Q. Please state your name, business address and position with PacifiCorp (the Company).

A. My name is Mark C. Mansfield. My business address is 1407 West North Temple, Suite 310, Salt Lake City, Utah. My position is vice president, thermal operations for PacifiCorp Energy.

Q. Are you the same Mark C. Mansfield that presented direct testimony in this docket?

A. Yes, I am.

Q. Please describe your education and business experience.

A. I have a Bachelor of Science degree in mechanical engineering from Brigham Young University, and a Masters in Business Administration from the University of Utah. During my career, I have served as an engineer and maintenance supervisor at the Carbon Plant; Maintenance Superintendent at the Hunter Station; Director of Technical Support for PacifiCorp's Generation Engineering in Salt Lake City, Utah, and as the Plant Manager for the Naughton, Huntington and Hunter Stations. I was appointed vice president of thermal operations in August 2006 with responsibilities for PacifiCorp's coal-fueled, gas-fueled and geothermal generation assets and operations.

Q. What is the purpose of your rebuttal testimony in this proceeding?

A. The purpose of my testimony is to rebut several pieces of testimony; the life spans of combustion turbines and combined cycle combustion turbines provided by Mr. Jacob Pous and Mr. Charles King and several of the arguments made by Mr. Jacob Pous concerning the decommissioning costs used by the Company.

Q. Would you please summarize your rebuttal testimony?

A. My rebuttal testimony will show that the Company's estimates for estimated depreciable lives for the combustion turbines and combined cycle combustion turbines are prudent and that the proposed $50 per installed kilowatt for the decommissioning costs of a thermal plant is a reasonable value.

Life Spans of Combustion Turbines

Q. What is your response to the arguments made both Mr. King and Mr. Pous that the combustion turbines lives are underestimated?

A. Both Mr. King and Mr. Pous make the argument that because steam plants have longer lives than initially estimated, combustion turbines should have longer lives also. They base this assumption on the fact that production assets are a collection of smaller pieces of equipment that are replaced as they wear out and thereby extend the overall life of the asset. While it is true that a production asset is composed of many separate pieces of equipment that can be replaced on an individual basis, it may not always be economic to do so. The Company does not have any empirical data to support a life longer than 25 years for its simple cycle combustion or 35 years for its combined cycle turbines. The issue is the considerable uncertainty about whether a simple cycle combustion or combined cycle combustion turbine will continue to be economic to operate, repair and maintain after 25 and 35 years of operation respectively due to the uncertainty in fuel prices, emission regulations and alternative energy sources.

Q. Please respond to the national studies that show longer lives for existing combustion turbines.

A. The Company contends that national studies or data bases do not account for differences in the running hours, capacity factors, maintenance and capital programs. All of the above mentioned issues will add to or reduce the overall life of any asset.

Q. Please respond to the arguments made by Mr. Pous that the Company knows of no reasons why power purchase agreements, tied to asset lives, can not be extended.

A. To the contrary, there is no reason in today's conditions to presume that any seller would be willing to extend a power purchase agreement. Given the current uncertainty in future fuel prices, emission regulations and restrictions upon permissible generation options; it is not reasonable to assume that power purchase agreements tied to asset lives can be extended, and certainly not without extensive renegotiation.

Q. Please respond to the arguments made by Mr. Pous that the Company knows of no reasons why asset lives can not be extended for longer periods.

A. Although the Company maintains its assets at a level that will provide a high degree of reliability and availability to our customers, as mentioned above, the uncertainty in future fuel prices, emission regulations and restrictions upon permissible generation options make it imprudent for the Company to assume at this time that the lives of these assets will be extended.

Q. Please respond to the accusation that the Company historically underestimates its life spans.

A. The Company maintains that it is prudent in estimating the lives of its assets. It also recognizes that, with experience in operating assets, better estimates of useful lives are available. It would be imprudent on the part of the Company to project lives beyond what it can reasonably forecast based on its knowledge of the asset and its operating history.

Decommissioning Costs

Q. Please respond to Mr. Pous' claim that the Black & Veatch study is flawed.

A. The study by Black & Veatch was produced in response to an order during the last depreciation study. The contract to perform the study was openly bid and awarded on cost and ability to perform the work. The Company feels that the Black & Veatch study fairly represents the true costs of decommissioning its plants. It demonstrates the economy of scale between an older smaller plant such as Carbon and a newer larger plant such as Hunter. It recognizes the differences in site accessibility, potential asbestos removal and other site specific issues.

Q. Please respond to Mr. Pous' statement on the removal cost for the Hale plant.

A. Mr. Pous points to the removal cost at the Hale plant as a validation of the $25 per installed kilowatt. It is true that between 1993 and 1995 when the Hale plant was decommissioned the cost averaged $27 per installed kilowatt. If corrected to 2007 dollars, using the Handy-Whitman indices, it would be in the $42 to $45 per installed kilowatt range. Additional factors to consider include that plants currently in the Company's fleet have had added significant additional environmental equipment

which would not have been included in the Hale plant decommissioning costs. In addition, over the last 10 years continued changes have taken place related to restrictions primarily related to environmental laws which the Company must comply with during the decommissioning process. These issues both have the potential of adding significant dollars to the average cost per installed kilowatt to remove a plant.

Q. Does the Company have a history of selling assets rather than decommissioning them?

A. No. Mr. Pous points to the sale of the Centralia plant and several small hydro facilities. The Centralia plant was sold before the end of its useful life because it was determined to be uneconomic as a result of costs to install pollution control equipment and the liabilities associated with the potential closure of the Centralia mine. The Naches hydro projects were sold to avoid the re-licensing costs that would have made the project uneconomic.

The Hale and Jordan steam plants were both retired and later decommissioned by removing all of the structures and equipment as represented in the Black & Veatch study.

Q. Does the company expect these estimates to change over time?

A. Yes. The current estimate is based on the cost of removing existing facilities today and is expressed in 2007 dollars. Over time, inflation, the addition of incremental new equipment to either meet legal requirements or improve operating efficiencies, and changes in laws regulating the decommissioning of facilities will cause the cost to decommission each facility to increase.

Conclusion

Q. Based on the foregoing testimony, what conclusions have you reached?

A. It is my opinion that the estimated lives for the simple-cycle and combined-cycle combustion turbines are reasonable and provide the basis for the retirement dates in Mr. Roff's study. Furthermore, I conclude that the decommissioning costs used to determine the terminal net salvage amounts are reasonable and conservative based on the Black & Veatch study and the Company's actual history of removal of existing facilities based on current values.

Q. Does this conclude your testimony?

A. Yes.