance. This results in a $2.4 million reduction in the Company's filed revenue requirement.

h. FIT and SIT: The Parties agree that the Company's income tax expense for the test period should be adjusted based upon the final weighted average cost of debt.

i. Production Activity Deduction: The Parties agree to the methodology proposed by the Company for purposes of this proceeding. The final amount will be determined based upon the final revenue requirement authorized in this docket. In the event that the Internal Revenue Service approves the production activity deduction methodology proposed by the Edison Electric Institute ("EEI"), the Company reserves its right to file for deferred accounting for the difference between the amount under the methodology proposed herein and the EEI methodology.

j. Hydroelectric Relicensing Costs: The Parties agree to remove this adjustment, which was first proposed by Staff.

k. Miscellaneous Corrections: The Parties agree that the Company's revenue requirement will be increased by $1.3 million for an adjustment to rate base allocated on the Ditbal factor; $0.992 million to correct the allocation factors for Hermiston and Gadsby; and $0.250 million to account for the costs of WSCC Membership and Little Mountain.

l. Allocation Factor Update: The Parties agree that the Company's revenue requirement will be updated based upon the new allocation factors resulting from the change described in paragraph 5 (b).

m. Schedule 200 Tail Block: To effect a smooth transition from Schedules 28 to 30, the Parties agree that the Cost-Based Supply Service Energy Charges in Schedule 200 will have equal tailblock charges applicable for Schedules 28 and 30.

n. Change in G/Y Market Caps for Transition Adjustment Calculation: For purposes of calculating the Transition Adjustment as proposed in the RVM, the Parties agree that if 25 MW of Direct Access load is assumed in the calculation, the wholesale market caps during the graveyard hours will be increased by 10 MW for the COB and Mid C wholesale markets, respectively. If the amount of Direct Access load assumed in the calculation is different than 25 MW, the wholesale market caps during graveyard hours at COB and Mid-C will be changed proportionately. The increase in wholesale market caps is limited to the Transition Adjustment calculation and the increase shall not otherwise be used in the calculation of Net Power Costs or revenue requirement.

6. The Parties agree on the following in terms of settled and non-settled issues:

a. The Parties to this Partial Stipulation agree that it resolves all issues related to the cost/revenue items and categories associated with the adjustments listed in Paragraph 5, except as specifically noted;

b. Staff agrees to raise only the following issues in this case: cost of capital; pensions and benefits; the RVM, RVM input assumptions, and all power costs updates filed in this case associated with the RVM; revenues associated with the GP Camas contract; modifications to the Company's partial requirements rate design; and rate spread and rate design. Staff reserves the right to review and comment on issues raised by other parties to this case;

c. CUB's issues list for testimony in this case consists of the issues reserved by Staff, plus issues related to PacifiCorp's consolidated tax filing, allocation factors, and a billing cycle issue. CUB reserves the right to add additional issues if uncovered in further analysis and review and comment on issues raised by other parties to this case;

d. Fred Meyer reserves the right to address cost-of-service, rate spread, rate design, and RVM issues not included in Paragraph 5. Fred Meyer reserves the right to respond to issues raised by other parties to this case; and

e. ICNU reserves the right to raise any issue in this proceeding except as specifically resolved by Paragraph 5 of this Partial Stipulation.

7. The Parties agree that this Partial Stipulation represents a compromise in the positions of the Parties. As such, conduct, statements and documents disclosed in the negotiation of this Partial Stipulation shall not be admissible as evidence in this or any other proceeding.

8. This Partial Stipulation will be offered into the record of this proceeding as evidence pursuant to OAR 860-14-0085. The Parties agree to support this Partial Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this Partial Stipulation at the hearing and recommend that the Commission issue an order adopting the settlements contained herein.

9. The Parties agree that they will continue to support the Commission's adoption of the terms of this Partial Stipulation. If this Partial Stipulation is challenged by any other party to this proceeding, the Parties agree to cooperate in cross-examination and put on such a case as they deem appropriate to respond fully to the issues presented, which may include raising issues that are incorporated in the settlements embodied in this Partial Stipulation.

10. The Parties have negotiated this Partial Stipulation as an integrated document. If the Commission rejects all or any material portion of this Partial Stipulation or imposes additional material conditions in approving this Partial Stipulation, any party disadvantaged by such action shall have the rights provided in OAR 860-014-0085 and shall be entitled to seek reconsideration or appeal of the Commission's Order.

11. By entering into this Partial Stipulation, no party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other party in arriving at the terms of this Partial Stipulation, other than those specifically identified in the body of this Partial Stipulation. No party shall be deemed to have agreed that any provision of this Partial Stipulation is appropriate for resolving issues in any other proceeding, except as previously identified in Paragraph 5 of the Partial Stipulation.

12. This Partial Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

This Partial Stipulation is entered into by each party on the date entered below such party's signature.

Signatures follow on next page

PACIFICORP

By: ______________________

Date: May 2, 2005

STAFF

By: ______________________

Date: ______________________

CUB

By: ______________________

Date: ______________________

ICNU

By: ______________________

Date: ______________________

FRED MEYER

By: ______________________

Date: ______________________

PACIFICORP

By: ______________________

Date: ______________________

STAFF

By: [signature]

Date: 5/3/05

CUB

By: ______________________

Date: ______________________

ICNU

By: ______________________

Date: ______________________

FRED MEYER

By: ______________________

Date: ______________________

PACIFICORP

By: ______________________________

Date: ______________________________

STAFF

By: ______________________________

Date: ______________________________

CUB

By: ______________________________

Date: ______________________________

ICNU

By: ______________________________

Date: 5/3/05

FRED MEYER

By: ______________________________

Date: ______________________________

PACIFICORP

By: ______________________

Date: ______________________

STAFF

By: ______________________

Date: ______________________

CUB

By: ______________________

Date: May 3, 2005

ICNU

By: ______________________

Date: ______________________

FRED MEYER

By: ______________________

Date: ______________________

PACIFICORP

By: ______________________

Date: ______________________

STAFF

By: ______________________

Date: ______________________

CUB

By: ______________________

Date: ______________________

ICNU

By: ______________________

Date: ______________________

FRED MEYER

By: ______________________

Date: May 3, 2005

Case UE 170
Staff-PacifiCorp-CUB-ICNU-Kroger Exhibit 107

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – PACIFICORP – CUB– ICNU – KROGER

Exhibit Accompanying Joint Testimony
in Support of Stipulation

June 2005

Original Filing $102,023,704

The Following Amounts are agreed upon.

S-00 Operating Revenue Deduction	($138,000)
S-1 Load Forecast Revision	($9,160,000)
Incentive Programs	($5,500,000)
Non-Labor A&G	($6,123,000)
Revenue Growth	($2,200,000)
Bridger Coal Costs	($2,400,000)
NPC	($8,000,000)
DITBAL Allocation	$1,300,000
Hermiston/Gadsby Correction	$992,000
WSCC Membership	$125,000
Little Mountain	$125,000
Filing As Adjusted	$71,044,704

The following Amounts will change based upon the final order

FIT/SIT Adjustment

S-9 Production Activity Deduction

Factor Change

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in Docket UE 170 on the following named person(s) on the date indicated below by email and first-class mail addressed to said person(s) at his or her last-known address(es) indicated below.

Melinda J. Davison
Davison Van Cleve, PC
333 SW Taylor, Suite 400
Portland, OR 97204

Jason Eisdorfer
Citizens' Utility Board
610 SW Broadway, Suite 308
Portland, OR 97205

Matthew Perkins
Davison Van Cleve PC
333 SW Taylor, Suite 400
Portland, OR 97204

David Hatton
Jason Jones
Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

Douglas Tingey
Portland General Electric
121 SW Salmon, 1WTC13
Portland, OR 97204

Jim Abrahamson
Community Action Directors
of Oregon
4035 12th Street Cutoff SE, Suite 110
Salem, OR 97302

Rates & Regulatory Affairs
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