

In the Matter of the Petition of US Magnesium LLC for Determination of Long-Term
Economic Development Rates and Conditions of Interruptible Service

Docket 03-035-19

DPU Exhibit 7

Supplemental Direct Testimony of Andrea Coon
Division of Public Utilities

December 17, 2004

Q. What is your name and for whom is this testimony being filed?

A. My name is Andrea Coon. This testimony is being filed on behalf of the Division of Public Utilities.

Q. Are you the same Andrea Coon that previously filed direct testimony in this docket?

A. I am. The additional information contained herein is meant as an addendum to my previously filed direct testimony, dated December 3, 2004.

Q. What information will you update in this filing?

A. I will be updating my recommendations as to the number and dollar value of my proposed changes to PacifiCorp's Net Power Cost filing. I will then provide an updated recommendation reflecting the aforementioned changes.

Q. What is your first update?

A. My first update deals with the proposed adjustment to the modeling of the BPA peaking contract. After discussions with PacifiCorp regarding the modeling of the contract, I have determined that the adjustment as proposed is not supportable. I am therefore withdrawing this adjustment. The dollar value associated with this change is \$3.3 million.

Q. What is your second update?

A. My second update deals with the proposed adjustment to the modeling of the Hydro load following. Again, after discussion with PacifiCorp regarding the modeling of this issue, I have determined that the adjustment as proposed is not supportable. I am therefore withdrawing this adjustment. The dollar value associated with this change is \$3.0 million.

Q. What is your next update?

A. My next update deals with the third issue in my direct testimony that lacked a solid number, the Gadsby Steam adjustment. After discussion with PacifiCorp, it appears that the issue of too much generation at Gadsby steam should be adequately corrected by a change that PacifiCorp is making in its rebuttal filing. So, for the time being, I am withdrawing this adjustment, subject to it being accounted for in the rebuttal filing as planned. The dollar value of this change is \$5.0 million.

Q. Do you have any other changes to make at this time?

A. Yes. After a mathematical correction, the adjustment for new wind resources has changed slightly. The new value associated with this adjustment is \$1.1 million dollars. This decreases the original adjustment by \$0.1 million.

Q. Have you made a new calculation for the total recommended NPC?

A. I have. Accounting for the changes described above, the new NPC number is a decrease of \$11.4 million from the previous estimate. This brings the total reduction from PacifiCorp's request to \$61.6 million. The DPU is recommending a NPC number of \$683.4 million at this time.

Q. Does this complete your addendum to direct testimony?

A. It does.