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November 15, 2005

Via Electronic and US Mail

Public Utility Commission of Oregon

Attn: Filing Center

550 Capitol St. NE #215

P.O. Box 2148

Salem OR 97308-2148

Re: In the Matter of PACIFIC POWER & LIGHT Application for Power Cost
Adjustment Mechanism
Docket No. UE 173

Dear Filing Center:

Enclosed please find an original and five copies of the Cross Examination Exhibits on behalf of the Industrial Customers of Northwest Utilities in the above-captioned proceeding.

Thank you for your assistance.

Sincerely,

/s/ Christian Griffen

Christian W. Griffen

Enclosures

cc: Service List

UE-173/PacifiCorp
June 9, 2005
ICNU 1st Set Data Request 1.3

ICNU Data Request 1.3

Reference PPL/204. Please explain in detail what is meant by “PCAM GRID Studies” (lines 4, 5 and 6). Please explain how each such GRID study will be created, what will be the source for the input data, and what changes will be made from the base case.

Response to ICNU Data Request 1.3

PCAM GRID studies refers to GRID runs used to identify the net power cost impact of changes in Company owned hydro generation facilities on the west side of the system (Company-owned hydro-west) and Mid Columbia hydro, so the impacts can be allocated to Oregon under the revised protocol.

The starting point for the studies would be the last authorized NPC in rates. The Company would then do a new GRID run with the actual market prices during the deferral period to determine a new base for measuring the impact of hydro changes. The Company would then run another study with actual generation for Company-owned hydro resources-west. The difference between the market price run and the Company owned hydro-west run would be the net power cost impact of actual Company owned hydro-west. The Company would then run another incremental study with actual Mid Columbia generation. The difference between the Company-owned hydro-west study and the Mid Columbia study would be the net power cost impact of actual Mid Columbia hydro generation.

UE-173/PacifiCorp
June 9, 2005
ICNU 1st Set Data Request 1.7

ICNU Data Request 1.7

Does the company agree that in PPL/204 Actual Net Power Costs were not adjusted to reflect the SMUD contract? If not, please explain why not.

Response to ICNU Data Request 1.7

The Company should have made the SMUD adjustment, but it was inadvertently overlooked.

UE-173/PacifiCorp
June 9, 2005
ICNU 1st Set Data Request 1.8

ICNU Data Request 1.8

The \$598 million baseline net power costs shown in PPL/204 was the result of a settlement among the parties in UE 147. Were there any adjustments made to the requested net power costs in that case that should also be reflected in the actual costs used in the exhibit? If so, please identify the adjustments and amounts.

Response to ICNU Data Request 1.8

No. The extrinsic value adjustment included in the settlement is naturally part of actual costs.

UE-173/PacifiCorp
June 9, 2005
ICNU 1st Set Data Request 1.9

ICNU Data Request 1.9

Reference PPL/204. Does the Company agree that the Oregon allocation of extra costs due to Company owned hydro (line 46) is inconsistent with the MSP Revised Protocol because it uses the DGP allocator used in the ECD calculation to allocate an increase in system related costs (i.e., incremental fuel and net purchased power expense)? Please explain.

Response to ICNU Data Request 1.9

No. The costs shown on line 46 of PPL/204 are the additional costs associated with lower than normal hydro conditions. The Revised Protocol specifies how costs are allocated based on normal hydro conditions, but does not specify how a PCAM would operate.

In this PCAM filing, the Company is proposing that all increases or decreases in costs associated with replacing the normalized generation from Hydro-Electric Resources with actual generation be allocated using the DGP factor. This is consistent with the Revised Protocol since this is the same factor used to allocate the difference in unit cost between Hydro-Electric Resources and All Other Resources in the ECD calculation.

UE-173/PacifiCorp
June 9, 2005
ICNU 1st Set Data Request 1.10

ICNU Data Request 1.10

Does the Company agree that fuel and purchased power expenses in the MSP Revised Protocol are system costs that are allocated on the SE and SG factors? Please explain.

Response to ICNU Data Request 1.10

Under the Revised Protocol, fuel and purchased power expenses consistent with normalized hydro conditions are allocated on the SE and SG factors. Please see the Response to ICNU Data Request 1.9.

UE-173/PacifiCorp
June 9, 2005
ICNU 1st Set Data Request 1.22

ICNU Data Request 1.21

Does the Company agree that the actual power costs shown in PPL/204 are for
CY 2004 not FY 2004?

Response to ICNU Data Request 1.21

Yes.

UE-173/PacifiCorp
September 23, 2005
ICNU 2nd Set Data Request 2.3

ICNU Data Request 2.3

Please provide PacifiCorp's latest forecast of 2005 monthly hydro generation for Mid-C, Western System Hydro, and Eastern System Hydro in the same format as that used in Exhibit PPL/103 in OPUC Docket No. UM 1193.

Response to ICNU Data Request 2.3

The requested information is provided as Attachment ICNU 2.3 on the enclosed CD.

OREGON

POWER COST ADJUSTMENT MECHANISM

UE-173

PACIFICORP

ICNU 2nd SET DATA REQUEST

ATTACHMENT ICNU 2.3

ON THE ENCLOSED CD

Hydro Generation Forecast (MWh)

	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Total
Company owned - West	211,436	199,756	309,970	361,612	213,355	161,686	163,574	138,170	227,688	356,102	443,269	2,786,617
Company owned - East	12,664	28,033	48,656	63,261	51,025	30,783	28,116	18,196	20,567	21,598	27,527	350,427
Mid Columbia	165,307	162,993	133,131	160,569	164,573	171,246	164,091	110,429	116,345	133,770	148,543	1,630,997
Total	389,407	390,782	491,757	585,442	428,953	363,715	355,781	266,794	364,600	511,470	619,339	4,768,041

ICNU Data Request 4.2

Please identify the seven Western largest investor owned utilities that have fuel and purchased power adjustment mechanisms that are referenced on page 3 of Ms. Omohundro's rebuttal testimony.

Response to ICNU Data Request 4.2

Please refer to the Standard & Poor's report in Exhibit 101.

There are two qualifications Ms. Omohundro would like to make regarding this report. First, since that report was issued in October 2004, a Power Supply Adjustor (PSA) was adopted on April 7, 2005 in the context of Arizona Public Service's (APS) most recent rate case. Second, while the report indicates that Portland General Electric (PGE) has a "quasi" fuel and purchased power adjustment mechanism, the Company does not agree that PGE's Resource Valuation Mechanism (RVM) is a power cost adjustment mechanism. Rather, it is an annual forward-looking power cost update similar to the Company's recently approved Transition Adjustment Mechanism (TAM).

UE-173/PacifiCorp
October 18, 2005
ICNU 4th Set Data Request 4.10

ICNU Data Request 4.10

For each of the states PacifiCorp operates in, please identify whether the Company filed a PCAM, and explain the reasons why the Company has or has not filed a PCAM.

Response to ICNU Data Request 4.10

For the reasons outlined in Mr. Widmer's testimony, the Company has filed or intends to file a PCAM in all of the states that the Company operates. There are active PCAM filings in Oregon, Washington and Wyoming (as part of a broader Wyoming AFOR filing).

UE-173/PacifiCorp
October 18, 2005
ICNU 4th Set Data Request 4.14

ICNU Data Request 4.14

Assuming the PCAM had been in effect from September 30, 2004, to September 30, 2005, please specify the amount of cost that would have been recovered in the PCAM and the amount of PCAM cost as a percent of the Company's total Oregon retail revenue. If data is not available for this time period, PacifiCorp may substitute the most recent twelve month period for which data is available.

Response to ICNU Data Request 4.14

Please refer to Exhibit 201 in Mr. Widmer's testimony. Other than the information provided in Mr. Widmer's testimony, the Company has not preformed the requested studies.

UE-173/PacifiCorp
November 14, 2005
ICNU 5th Set Data Request 5.3

ICNU Data Request 5.3

For each utility referred to on PPL/104, please identify and provide a copy of each state regulatory commission order that approved the utility's "Power Cost Tracker."

Response to ICNU Data Request 5.3

The Company does not have copies of each state regulatory commission order that approved the utility's "Power Cost Tracker" referred to on PPL/104. This information was obtained through references in financial reports for the companies listed on the exhibit, and is provided in Attachment ICNU 5.2.

UE-173/PacifiCorp
November 14, 2005
ICNU 5th Set Data Request 5.4

ICNU Data Request 5.4

For each utility referred to on PPL/104, please identify and provide a copy of the state regulatory commission order that adopted the utility's "Allowed ROE."

Response to ICNU Data Request 5.4

The Company does not have copies of each state regulatory commission order that adopted the utility's "Allowed ROE" referred to on PPL/104. This information was obtained through Regulatory Research Associates, Inc. (RRA) reports. Provided as Attachments ICNU 5.4 -1 and 5.4 -2 on the enclosed CD are relevant pages from RRA reports for the comparable companies shown in PPL/104.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the Cross Examination Exhibits on behalf of the Industrial Customers of Northwest Utilities will be hand-delivered upon the parties on the service list, shown below, at tomorrow’s hearing conference.

Dated at Portland, Oregon, this 15th day of November, 2005.

/s/ Christian Griffen
Christian W. Griffen

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