

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 217

In the Matter of

PACIFICORP, dba PACIFIC POWER

Request for a General Rate Revision.

**PREHEARING CONFERENCE
REPORT**

DISPOSITION: PROCEDURAL SCHEDULE ESTABLISHED; PETITIONS TO INTERVENE ADDRESSED; PROCEDURAL GUIDELINES ISSUED

The Public Utility Commission of Oregon (Commission) held a prehearing conference in this docket on March 16, 2010.

Identification of Conference Participants

Representatives appeared at the conference on behalf of PacifiCorp, dba Pacific Power (Pacific Power or the Company); Commission Staff (Staff); the Citizens' Utility Board of Oregon (CUB); the Industrial Customers of Northwest Utilities (ICNU); Fred Meyer Stores and Quality Food Centers, Divisions of Kroger Co. (Fred Meyer); the League of Oregon Cities; Walmart Stores, Inc. and Sam's West, Inc.; and the Klamath Water Users Association.

Petitions to Intervene

Prior to the conference, petitions to intervene were filed by ICNU, Fred Meyer, and Portland General Electric Company (PGE). No party objected to the petitions. I find that ICNU, Fred Meyer, and PGE have sufficient interest in the proceeding to intervene, and that their appearance and participation will not unreasonably broaden the issues, burden the record, or delay the proceeding. *See* OAR 860-012-0001. The petitions to intervene are granted.

Supplemental Testimony, Return on Equity

During the conference, we discussed Pacific Power's request for an increase in its return on equity (ROE). I explained that because Pacific Power's last rate of return (which included an ROE component) was approved only a few months before the rate filing in this docket, the Commission will be looking for evidence of a material change in the markets, a

change in circumstances, or some other good cause before it will be inclined to change the Company's existing 10.125 percent ROE.¹

By way of background, the rate of return in Pacific Power's last general rate case, docket UE 210, was the subject of a contested stipulation that was approved by the Commission earlier this year. The ROE component of the stipulated rate of return was termed "notional" by the stipulating parties, who made clear that the ROE itself was not a product of the parties' explicit agreement. Nevertheless, the ROE component was challenged by ICNU and evaluated by the Commission. The Commission reviewed the evidence supporting the ROE and found it to be supported by the evidence.²

To be clear: The Commission is not prejudging the issue of ROE. Given how recently the Company's last rate of return was approved, however, the Commission will be looking for evidence of recent changes or other good cause before it will deem it appropriate to relitigate this issue. This scrutiny will apply not only to Pacific Power's request for an increase in its ROE, but also to assertions by any other party that the Company's ROE should be decreased.

During the conference, Pacific Power was offered the opportunity to submit supplemental testimony on ROE. A deadline for this supplemental testimony was included in the procedural schedule.

Procedural Schedule

The parties agreed to the following schedule, which was adopted:

EVENT	DATE
Pacific Power Supplemental Testimony on ROE ³	April 15, 2010
Settlement Conference ⁴	June 7-8, 2010
Proposed Budgets for Intervenor Funding	June 9, 2010
Staff and Intervenor Opening Testimony	June 21, 2010
Pacific Power Reply Testimony	August 3, 2010
Staff and Intervenor Rebuttal Testimony	September 7, 2010
Pacific Power Surrebuttal Testimony	September 24, 2010
Cross-Examination Statements	October 4, 2010
Commission Examination ⁵	October 7, 2010

¹ The Company's current ROE was approved in docket UE 210 on January 26, 2010. The record in that docket was closed on November 17, 2009, about three-and-a-half months before the Company's current filing.

² See Order No. 10-022 at 7-8.

³ For purposes of this schedule, workpapers should be filed on the same day as the testimony they support.

⁴ Settlement conference dates are provided for the parties' convenience. The parties do not need Commission approval to reschedule settlement conferences.

⁵ The Commission Examination will be an opportunity for the Commissioners or Administrative Law Judge to examine the witnesses in the docket on the record regarding prefiled testimony or testimony in support of a stipulation. Before the examination, the ALJ will issue a ruling stating which witnesses must attend.

Hearing	October 7-8, 2010 (following Commission Examination)
Joint Briefing Outline Submitted to ALJ	October 13, 2010
Simultaneous Opening Briefs	October 27, 2010
Simultaneous Reply Briefs	November 8, 2010
Oral Argument	November 19, 2010 (afternoon)
Target Date for Commission Decision	December 20, 2010

The parties proposed the following deadlines for data requests: After Pacific Power files its reply testimony, parties will respond to data requests within seven business days of receipt. After Staff and intervenors file rebuttal testimony, parties will respond to data requests within five business days of receipt. After Pacific Power files surrebuttal testimony, parties will respond to data requests within four business days of receipt. These deadlines are adopted.

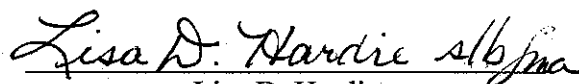
Procedural Motions

Any procedural motion filed in this docket must contain a statement explaining whether the other parties in the docket support or oppose the motion. If other parties cannot be reached, the motion must describe efforts to contact other parties. Any motion seeking expedited treatment must make clear that expedited treatment is requested and explain the necessity of expedited treatment. Even when expedited treatment is requested, other parties should be afforded adequate time to respond, preferably at least five days before any applicable deadline.

Discovery Disputes

The parties should make every effort to engage in cooperative informal discovery and to resolve disputes themselves. Parties should communicate problems with discovery requests and responses to the other side immediately by telephone. If parties are unable to resolve a dispute informally, any party may ask the ALJ to conduct a telephone conference to facilitate discovery. A requesting party must identify the specific discovery sought and describe the efforts of the parties to resolve the dispute informally.

Dated this 18th day of March, 2010, at Salem, Oregon.



Lisa D. Hardie
Administrative Law Judge