Q. Please state your name, business address and present position with Rocky Mountain Power (the Company), a division of PacifiCorp.

A. My name is A. Robert Lasich. My business address is 1407 West North Temple, Suite 320, Salt Lake City, Utah. My position is president of PacifiCorp Energy.

Qualifications

Q. Please briefly describe your education and business experience.

A. I have a bachelor of arts degree from Indiana University, a master's degree in business administration from the University of Cincinnati and a law degree from Indiana University. I joined MidAmerican Energy Company in October 1997 and have held positions of increasing responsibility, including senior attorney, vice president, gas supply and trading and vice president, MidAmerican Energy Holdings Company, responsible for integration and transition matters related to the acquisition of PacifiCorp. Prior to that, I was with the law firm of Dale & Eke P.C., where I focused on real estate and corporate law. Prior to admission to the practice of law, I held several accounting and financial positions with Cabot Corporation and its successor organizations. I was appointed president of PacifiCorp Energy in August 2007 after 1 1/2 years as vice president and general counsel, and was elected to the PacifiCorp board of directors in March 2006. As president, I have responsibility for the electric generation, commercial and energy trading, and coal-mining operations of the Company.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to demonstrate the prudence of major supply-side resource additions and the planned increases to generation related operation and

maintenance (O&M) expenses included in the this application. The new supply-side resources included in this case are described in the table below.

Resource Name	Location	In-Service Date	Capital Cost	O&M Included in GRC
Glenrock III	Converse County, Wyoming	December 31, 2008	$87.2 Million	$0.8 Million
Rolling Hills	Converse County, Wyoming	December 31, 2008	$206.5 Million	$1.9 Million
Seven Mile Hill II	Carbon County, Wyoming	December 31, 2008	$45.7 Million	$0.4 Million
High Plains	Albany County and Carbon County, Wyoming	June 1, 2009	$245.5 Million	$0.4 Million
Chehalis	Lewis County, Washington	September 15, 2008	*	*

*See Mr. Steven R. McDougal Testimony, Confidential Exhibit RMP___(SRM-3) for pertinent information.

Q. Please briefly explain how you will support the prudence of supply-side resources in your testimony.

A. I will start by describing the integrated resource plan (IRP) and how that strategic tool is utilized to assist the Company in identifying and quantifying the need and timing of new supply-side resources. I will also provide an overview of the relevant MidAmerican Energy Holdings Company (MEHC) transaction commitments. I will conclude with a description of each resource acquired by the Company and the decision-making process that led to the acquisitions.

Integrated Resource Plan

Q. Please briefly describe the integrated resource plan.

A. The integrated resource plan (IRP) is a strategic planning tool that presents a framework of future actions to ensure the Company continues to provide reliable, low-cost service with manageable and reasonable risk to its customers. The IRP builds on the Company's prior resource planning efforts and reflects significant advancements in portfolio modeling and risk analysis.

Q. What is the main purpose of the IRP?

A. The mandate for an IRP is to assure that the company has, on a long-term basis, an adequate and reliable electricity supply at the lowest reasonable cost and to ensure that such supply is provided or fulfilled in a manner consistent with the long-run public interest. The main role of the IRP is to serve as a strategic roadmap to assist the Company in determining and implementing the Company's long-term resource strategy. In doing so, it accounts for state commission IRP requirements, a current view of the planning environment, corporate business goals and MEHC transaction commitments that are related to IRP activities, such as the acquisition of renewable resources.

As a strategic business planning tool, the IRP supports informed decision-making on resource procurement by providing an analytical framework for assessing resource investment tradeoffs. As an external communications tool, the IRP engages numerous stakeholders in the planning process and guides them through the key decision points leading to the Company's preferred portfolio of generation, demand-side management activities and transmission resources.

The emphasis of the IRP is to determine the most robust resource plan for a reasonably wide range of potential outcomes, as opposed to the optimal plan for some expected view of the future. The modeling is intended to inform and support the expert judgment of the Company's decision-makers. The preferred portfolio is not intended to be static, but rather is expected to evolve as part of the ongoing planning process as new information becomes available and new circumstances evolve. As a multi-objective planning effort, the IRP must balance several priorities and account for diverse and sometimes conflicting stakeholder views. However, the IRP cannot be all things to all people. As the owner of the IRP, the Company is uniquely positioned to determine the resource plan that best accomplishes IRP objectives on a system-wide basis, and meets customer, community and investor obligations collectively.

Q. What is the outcome of the IRP process?

A. The result is a preferred portfolio that represents a balance of resource additions that meet future customer needs, minimize cost, balance diverse stakeholder interests and address environmental concerns.

To follow through on the findings of the resource plan, the Company's IRP includes an action plan that is intended to inform and provide guidance for the Company's resource procurement activities over the next few years.

Q. Is there participation by others in the creation of the Company's IRP?

A. Yes. Customer interest groups, regulatory staff, regulators and other stakeholders provide considerable guidance and input into the development of the IRP. The analytical approach used conforms to all state standards and guidelines.

Q. How did the most recent IRP address renewable resources?

A. Action item one of the 2007 IRP is to acquire 2,000 MW of renewable resources by 2013 and, in addition, to seek to add transmission infrastructure and flexible generating resources, such as natural gas, to integrate new wind resources.

Q. Please describe the Company's other activities to implement item 1 of the 2007 IRP action plan.

A. The Company is currently implementing two renewable resource requests for proposals (RFPs). These RFPs are designated 2008R and 2008R-1. On January 31, 2008, the Company issued an RFP 2008R for long-term renewable resources less than 100 MW in generating capability, or alternatively, for a term less than five years if greater than 100 MW in generating capability to be in operation prior to December 31, 2009. The deadline for submission of bids under RFP 2008R was March 31, 2008. Developers submitted proposals in the form of a power purchase agreement or build-own-transfer agreement. The Company will not have a benchmark or other Company-owned alternative in this process. The Company has completed the evaluations for the 2008R RFP and is currently in negotiations with the final shortlist of bidders. The Company expects to finalize the agreements with project developers by September 30, 2008.

In addition, the Company filed the draft 2008R-1 RFP in Oregon and Washington on April 28, 2008. The 2008R-1 RFP is for system wide renewable resources which are limited in size to no more than 300 MW, which is the upper project size limit permitted by Utah Senate Bill 202.[1] The Oregon Commission

[1] Utah Senate Bill 202 requires the Company to issue a public solicitation of bids for a renewable energy source up to 300 MW in size each year in which it reasonably anticipates that it will need to acquire or

selected Boston Pacific as the independent evaluator for the 2008R-1 RFP and the Utah Commission has selected Merrimack Energy as its consultant. As a part of this RFP, the Company is proposing a process that will allow the Company to re-issue the solicitation in subsequent time periods to call for new bidders or updated bids on an as-needed basis. This ability to periodically re-issue solicitations will provide needed flexibility in the procurement of renewable resources. The Company anticipates that it will re-issue the renewable RFP annually as long as it requires additional renewable resources.

Q. How did the 2007 IRP address other resources?

A. The system resource needs assessment conducted for the 2007 IRP showed the Company's incremental peak capacity need as over 2,400 MW by 2012. The 2007 IRP identified a need for a west-side combined cycle combustion turbine in 2011, high-capacity-factor resources in the east in 2012 and 2014 and east-side combined cycle combustion turbines in 2012 and 2016.

Q. Please describe the Company's current activity with respect to other resource RFPs.

A. In July 2006, the Company filed a proposal seeking approval of a proposed solicitation for an RFP for the 2012 – 2014 period (2012 RFP) which solicited up to 1,700 MW. The Company recently disclosed that the maximum resource outcome of the 2012 RFP will be well short of the intended target and a large system-wide shortfall will remain. As a result, the Company continues to pursue cost-effective resources through the ongoing RFP process and with opportunity

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commence construction of a renewable energy resource. (Utah Code 54-17-502(2)(a)(i))

purchases such as the Chehalis plant.

MEHC Transaction Commitments

Q. Please provide an overview of the MEHC transaction commitments related to the acquisition of renewable resources.

A. As part of the regulatory approvals related to the acquisition of the Company, MEHC and the Company committed to:

- Bring at least 100 MW of cost-effective wind resources in service within one year of the close of the transaction;
- Have 400 MW of cost-effective new renewable resources in the Company's generation portfolio by December 31, 2007, and
- Reaffirm the Company's commitment to acquire 1,400 MW of cost-effective new renewable generation resources.

The resources described below have been acquired consistent with these commitments.

Supply-Side Resources

Q. Please describe the benefits of these renewable resources to Utah customers.

A. Utah customers benefit from these renewable resources because it is more economical for the Company to generate electricity with these resources than to purchase it in the open market. The 2004 and 2007 IRPs specify that renewable resources (using wind resources as a proxy) are steadily added to the system with the target of reaching 1,400 MWs or more of renewable resources.

Q. How else will these renewable resources benefit Utah customers?

A. These renewable resources further benefit Utah customers by providing the Company with (i) a zero incremental cost fuel source (thus reducing commodity risk exposure), (ii) multi-shafted generation resources (thus diversifying the

impact of individual generator failures), and (iii) additional valuable ownership and operational experience with utility scale wind projects. These projects utilize General Electric Company wind turbines, thus giving the Company the opportunity to use valuable experience from other General Electric based projects and spare parts optimization. Further, as a result of long-term planning and the reasonable expectation that additional state and/or federal renewable portfolio standards will be established, the Company is expecting to have a robust need for renewable resources in the coming years.

Q. What factors does the Company consider before acquiring new generation resources?

A. Upon reviewing a detailed overview of the project including the contract support and counterparty guarantees, the risks, the need as established by the IRP, the financial assessment, and the justification of the project, Company executives make a decision as to whether it is in the best interests of our customers to proceed with the acquisition of a resource. The Company followed this process in determining that the resources discussed in the following paragraphs are prudent and in the public interest to pursue.

Glenrock III

Q. Please describe the size and location of the Glenrock III resource.

A. The Glenrock III wind project is a 39 MW wind energy generation facility comprised of 26 ~ 1.5 MW GE wind turbines. The project is currently being constructed on the Company's Glenrock wind site (portions of which were previously utilized for coal mining for the Dave Johnston power plant) located

approximately 25 miles east of Casper in Converse County, Wyoming. Exhibit RMP___(ARL-1) shows a map of the plant location. The Glenrock III wind project is will reside adjacent to the Glenrock wind site and interconnect to the collector substations being constructed for the Glenrock and Rolling Hills wind projects.

Q. What investment related to the Glenrock III project is included in the revenue requirement?

A. The Company has included $87.2 million for the Glenrock III plant in this application. The O&M costs included in this case associated with Glenrock III are approximately $1.5 million to cover wind turbine-generator maintenance agreement, permitting obligations, local levy tax and land royalties and easements.

The Glenrock III plant is scheduled to begin operating on December 31, 2008. As discussed in Mr. Gregory N. Duvall's testimony, the Company's net power cost calculation reflects the inclusion of Glenrock III. Mr. McDougal's testimony includes the revenue requirement calculations associated with the inclusion of this resource.

Rolling Hills

Q. Please describe the size and location of the Rolling Hills resource.

A. The Rolling Hills wind project is a 99 MW wind energy generation facility comprised of 66 ~ 1.5 MW GE wind turbines. The project is being constructed on Company land adjacent to the Glenrock wind site. Exhibit RMP___(ARL-2) shows a map of the plant location. The Rolling Hills wind project resides within

the boundaries of the land owned by the Company and interconnect to the collector substations being constructed for the Glenrock and Rolling Hills wind projects.

Q. What investment related to the Rolling Hills project is included in the revenue requirement?

A. The Company has included $206.5 million for the Rolling Hills project in this application. The O&M costs included in the case associated with the Rolling Hills resource are approximately $3.9 million to cover wind turbine-generator maintenance agreement, permitting obligations, and local levy tax.

The Rolling Hills project is expected to begin operating by December 31, 2008. As discussed in Mr. Duvall's testimony, the Company's net power cost calculation reflects the inclusion of Rolling Hills. Mr. McDougal's testimony includes the revenue requirement calculations associated with the inclusion of this resource.

Seven Mile Hill II

Q. Please describe the size and location of the Seven Mile Hill II resource.

A. The Seven Mile Hill II wind project is a 19.5 MW wind energy generation facility, comprised of 13 ~1.5 MW GE wind turbines, constructed on leased land located approximately three miles northwest of Medicine Bow in Carbon County, Wyoming. The Seven Mile Hill II wind project will reside adjacent to the Seven Mile Hill wind project site and will interconnect to the collector substation being constructed for the Seven Mile Hill wind project. Exhibit RMP___(ARL-3) shows a map of the plant location.

Q. What investment related to the Seven Mile Hill II project is included in the revenue requirement?

A. The Company has included $45.7 million for the Seven Mile Hill II project in this application. The O&M costs included in this case associated with the Seven Mile Hill II resource are approximately $0.8 million to cover the wind turbine-generator maintenance agreement, permitting obligations, local levy tax, and landowner payments.

The Seven Mile Hill II project is expected to begin operating by December 31, 2008. As discussed in Mr. Duvall's testimony, the Company's net power cost calculation reflects the inclusion of Seven Mile Hill II. Mr. McDougal's testimony includes the revenue requirement calculations associated with the inclusion of this resource.

High Plains

Q. Please describe the size and location of the High Plains resource.

A. The High Plains wind project is a proposed 99 MW wind energy generation facility, comprised of 66 ~1.5 MW GE wind turbines, located on leased land approximately five miles south of Rock River in Albany County and Carbon County in Wyoming. Exhibit RMP___(ARL-4) shows a map of the plant location.

Q. What investment related to the High Plains project is included in the revenue requirement?

A. The Company has included $245.5 million for the High Plains project in this application. The O&M costs included in this case associated with the High Plains resource are approximately $2.9million to cover the wind turbine-generator

maintenance agreement, permitting obligations, local levy tax, and landowner payments.

The High Plains project is expected to begin operating by June 1, 2009. As discussed in Mr. Duvall's testimony, the Company's net power cost calculation reflects the inclusion of High Plains. Mr. McDougal's testimony includes the revenue requirement calculations associated with the inclusion of this resource.

Other Supply-Side Resources

Q. Are there other Supply-Side Resources that the Company has acquired since the last rate case?

A. Yes. The Company is currently seeking approval with the Public Service Commission of Utah, in Docket No. 08-035-35, of the Company's purchase of the Chehalis combined cycle plant located in Chehalis, Lewis County, Washington. Exhibit RMP___(ARL-5) shows a map of the plant location. Generally, Chehalis is an approximately 500 MW natural gas-fueled electric generation facility.

The Commission has not yet issued its order in Docket No. 08-035-35 approving the acquisition of Chehalis and the motion for an accounting order filed in that docket regarding the $8.7 million payment the Company was required to make for the exclusive right, for a period of time, to negotiate for and acquire Chehalis. The Company desires to incorporate in this case the evidence presented by the Company in Docket No. 08-035-35. For purposes of this case, the Company believes the Commission will approve the Company's purchase of Chehalis. In the event the Commission does not approve the Company's purchase

of Chehalis in Docket No. 08-035-35, the Company requests that the Commission take notice of the evidence presented in that docket in order to approve recovery in rates of the $8.7 million exclusivity payment in this case which will be paid by the Company to the seller should the transaction not close. Recovery in that event should be allowed because the payment was necessarily incurred in an effort to attempt to acquire a favorably-priced generation asset for the benefit of customers.

Q. Please describe the benefits of this resource to the Company's Customers.

A. The Chehalis combined cycle plant will add additional flexibility to the overall system and represents a low-cost resource when compared to other gas-fueled resources and the current cost to construct, own, and operate a similar resource.

Q. What investment related to the Chehalis combined cycle plant is included in the revenue requirement?

A. The Company has included the revenue requirement, including O&M costs, for the Chehalis combined cycle plant in Mr. McDougal's Testimony, Confidential Exhibit RMP___(SRM-3). The O&M costs will be incurred as a result of labor required to operate the plant, chemical cost, maintenance materials and contracts, and other miscellaneous operating expenses (e.g. utilities, rents, leases, insurance premiums, etc.

As discussed in Mr. Duvall's testimony, the Company's net power cost calculation reflects the inclusion of the Chehalis combined cycle plant.

Conclusion

Q. Please summarize your conclusions.

A. The Company has included supply-side resources, including the investment, modeling of net power cost impacts, and associated expenses, with in-service dates prior to December 31, 2009, in its application. These projects represent significant investments the Company is making on behalf of its customers to meet their energy needs on a prudent and cost-effective basis. Customers will receive the output of these facilities during the rate-effective period and, therefore, should pay for the costs associated with the facilities. The Company has been prudent in securing these facilities for the benefit of its Utah customers and should be granted full cost recovery.

Q. Does this conclude your testimony?

A. Yes.