

TABLE OF CONTENTS

	PAGE NO.
I. THE COMMISSION SHOULD FIND THE RETURN ON EQUITY FOR PACIFICORP TO BE 11.25% AND AN EQUITY RATIO OF 48.8%.	2
A. Rate of Return on Equity.	2
B. Capital Structure.	5
C. Overall Cost of Capital	7
II. THE COMMISSION SHOULD ACCEPT THE COMPANY'S NET POWER COSTS ADJUSTMENTS.	7
III. THE COMMISSION SHOULD REJECT THE WHOLESALE CONTRACT REVENUE IMPUTATION ADJUSTMENTS PROPOSED BY THE COMMITTEE AND THE DIVISION.	13
A. The Commission has established standards that the Division and Committee must meet to support their adjustments.	13
B. The Committee has not met its burden to establish that the Company has acted imprudently.	14
C. While the Division has provided a more reasonable analysis than the Committee, the Division has also failed to meet its burden to show that the Company has been imprudent.	15
IV. THE COMMISSION SHOULD REJECT THE DIVISION'S PROPOSED CHANGE TO THE ACCOUNT 903 ALLOCATION FACTOR.	17
V. THE COMMISSION SHOULD REJECT THE COMMITTEE'S PROPOSED DISALLOWANCE OF INCENTIVE COMPENSATION COSTS.	19
VI. THE COMMISSION SHOULD REJECT THE COMMITTEE'S ADJUSTMENT FOR STOCK-BASED COMPENSATION.	20
VII. THE COMMISSION SHOULD REJECT THE COMMITTEE'S AND DIVISION'S ADJUSTMENTS TO THE COMPANY'S PROPERTY INSURANCE EXPENSE.	21
VIII. THE COMMISSION SHOULD REJECT THE COMMITTEE'S AND DIVISION'S ADJUSTMENTS RELATED TO THE COMPANY'S UNCOLLECTIBLE EXPENSE.	22
IX. THE COMMISSION SHOULD REJECT THE COMMITTEE'S ADJUSTMENTS RELATED TO RENTAL EXPENSES.	23
X. THE COMMISSION SHOULD REJECT THE COMMITTEE'S LINE EXTENSION ADJUSTMENT.	24
XI. THE COMMISSION SHOULD REJECT THE COMMITTEE'S PROPOSAL TO INCLUDE WHOLESALE LOAD IN THE DETERMINATION OF THE POWER SYSTEM PEAK.	26
XII. THE COMMISSION SHOULD APPROVE THE COMPANY'S PROPOSED TREATMENT OF THE GLENROCK MINE CLOSURE COSTS AND RECOVERY	27

OF RE-ENGINEERING, COMPUTER HARDWARE AND COMPUTER SOFTWARE COSTS.

A.	Dave Johnston Coal Mine Closure.	27
B.	Re-engineering Costs.	30
C.	Software Write-Down and SAP Cost Recovery.	32
D.	Mainframe Computer Writedown.	33
XIII.	THE COMMISSION SHOULD APPROVE THE COMPANY'S PROPOSED TREATMENT OF PENSION EXPENSES.	34
A.	The Commission should allow the amortization of the deferred pension asset.	34
B.	The Commission should reject the Committee's proposed current period pension expense.	35
XIV.	THE COMMISSION SHOULD REJECT THE DIVISION'S PROPOSED ADJUSTMENT TO THE SC/SG FACTORS.	38
XV.	THE COMMISSION SHOULD REJECT THE DIVISION'S AND COMMITTEE'S PROPOSALS TO AMORTIZE YSK COSTS.	39
XVI.	THE COMMISSION SHOULD REJECT THE COMMITTEE'S PROPOSAL TO DISALLOW A PORTION OF WYODAK COAL COSTS.	40
XVII.	THE COMMITTEE'S PROPOSED ADJUSTMENTS RELATED TO EARLY RETIREMENTS SHOULD BE REJECTED.	42
XVIII.	THE COMMISSION SHOULD ALLOW RECOVERY OF SERP COSTS.	44
XIX.	THE COMMISSION SHOULD REJECT THE PROPOSED DISALLOWANCE OF CEO SEVERANCE COSTS.	45
XX.	THE COMMISSION SHOULD ALLOW RECOVERY OF THE CONDIT DAM DEPRECIATION EXPENSE.	46
XXI.	THE COMMISSION SHOULD REJECT THE COMMITTEE'S PROPOSED REDUCTION TO RELOCATION EXPENSES.	48
XXII.	THE COMMISSION SHOULD REJECT THE DIVISION'S PROPOSAL TO DISALLOW A PORTION OF THE POSTAGE COSTS NECESSARILY INCURRED IN MAILING BILLS TO THE COMPANY'S CUSTOMERS.	49
XXIII.	THE COMMISSION SHOULD REJECT THE WAPA WHEELING ADJUSTMENT PROPOSED BY THE DIVISION AND THE COMMITTEE.	50
XXIV.	THE COMMISSION SHOULD REJECT THE COMMITTEE'S PROPOSAL FOR SITUS TREATMENT OF FIRM RETAIL SPECIAL CONTRACTS.	51
XXV.	THE COMMISSION SHOULD ADOPT THE LIFELINE PROPOSAL OF SLCAP/CUC.	53
XXVI.	THE COMMISSION SHOULD ADOPT THE COMPANY'S RATE SPREAD RECOMMENDATION AS FAIR AND REASONABLE	54