Q. Are you the same Donald N. Furman who previously filed direct testimony in this proceeding?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. My testimony will focus in four areas. First, I will address the CCS allegation that PacifiCorp can do more for less, and therefore is deserving of a ***$40 million decrease***. Second, UAE witness Richard Anderson alleges that ratepayers paid opportunity costs in connection with the ScottishPower/PacifiCorp merger. I will rebut that contention. Third, I will respond to criticisms of PacifiCorp's budgeting and forecasting processes. Fourth, I will describe my experience of some of the services that PacifiCorp receives from Scottish Power and how these benefit customers. I will also introduce the witnesses the Company is presenting in its rebuttal case.

Doing "More for Less"

Q. What are the direct implications of the CCS proposal to reduce the Company's prices by nearly $40 million?

A. The implications are clear. The Committee believes that PacifiCorp can spend hundreds of millions of dollars on new generating resources to serve growing Utah loads, spend tens of millions more to add new distribution infrastructure and replace aging facilities, increase its distribution operation and maintenance spending to implement new service reliability measures--and do all of these things while decreasing its cash flow and reducing prices to customers. In fact, it would be impossible to meet all of our service obligations and commitments in this state with the recommendations proposed by the CCS. I would ask the commission to base its decision, in this proceeding, based on the company's strong record of delivering budgeted plans and not on the various adjustments proposed by the parties to reduce the needed increase. The forecasted plans are real and need appropriate funding, and without that funding the improvements in performance and reliability will suffer.

Q. What CCS adjustments do you take issue with?

A. First, I am concerned with the apparent desire of the Committee to identify proposed adjustments that limit the revenue requirements of the Company but do not seek to reduce the operational responsibilities that it would place on the Company. This is effectively asking the Company to do more with less, something that is not achievable. In reality, I disagree with most of the Committee's adjustments as I do not think they make any attempt to provide analysis of conditions that are reflective of the rate effective period. The following adjustments are however, particularly egregious: the proposal to credit customers with the benefits of tax consolidation among Scottish Power and its subsidiaries; the proposal to disallow all shareholder services expenses; the proposal to disallow costs at affiliate mines that have been accepted in every PacifiCorp jurisdiction for over 20 years ; the proposal to disallow pension expense for PacifiCorp employees; the proposal to eliminate additional manpower needed to implement system reliability initiatives resulting from the Storm Report. Each of these adjustments along with many others will be rebutted in detail by other Company witnesses. The net impact of these adjustments is to create a revenue requirement recommendation that is not even close to the revenues required by PacifiCorp to deliver its plans and to provide it with a fair opportunity to earn its allowed rate of return.

Q. What must the Commission consider in deciding the merits of the Company's proposed rate increase?

A. Essentially three considerations: first, that the company is managed efficiently and prudently, secondly, that the company has sufficient financial strength to provide reliable service at reasonable cost and thirdly that the costs that the Company believes it will incur are most reflective of the costs that it will encounter during the rate effective period. The CCS witnesses attempt to challenge this application based on the first consideration, but nowhere do they actually identify which, if any, of our plans they take issue with. Indeed, the adjustments that they offer are simply not representative of the costs that will be encountered in the rate effective period. Rather they are selective adjustments that fail to create a revenue requirement that is reflective of the conditions the Company will encounter.

Q. Why are the adjustments unreasonable?

A. For a variety of reasons, each of which will be explained by other witnesses in more detail. For example, were the Commission to credit customers with the benefits of tax consolidation, then to be consistent, it must also shoulder customers with the costs that create these benefits and the associated risks. The pension adjustment is another example. The discount rate for pensions is not under the control of the company, it is essentially dictated by actuarial consultants and outside auditors. In addition, the Company accounts for Pensions expense based on 5 year averages of gains or losses, this means that the requested Pensions expense is not as speculative as some parties would have the Commission believe. The company mechanically applies the discount rate to produce the amount of pension expense required. The adjustments to the affiliate mine expenses, which have been regularly audited by multiple jurisdictions over many years, are offered by a witness with no experience or expertise in mine operations. The proposed adjustment that *all* of the Scottish Power Corporate Cross Charge be eliminated is supported by the assertion that the CCS consultant could not determine a detailed understanding of all aspects of the Corporate Cross Charge. But the most egregious CCS adjustment is the elimination of manpower additions and budget increases supported by the Storm Report. The recommendations of this report are supported by an independent consultant closely involved in the process. To eliminate these positions, in light of the events of last winter, would not be responsible.

The fact is, we need to invest large amounts of capital in new generating facilities, as evidenced by the Integrated Resource Plan and the Certificates of Public Convenience and Necessity issued for the Currant Creek and Lakeside Projects. We need to do the things our customers and regulators want us to do, specifically improving the reliability of our Utah distribution system which has become stressed by continuous load growth. None of these plans should come as a surprise to anyone who has participated in our Storm Review meetings or who has been involved in our Integrated Resource Planning process. Customers and regulators alike support the initiatives that we have undertaken as a result of the Storm Report--such things as shorter tree-trimming cycles, more frequent maintenance inspections, and the replacement of aging facilities. This all comes at a cost, which we seek to control to the best of our ability.

Ongoing growth requires ongoing investment. Additional investment can only be supported through additional revenue. I believe that our customers understand that more and better service comes at some additional cost. The revenue increase requested by the Company in this case is necessary to achieve service excellence, and it is in line with customer expectations.

Q. What would be the consequences of a minimal increase, let alone a price reduction, being ordered in this case?

A. If the Company receives an inadequate price increase in this case, we will regrettably be unable to fully make our planned investments. This failure will not be the result of unwillingness on our part; it will be driven by economic reality. The financial markets will punish the Company, and indirectly its customers, for embarking on a major capital expenditure program that is undermined by reduced cash flows and lower revenues. The reality is that the Company's financial strength is critical to its ability to make substantial investments in a cost effective manner. In a time of significant growth and investment requirements, the failure to allow the Company to reflect changing conditions in rates sends a clear signal to financial markets that the Company cannot earn its allowed rate of return. Those markets will respond by increasing our cost of capital. The rate increase supported by the 2006 fiscal year (FY) forecast test year is essential if the

Company is to have a reasonable chance to earn its authorized return. These financial decisions will necessitate direct consequences for our community and our customers. We will have no choice but to reduce jobs and it will take longer to deliver our plans in areas such as tree trimming, maintenance and customer service. The impact will be lower SAIDI and SAIFI, and higher levels of customer complaints. We will experience a credit downgrade below A-, which would result in a higher cost of capital and a loss of opportunity to enter into beneficial wholesale transactions, causing higher rates and lower quality service. Accepting these consequences makes no sense and it is a stretch to suggest that these consequences would be of benefit to customers. I believe that faced with these consequences and a lower electricity bill or faced with a reasonable increase that delivers the benefits of increased reliability and a stronger infrastructure, the preference of the majority of our customers would be clear.

Even with this requested increase, the Company would remain one of the lowest cost electric utilities in the nation. This is a critical issue that the Commission must consider as it reviews our rate request. This is already a low priced utility and to suggest that it has the capacity to deliver more with less ignores the facts.

Q. Does the forecast test year remain critical for the Company in this proceeding?

A. Yes. PacifiCorp chose to use a forecast test year because it believed that a rate case filing that took into account its planned activities and investments would best reflect the conditions that were expected in the rate effective period, and would afford the Company the best chance to fully recover its costs and have a fair opportunity to earn its authorized return. To suggest that a Utility that is already earning significantly below its allowed rate of return, will somehow embark on a ambitious investment program, and at the same time manage to increase its allowed rate of return with no or limited new revenues is simply not credible.

Opportunity Costs

Q. Please explain the issue relating to opportunity costs that has been raised by Dr. Richard Anderson.

A. Dr. Richard Anderson, testifying on behalf of UAE, is part of the intervenor consortium that supports various rationales for appropriating unregulated consolidated tax savings for the benefit of regulated customers. Each party proposes a slightly different version of the consolidated tax adjustment in the hope that the Commission will find one that it likes. Dr. Anderson supports his version of this adjustment by alleging that Utah customers paid costs associated with the ScottishPower-PacifiCorp merger in the form of significant opportunity costs. Thus, according to Dr. Anderson's logic, customers are entitled to a fair share of benefits stemming directly from the ScottishPower merger, including tax savings resulting from the acquisition of PacifiCorp.

Q. What does Mr. Anderson mean by "opportunity cost"?

A. According to Dr. Anderson, Utah customers incurred an opportunity cost when PacifiCorp and ScottishPower merged because this merger effectively precluded PacifiCorp from entering into an even more advantageous merger with another utility. Since, according to Dr. Anderson, there were no customer benefits resulting from the ScottishPower-PacifiCorp merger, the opportunity cost is represented by the amount of benefits that would have been available from the foregone "mystery merger".

Q. Does Dr. Anderson claim that Utah customers have a right to the consolidated tax savings because they in some way paid the costs that gave rise to the tax benefit?

A. No. Dr. Anderson does not claim that regulated customers have in any way paid for the interest expense that actually produced the tax benefit. His adjustment is justified solely on the basis of using the tax benefit to offset his alleged foregone opportunity cost.

Q. What is your response to Dr. Anderson's scheme for appropriating unregulated tax savings?

A. Dr. Anderson's argument fails on many levels. First, at the time of the ScottishPower merger, PacifiCorp had no other legitimate merger offers. It would be pure speculation to assume that other legitimate offers would have materialized, absent the ScottishPower merger, and it requires an even greater leap of faith to arbitrarily assume that a subsequent "mystery merger" would have generated any significant customer benefits, especially when the type of merger candidates that Dr. Anderson has previously identified include utilities that were caught up in the Power Crisis or went bankrupt. However, the most fundamental flaw in Dr. Anderson's logic is his assumption that the ScottishPower merger produced no benefits for PacifiCorp customers.

Q. In what ways have Utah customers benefited from the ScottishPower merger?

A. First, Utah customers benefited greatly from the financial strength of ScottishPower during the recent California energy crisis. While many other utilities in the Western U.S. struggled to pay their bills and avoid bankruptcy, the financial stability of ScottishPower enabled the Company to get the financing it needed to purchase needed power supplies and to maintain its credit rating. During this time of crisis, ScottishPower stopped collecting dividends from PacifiCorp and made an equity infusion of $150 million into the Company to further support its credit rating. Nevada Power, which recovered *a greater* percentage of its excess net power costs from customers than PacifiCorp, came out of the energy crisis with a "junk bond" credit rating. Due almost entirely to the support of ScottishPower, PacifiCorp was able to maintain its "A" credit rating.

In addition, the merger produced significant transition plan savings as ScottishPower introduced best practices to PacifiCorp. These process improvements were implemented throughout the Company and resulted in lower costs for customers. The transition plan savings have been documented in previous Utah rate case filings and semi-annual results of operations reports. Support during the energy crisis and the transition plan savings were real, tangible and measurable benefits that accrued to our customers as a result of the merger. Mr. Anderson’s speculation about the benefits of another merger are ethereal at best, and should not form the basis for an adjustment in this proceeding.

Budget/Forecast Procedures

Q. A number of intervenor witnesses, including Mr. Gorman for UAE, Ms. DeRonne for the CCS, and Mr. Moio for the DPU, have proposed significant disallowances to the Company's forecast capital additions in this proceeding. What is the basis for these proposed adjustments?

A. To a great extent the proposed reductions in the Company's forecast test year capital additions result from alleged deficiencies in the budget approval process or lack of project documentation. Ms. DeRonne raises some other issues that I will address later, but in general each of these witnesses takes issue with PacifiCorp's capital budgeting procedures.

Q. Are the Company's capital budgeting procedures a legitimate area of inquiry by parties in this proceeding.

A. Yes, of course. The parties in this case have a clear interest in establishing the credibility of PacifiCorp's forecast capital additions in this case. Unfortunately, there is a great deal of misunderstanding about the Company's budget approval process which has resulted in several large, unwarranted adjustments to forecasted plant in service.

Q. Can you summarize the capital budgeting process that supports the forecast rate base additions in this case?

A. Yes. As a member of the Chief Executive's Committee (CEC), I participate in the review and approval of capital projects. I am also a member of the PacifiCorp Investment Committee (PIC).

Q. Please describe the process by which capital expenditures are included in the budget?

A. Initially, a long term view of the Company's forecasted capital expenditure is developed as part of the strategic 10-Year Plan process. The objective is to allocate capital based on the Company's strategic objectives. This long term view is then refined annually during the 2-year Budget process to reflect the current needs and views of the Company. At this stage, capital investment is allocated into discrete investment categories, not specific projects.

Q. When is the budgeting process performed?

A. Depending on the timing of the actual capital project, budgeting can occur up to 33 months before the spending on the project is scheduled to begin. For example, a 10-Year Planning cycle starting in July of 2005 would be looking at a 10 year period beginning April of 2006 and would forecast capital expenditures through the 10 year period. The first two years of the plan, FY06 and FY07, would constitute the capital budget. Therefore, from the time the plan is developed to the actual expenditure could be up to 33 months (July 2005 thru March 2008).

Q. Is this 10-Year Plan reviewed and approved?

A. Yes. The 10-Year Plan is reviewed based upon information that is developed at the business unit level by each unit's management. The business unit plans are then combined and the consolidated plan is reviewed by the PacifiCorp's Chief Executive Committee and Board of Directors. It is then submitted to Scottish Power (SP) where it is further consolidated.

Q. Are the forecast capital expenditures in this case based on the 10-Year Plan?

A. No. The capital expenditures in this case are based on the approved budget, which is developed in line with the 10-Year Plan's objectives.

Q. What is the process for including capital expenditures in the approved budget?

A. The Capital Management Policy states "the capital plan developed during the Business Planning process will be further refined through the Budget process and translated into a detailed, phased capital expenditure budget."

Q. Who reviews and approves the annual budget?

A. Annually the business units prepare their budget for the subsequent 2-year period. This budget includes their forecast of capital expenditures. It is reviewed by the executive management of the business unit and then consolidated with the other business units and presented to the Company's executive management for review and approval.

Q. Does this mean that PacifiCorp Investment Committee (PIC) approvals are required prior to the capital project being included in the Budget?

A. No, the role of the PIC is to provide a second round of oversight ***after*** the budget is approved. The PIC reviews projects before expenditures begin to assure economic justification, compliance with the budget, consistency with procurement procedures, and customer benefits. The PIC also provides ongoing oversight of major projects, and post-investment review to assure that projects are completed on budget and on time, and produce the intended benefits

Q. Why isn't PacifiCorp Investment Committee approval required for budget purposes?

A. As I have previously explained, the capital budgeting process is rigorous, and includes a complete review of both major capital projects and the level of spending on more routine capital. The PIC has no role in the budgeting process, but provides an even more refined and detailed oversight prior to the initiation of the project through to project completion. Any elimination of forecasted capital spending due to lack of PIC approval (for example, the $137 and $136 million disallowances by Mr. Gorman and Mr. Moio, respectively), would be wrong.

Q. Historically have the Company's actual capital expenditures been in line with the budget?

A. Yes. PacifiCorp's variance in actual capital expenditure versus budget for the last 3 years, as previously presented in the Company's response to CCS Data Request 3.10, has been less than 4 percent on average and not higher than 7 percent in any one year.

Q. Should it be surprising that over a $100 million of capital projects did not receive PIC approval?

A. No. Only the largest projects (over $3 million) are subject to PIC approval. Smaller projects are subject to similar scrutiny at the business unit level. However, it is not surprising that even many of the larger projects would not have PIC approval at this time. As I explained, PIC approval takes place when actual expenditures are imminent. Unless it has an unusually long lead time, I would not expect that a capital project budgeted for FY06 would have undergone PIC approval during calendar year 2004. Mr. Gorman and Mr. Moio unfortunately do not understand the role of the PIC in the budget approval process. Any adjustments that they have made to test year capital additions on the basis of this misunderstanding should be rejected by the Commission.

Q. Both Mr. Gorman and Ms. DeRonne expressed disappointment at the level of documentation available to support forecasted capital projects. They cite this lack of documentation as additional evidence that the Company forecast capital additions are uncertain and should be disallowed. What is your response?

A. I believe that many of the alleged documentation issues result from a misunderstanding of the process. A good example is the concern expressed by Ms. DeRonne when she found that many capital projects were supported by Expenditure Requisitions (ERs) that were unauthorized, incomplete and in some cases completely lacking. However, the ER to which Ms. Deronne refers was a budget projection that used the ER form as a convenient and efficient format for documenting their proposed project. Others may choose another form of documentation. It is hardly surprising that these "budget ERs" are incomplete, and it would be unusual if they were signed.

Q. Does the lack of ERs mean that the Company's capital forecast is unreliable?

A. No. It is certainly true that at the individual project level, our forecasted capital additions in this case will be off the mark to some degree. But in the larger sense, it does not matter whether capital dollars are spent on a distribution substation in Utah County or a distribution line in Weber County. It doesn't even matter whether a scrubber addition to a generating plant is postponed, and an alternative plant improvement is done in its place. What matters is that the forecast additions to plant in service reasonably reflect the actual test year additions to plant in service. I have previously explained that for the last three years PacifiCorp's record of matching actual capital expenditures with budgeted expenditures has been very good. We have many needs to upgrade our Utah infrastructure, and we will find productive ways to spend the capital dollars placed at our discretion by ScottishPower--whether or not these expenditures ultimately match the budget on a line by line basis. The capital budget will be spent on needed projects, but inevitability management will use its discretion to re-prioritize as any single year develops.

Q. Ms. DeRonne is concerned that PacifiCorp's capital expenditures are under budget for the first four months of FY05. She states "the fact that capital expenditures are below budget for the first six months of fiscal year 2005 will ultimately translate to a lower level of plant additions in the 2006 test year". Do you agree?

A. No. It's not possible to draw any conclusions about test year plant additions based on FY05 year-to-date capital expenditures. First, "capital expenditures" do not directly equate to "plant additions". Capital expenditures are initially charged to Construction Work in Progress (CWIP) and then transferred to plant in service upon project completion. Since CWIP is not included in rate base in Utah, the level of capital expenditure alone tells you nothing about additions to rate base--now or in the future. Both FY05 and FY06 plant additions may be affected by capital expenditures made in 2004 and carried forward in CWIP.

Ms. DeRonne also seems to assume that construction costs are incurred evenly throughout the year. She assumes that if expenditures aren't made in the early months of a year, they won't be made at all. Ms. DeRonne has taken construction costs from the period April through September 2004 and imputed the same pattern for the rest of the fiscal year. In reality, there is nothing that happened during the first six months of the year that would suggest that the rate base additions assumed in the filing will not be realized. Monthly and seasonal variations between actual and budgeted expenditures are routine.

Q. Ms. DeRonne also claims that forecast capital additions are overstated because of certain budget initiatives and efficiencies the Company is undergoing in FY05. Do you agree?

A. No. The purpose of the budget initiatives was not to reduce capital expenditures and operating expenses below FY05 budgeted levels, but rather to compensate for other pressures that were threatening to push 2005 expenditures above budgeted levels. In other words, the initiatives are required to enable the Company to maintain its expenditures within the budget, not to spend less than the budget authorized. This process is part of managing a dynamic utility. The need to reasonably manage costs is one that benefits both customers and shareholders. Both benefit from well managed financial run-rates. To the extent that capital projects have been removed through the budget initiatives, they are expected to be replaced by additional capital expenditures that were not anticipated at the time the budget was prepared.

Q. What evidence do you have to support your contention that the "budget initiatives" were designed to enable PacifiCorp to achieve its budget targets rather than spending less than originally budgeted?

A. Provided as Exhibit UP&L___ (DNF-1R) is a chart that compares recent budget forecasts operation, maintenance and general expense (OMAG). This chart shows that the most recently updated FY05 budget forecast prepared in November 2004, which includes the expected impact of the budget initiatives, is only $3 million (or approximately 0.3%) less than the original FY05 budget forecast. It also shows that the most recently updated budget forecast for the test year in this case, FY06, is actually $5 million higher than the budget forecast used to develop the rate case.

Q. Are there any other important considerations with respect to the FY05 and FY06 budgets and the Company's test year forecast?

A. Yes. I want to emphasize one important point. The test year forecast was never intended to exactly match the budget. The forecast was developed using inflation indices and other appropriate techniques. If the forecast was significantly different than the budget due to factors that could not be reflected through inflation indices, the forecast was adjusted to reflect the better information. Also, if there were current estimates that were deemed to be a better reflection of the Company's expectations for the test year than the budget itself, these were used to adjust the forecast. The best example of this approach is that Power Delivery capital and expenses in the test year reflect an updated estimate rather the budget itself. This approach was used to ensure that the test year forecast reflected the most up-to-date information available at the time it was prepared. In the case of Power Delivery it was necessary to fully reflect the commitments made by the Company in the Storm Report proceeding.

Q. Do you have any general comments about PacifiCorp's capital forecasting process and the disallowances being proposed by intervenors?

A. I believe that I have demonstrated that PacifiCorp and ScottishPower have a comprehensive long-term planning and capital budgeting process in place that supports the level of test year capital additions that we filed in this case. I have also shown that PacifiCorp has established a good track record for consistently spending its budgeted capital additions on prudent projects. The assumption that underlies all of these adjustments is that PacifiCorp will spend less than the capital budget approved for it by ScottishPower or that it will somehow spend these dollars imprudently. I believe that this is a fundamentally erroneous assumption, and that our record of effectively spending our capital budget speaks for itself. In short, the most reflective conditions that the Company will experience during the rate effective period are captured best by the filing that the Company has made. If the Commission were to adopt these massive disallowances, it would be defeating the purpose of a forecast test year, it would preclude any chance of the Company earnings its authorized return during the rate effective period and would dilute the ability of the Company to offer the standard of service that it wants to offer its customers.

Q. Committee Witness Arndt recommends that the entire ScottishPower Cross Charge be rejected on the basis that the Company has failed to justify its inclusion. Do you have any response to this?

A. Yes. While I will leave it to Company Witness Jeffrey K. Larsen to respond in detail to this allegation, I do want to mention the fact that as a senior executive of PacifiCorp, I am well aware of the variety of services that are provided by the parent company. These services are real, are non-duplicative and are services that benefit the utility and as such, its customers. They are not duplicative of services provided in-house by PacifiCorp.

The Company's Rebuttal Presentation

Q. What witnesses is the Company presenting in its rebuttal case, and on what subjects will they be testifying?

A. The first witness providing rebuttal testimony on behalf of PacifiCorp is **Alan K. Allred**, President and CEO of Questar Gas Company. Mr. Allred will address some of the test-year issues raised in this proceeding.

The Company witnesses filing rebuttal testimony, and the subjects they will be covering, are:

D. Douglas Larson, Vice President, Regulation, will provide a general perspective on the testimony of the other parties in this case, focusing on their efforts to discredit the Company's use of a forecast test year.

Samuel C. Hadaway, FINANCO, Inc., will respond to the other parties' testimony regarding the allowed return on equity to be established for the Company in this proceeding.

Bruce N. Williams, Treasurer, will respond to adjustments proposed by other parties that relate to capital structure and cost of debt.

Mark T. Widmer, Regulation Director, will testify regarding PacifiCorp's net power costs, and will describe the basis for proposed annual net power costs of $745.56 million, as well as respond to other parties' proposed adjustments to net power costs.

Chris R. Mumm, Director of Structure and Pricing, Commercial & Trading, describes the necessity of hedging contracts or contracts that provide price and volume optionality, and explains the Company's use of Black-Scholes modeling for certain energy resource purchase decisions.

Reed C. Davis, Director of Planning, will respond to system line loss values proposed by several other parties as well as a proposal to use a lower sales growth rate for forecasted sales.

Richard C. Wooley, Vice President of Thermal Production and System Coordination, will respond to issues regarding the treatment of certain generating unit outages that have been raised by other parties. He will also address issues related to the projected level of plant additions and operation and maintenance expense savings.

Stan K. Watters, Senior Vice President, Commercial & Trading, will respond to specific adjustments related to resource procurement decisions and will explain why financial hedges benefit customers and should be included in rates.

Darrell T. Gerrard, Vice President of Transmission and Distribution Engineering and Asset Management, will respond to various adjustments proposed purposed by other parties, including those related capital expenditure and manpower forecasts.

J. Ted Weston, Regulation Manager, will present the Company's overall revenue requirement based on its rebuttal presentation, and will respond to various adjustments proposed by the other parties.

Larry O. Martin, Tax Director, provides testimony in response to adjustments proposed by other parties relating to the Company's consolidated income tax return as well as other income tax related issues.

Daniel J. Rosborough, Director of Employee Benefits, will present updated information on the Company's annual pension expense and will respond to adjustments proposed by other parties that relate to pension expense and employee benefit costs.

Gareth D. Walker, Acting Head of Group Insurance, will respond to other parties' adjustments to Directors & Officers (D&O) Insurance and other insurance related issues.

Erich D. Wilson, Director of Compensation, will describe the Company's incentive compensation programs, and respond to specific adjustments proposed by other parties to the Company's incentive compensation expense.

Jeffrey K. Larsen, Managing Director of Regulation, will respond to specific adjustment proposed by other parties that relate to affiliate transactions and the PacifiCorp management fee allocation.

Q. Does this conclude your rebuttal testimony?

A. Yes.