

Docket UM 1283
Exhibit No.: 100
Witnesses: Conway,
Jenks, Pyron, Abrahamson,
Weiss, Ball, Stoltz

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – CUB – NWIGU – CADDO – OECA
NWEC – MDU RESOURCES – CASCADE

Joint Testimony in Support of Stipulation

May 2007

UM 1283

JOINT TESTIMONY

Q. Please state your names and positions.

A. My name is Bryan Conway. I am Program Manager, Economic & Policy Analysis Section of the Public Utility Commission of Oregon. My witness qualifications statement is included as an attachment to this testimony.

My name is Bob Jenks. I am executive director of the Citizens' Utility Board ("CUB"). My witness qualifications statement is included as an attachment to this testimony.

My name is Paula Pyron. I am the Executive Director of Northwest Industrial Gas Users ("NWIGU"). My witness qualifications statement is included as an attachment to this testimony.

My name is Jim Abrahamson. I am the Oregon Energy Partnership Coordinator, and I represent Community Action Directors of Oregon ("CADO") and Oregon Energy Coordinators Association ("OECA") in this proceeding. My witness qualifications statement is included as an attachment to this testimony.

My name is Steven Weiss. I am Senior Policy Associate of the NW Energy Coalition ("NWEC"). My witness qualifications statement is included as an attachment to this testimony.

My name is Donald R. Ball. I am the Vice President – Regulatory Affairs for Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., and Great

Plains Natural Gas Co., a Division of MDU Resources Group, Inc. My witness qualifications statement is included in Exhibit 400 in this proceeding.

My name is Jon T. Stoltz. I am Senior Vice President – Gas Supply and Regulatory for Cascade Natural Gas Corporation. My witness qualifications statement is included as an attachment to this testimony.

Q. What is the purpose of your testimony?

A. The purpose of our joint testimony is to describe and support the stipulation among MDU Resources Group, Inc. ("MDU Resources"), Cascade Natural Gas Corporation ("Cascade"), Staff of the Public Utility Commission of Oregon ("Staff"), CUB, NWEC, CADO, OECA, and NWIGU filed with the Commission on May 1, 2007, in Docket UM 1283. Docket UM 1283 is an application for authorization of MDU Resources' acquisition of Cascade. The application was initially filed on November 8, 2006 and, concurrent with the filing of the Stipulation on May 1, 2007, MDU Resources filed an amended application ("Application") reflecting changes in the structure of the proposed transaction, as agreed by the Parties.

Q. Does the Stipulation resolve all the contested issues in this proceeding?

A. Yes. The Application seeks the Commission's authorization for a proposed transaction ("Transaction") whereby MDU Resources would acquire all of the outstanding common stock of Cascade and Cascade would thereafter become an indirect wholly owned subsidiary of MDU Resources. The purpose of the Stipulation is to resolve all issues in this case among the signing parties ("Parties"). The Parties agree that the Transaction, along with the commitments stated in the Stipulation and in Exhibit 1 thereto ("Commitments"), provide net benefits to Cascade's Oregon customers and will serve

Cascade's Oregon customers in the public interest. The Parties agree that, subject to the Commitments, the Commission should approve the Application. In addition, a number of the Parties (Cascade, Staff, CUB, and NWIGU) have negotiated an agreement to resolve all issues in Docket UG 173, which is set forth in a separate written stipulation. MDU Resources, Cascade, Staff, CUB, and NWIGU acknowledge that their agreement to the Stipulation in UM 1283 is based in part on the terms of the stipulation to settle Docket UG 173.

Q. Are all parties to the proceeding included in the Stipulation?

A. All parties are joining the Stipulation except PacifiCorp and NW Natural. Although neither of these parties joined in the Stipulation, they do not object to the terms of the Stipulation or the entry of the Stipulation as the basis for settling the contested issues in this proceeding.

Q. Please describe the terms of the Stipulation.

A. Under the terms of the Stipulation, the Parties recommend that the Commission issue an order approving the Transaction. Approval would be subject to imposing as conditions the various Commitments set forth in Exhibit 1 to the Stipulation.

Q. Please describe the Commitments.

A. The Commitments include proposed conditions in the following areas:

- Access to relevant information;
- Rate credits and other rate issues;
- Cascade's financial stability and ring-fencing provisions;
- Cost allocation and cross-subsidization issues;
- Low-income programs and public purposes funding;

- Quality of service measures;
- Commitment implementation issues; and
- Other matters.

Q. Please describe the Commitments which pertain to access to relevant information.

A. Several Commitments address concerns related to continued access to relevant information. Commitment 1 requires Cascade to maintain its own accounting documentation, and requires that certain financial information and filings be accessible in Cascade's Washington office. Commitment 2 provides that financial statements and other financial books and records for Cascade shall be maintained separate from the books and records of MDU Resources. Commitment 3 addresses the access to be provided to books of account, as well as all documents, data, and records of their affiliated interests, which pertain to transactions between Cascade and its affiliated interests or which are otherwise reasonably calculated to lead to discoverable information regarding Cascade. Commitment 4 confirms that, as provided under Oregon law or regulation, the Commission may audit the accounting records of MDU Resources and its subsidiaries or divisions that are the basis for charges to Cascade. Commitment 8 requires notification to the Commission in the event of certain acquisitions by MDU Resources. Commitment 15 relates to written information provided by and to credit rating agencies pertaining to Cascade. Commitment 26 pertains to access to corporate minutes. Commitment 18 confirms that in providing the information required under the various Commitments, neither Cascade nor MDU Resources is waiving its rights to request confidential treatment for such information.

Q. Please describe the Commitments which pertain to rate credits and other rate issues.

A. With respect to rate-related issues, Commitment 11 provides rate credits for Cascade's Oregon customers. Beginning at the same time as the fall 2008 PGA rate adjustment (estimated to be around November 1, 2008) and continuing through December 31, 2012, Cascade will provide annual rate credits of \$200,000 to all Oregon customers distributed on an equal margin basis to all classes of customers unless otherwise ordered by the Commission. Commitment 10 provides for a benchmark with respect to the level of administrative and general ("A&G") costs allocated to Cascade, and generally provides that through December 31, 2012, the allocated shared corporate costs, as well as its allocated and assigned utility division costs, will not exceed the costs that Cascade customers would otherwise have paid absent the acquisition, as adjusted for changes in the Consumer Price Index. Commitment 32(a) provides that the decoupling mechanism approved for Cascade by the Commission in Docket UG 167 will be continued until September 30, 2012, subject to any modifications that may be necessary as a result of the independent evaluation required by Section 8 of the UG 167 stipulation or any other modification required by the Commission. Commitment 32(c) pertains to the Earnings Sharing Mechanism established in Order No. 04-203 in Docket UM 903 and as modified in the UG 167 stipulation. Under Commitment 32(c), this Earnings Sharing Mechanism is extended until September 30, 2012, unless modified by the Commission. In accordance with the stipulation in Docket UG 173, the earnings band is increased to 215 basis points and the baseline return on equity is set at 10.1 percent. Other Commitments addressing rate-related issues are Commitment 14, which requires Cascade to exclude all

costs of the Transaction, including the acquisition premium (goodwill) and integration costs, from its utility accounts for ratemaking purposes; Commitment 17, which provides that Cascade will not advocate for a higher cost of debt or equity capital as compared to what Cascade's cost of debt or equity capital would have been in the absence of MDU Resources' ownership; and Commitment 24, which specifies the limitations governing the ability of Cascade or MDU to propose subsequent rate recovery of the acquisition premium (goodwill).

Q. Please describe the Commitments which pertain to Cascade's financial stability and ring fencing.

A. Several Commitments relate to preservation of Cascade's financial stability and ring fencing. Commitment 13 requires Cascade to maintain its debt and preferred equity separately from the financial securities of MDU Resources and its affiliates, and to maintain its own corporate credit rating separately from that of MDU Resources and its affiliates. Commitment 27 prohibits Cascade from declaring or making any dividend to MDU Resources or any other entity that owns or holds an equity interest in Cascade under specified criteria based on interest coverage ratio and debt rating. Commitment 28 sets forth additional limitations on Cascade's ability to make any dividends based on minimum equity ratios in Cascade's capital structure. Commitment 29 requires Cascade to provide notice when its dividend payment increases by 10% or more than Cascade's paid dividends for the previous quarter. Commitment 5 prohibits any diversified holdings and investments (*e.g.*, non-utility related business or foreign utilities) of MDU Resources from being held by Cascade or a subsidiary of Cascade. Commitment 6 confirms that Cascade will operate as an indirect wholly owned subsidiary of MDU

Resources and, among other things, holds Cascade's Oregon customers harmless from any business and financial risk exposures of MDU Resources or its other affiliates including Centennial Energy Holdings, Inc. ("Centennial"). Commitment 16 prohibits Cascade and its subsidiaries from making loans to, or assuming any obligation or liability as guarantor of, MDU Resources or its subsidiaries, without the approval of the Commission. Commitment 30 pertains to a non-consolidation opinion to be provided by Cascade within three months of closing of the Transaction. This non-consolidation opinion addresses the adequacy of the ring-fencing provisions and the likelihood of a bankruptcy court in an MDU Resources bankruptcy proceeding ordering the substantive consolidation of the assets and liabilities of Cascade with those of MDU Resources. Commitment 7 addresses one of the elements necessary in order to obtain such a non-consolidation opinion, *i.e.*, the requirement that at least one director of Equico be an Independent Director.

Q. Please describe the Commitments which pertain to cost allocation and cross-subsidization issues.

A. With respect to cost allocation and cross-subsidization issues, Commitment 9 requires Cascade to file its Inter-company Administrative Services Agreement ("IASA") with the Commission. Commitment 12 specifies the corporate and affiliate cost allocation methodologies to be used in the IASA.

Q. Please describe the Commitments which pertain to low-income programs and public purposes funding.

A. Under Commitment 34, Cascade will provide not less than \$12,500 per year for funding of low-income client education programs at the four Oregon community action agencies

that deliver the current Cascade low-income public purposes program. In addition, Commitment 25 provides that Cascade and/or the MDU Resources Foundation will maintain at least Cascade's current level of charitable contributions in Oregon and Washington. With respect to public purposes funding, Commitment 32(b) provides that Cascade will continue to provide funds to the Energy Trust of Oregon and community services agencies at no less than the level specified in Section 10 of the UG 167 stipulation until September 30, 2012, provided that such funding is included as a cost of service for ratemaking and revenue sharing purposes.

Q. Please describe the Commitments which pertain to quality of service measures.

A. Commitments 22 and 32 discuss service-related issues. MDU Resources and Cascade are required under Commitment 22 to maintain adequate staffing and presence in Oregon and Washington, consistent with the provision of safe and reliable service and cost-effective operations. Commitment 32 pertains to the Service Quality Measures implemented in the Docket UG 167 stipulation, which continue for a ten-year period that commenced as of the effective date of the Conservation Alliance Plan tariff sheets (May 1, 2006). Commitment 32 confirms these Service Quality Measures, and the understanding that revenue requirement reductions for noncompliance with performance standards and customer guarantees will be paid as designated by the Commission and will be excluded from Cascade's regulatory accounts and results of operations.

Q. Please describe the Commitments which pertain to implementation and compliance issues.

A. A number of Commitments discuss various implementation issues. Commitment 19 confirms that nothing in the Commitments should be interpreted to limit the

Commission's authority under its statutes and rules. Commitment 20 provides a process urged by the Parties for administering and enforcing the Commitments, unless another process is provided by statute, Commission regulations or an approved Cascade tariff. Commitment 21 provides a process for resolving any disputes between Commission Staff and Cascade or MDU Resources regarding a Commission Staff request for books, documents or records made pursuant to these Commitments. Commitment 23 imposes a reporting requirement through December 31, 2012 regarding the implementation of the Commitments. Among other things, the report will provide a description of the performance of each of the Commitments that have quantifiable results. Commitment 31 is a "most favored states" provision, where the Applicants provide the Commission with an opportunity and the authority to consider and adopt in Oregon any commitments or conditions to which the Applicants agree or with which the Applicants are required to comply in other jurisdictions, even if such commitments and conditions are agreed to after the Commission enters its order in this docket. The process for implementing the "most favored states" provision is specified in more detail in paragraph 10 of the Stipulation.

Q. Please describe the remaining Commitments.

A. Commitment 33 pertains to the tariff provisions for gas transportation service. Under this Commitment, Cascade will file revised tariff sheets to eliminate the existing 50,000 therm restriction and replace it with provisions requiring transporters to keep their nominations and deliveries within the same monthly tolerance band as Northwest Pipeline. Commitment 35 addresses Cascade's participation in the Intervenor Funding Program established by the Commission in Order No. 03-388. Under Commitment 35,

Cascade will join the program beginning in calendar year 2007 under the same terms and conditions as other utilities participating in the program, except that Cascade will make available \$30,000 in each of the three accounts specified in Attachment B of that order. In addition, Cascade commits to support an extension of the Intervenor Funding Program beyond 2007.

Q. If the Commission rejects any part of the Stipulation, are the Parties entitled to reconsider their participation in the Stipulation?

A. Yes. Paragraph 13 of the Stipulation provides that if the Commission rejects all or any material portions of the Stipulation or imposes additional material conditions in approving the Application, any Party that is disadvantaged by such action shall have the right, upon written notice to the Commission and all Parties within 15 business days of the Commission's order, to withdraw from the Stipulation, pursue its rights under OAR 860-0140-0085, and/or seek reconsideration or appeal of the Commission's order; provided, however, that any Party seeking to withdraw from the Stipulation must, prior to such withdrawal, engage in a good faith negotiation process with the other Parties. Paragraph 14 of the Stipulation contains similar such provisions with respect to Commission action in Docket UG 173 on the stipulation settling Docket UG 173, and allows any Party among MDU Resources, Cascade, Staff, CUB, and NWIGU that is disadvantaged by such action to have the right to withdraw from the Stipulation in UM 1283.

Q. What other terms does the Stipulation include?

A. The Stipulation represents negotiated compromises among the Parties. Thus, the Parties agree in paragraph 16 of the Stipulation that no Party shall be deemed to have approved,

admitted or consented to the facts, principles, methods, or theories employed by any other Party in arriving at the terms of this Stipulation, and that the terms incorporated in the Stipulation should not be viewed as precedent in subsequent proceedings. In addition, the parties have the right to withdraw from the Stipulation if any material part is rejected by the Commission.

Q. What are the standards for Commission approval of the Application?

A. ORS 757.511 requires satisfaction of a "net public benefits" test. In adopting a net benefits standard, the Commission has stated that providing net benefits is a specific way to address the general concern that a transaction could harm customers.

Q. Does the Transaction satisfy the net benefits standard?

A. Yes. The Parties acknowledge that with the terms of the Application and the Stipulation (including the Commitments), in conjunction with entering into the stipulation for settlement of Docket UG 173, MDU Resources and Cascade have satisfied the "net benefits" standard of ORS 757.511. The Commitments made by MDU Resources and Cascade satisfy the public interest test by providing net benefits to customers while not imposing a detriment on Oregon citizens as a whole. The Commitments generally ensure that the Commission and Parties will have access to information necessary to continue to participate effectively in the regulation and oversight of Cascade. The Commitments also address cost allocation and cross-subsidization issues to ensure that Cascade's Oregon customers will bear only those costs associated with providing retail gas distribution services in Oregon. In addition, the Commitments contain extensive ring-fencing provisions that are intended to protect Cascade's customers from adverse impacts associated with Cascade's ownership by MDU Resources, and include other financial

protections such as limitations on Cascade's ability to declare dividends. Apart from protecting against any adverse impacts associated with the Transaction, the Commitments also provide tangible, quantifiable benefits to Oregon customers in the form of rate credits, as provided by Commitment 11, thereby allowing customers to share in the efficiencies produced by MDU Resources' ownership of Cascade. In addition to these rate credits, the rate reduction proposed in the UG 173 stipulation will provide customers with a rate decrease without the uncertainty and effort of a rate case. Customers will also benefit from the two-year extension of various elements of the UG 167 Stipulation, including decoupling and public purposes funding for energy efficiency and low-income programs.

Q. What do the Parties recommend regarding the Stipulation?

A. The Parties recommend that the Commission adopt the Stipulation as the basis for resolving all the contested issues in this proceeding, and that the Commission approve the Transaction subject to the Commitments in Exhibit 1 to the Stipulation.

Q. Does this conclude your joint testimony?

A. Yes.

Docket UM 1283
Exhibit No.: 101
Witnesses: Conway

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – CUB – NWIGU – CADDO – OECA
NWEC – MDU RESOURCES – CASCADE

Joint Testimony in Support of Stipulation

May 2007

WITNESS QUALIFICATION STATEMENT

NAME: Bryan A. Conway

EMPLOYER: Public Utility Commission of Oregon

TITLE: Program Manager, Economic & Policy Analysis Section

ADDRESS: 550 Capitol Street NE Suite 215, Salem, Oregon 97310.

EDUCATION: B.S. University of Oregon, Eugene, Oregon
Major: Economics; 1991

M.S. Oregon State University, Corvallis, Oregon
Major: Economics; 1994

In addition, I have completed all of the required and elective coursework for a Ph.D. in economics from Oregon State University. My fields of study were Industrial Organization and Applied Econometrics.

EXPERIENCE: Starting in October 1998, I have been employed by the Public Utility Commission of Oregon. I am currently the Program Manager of the Economic & Policy Analysis Section. My responsibilities include leading research and providing technical support on a wide range of policy issues for electric, telecommunications, and gas utilities. I have testified before the Commission on policy and technical issues in UG 132, UE 115, UE 116, UE 165, UE 170, UE 179, UE 180 and have been the Summary Staff Witness in UP 158, UP 168, UP 165/170, UX 27, UX 28, UX 29, UM 967, UM 1041, UM 1045, UM 1121, UM 1206, and UM 1209.

From December 1994 to October 1998, I worked for the Oregon Employment Department as a Research Analyst in their Research Section. Duties included leading research projects on various policy issues involving labor economics and information systems.

OTHER EXPERIENCE: I am currently a faculty member of the University of Phoenix teaching graduate and undergraduate economics courses.

From January 1998 through September 2000, I was a part time instructor at Linn-Benton Community College teaching principles of economics.

From July 1992 through June 1994, I was a graduate teaching assistant at Oregon State University teaching introductory principles of economics.

Docket UM 1283
Exhibit No.: 102
Witnesses: Jenks

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – CUB – NWIGU – CADO – OECA
NVEC – MDU RESOURCES – CASCADE

Joint Testimony in Support of Stipulation

May 2007

WITNESS QUALIFICATION STATEMENT

NAME: Bob Jenks

EMPLOYER: Citizens' Utility Board of Oregon

TITLE: Executive Director

ADDRESS: 610 SW Broadway, Suite 308
Portland, OR 97205

EDUCATION: Bachelor of Science, Economics
Willamette University, Salem, OR

PREVIOUS EXPERIENCE: Provided testimony or comments in a variety of OPUC dockets, including UE 88, UE 92, UM 903, UM 918, UE 102, UP 168, UT 125, UT 141, UE 115, UE 116, UE 137, UE 139, UE 161, UE 165, UE 167, UE 170, UG 152, UM 995, UM 1050, UM 1071, UM 1147, and UM 1121. Participated in the development of a variety of Least Cost Plans and PUC Settlement Conferences. Provided testimony to Oregon Legislative Committees on consumer issues relating to energy and telecommunications. Lobbied the Oregon Congressional delegation on behalf of CUB and the National Association of State Utility Consumer Advocates.

Between 1982 and 1991, worked for the Oregon State Public Interest Research Group, the Massachusetts Public Interest Research Group, and the Fund for Public Interest Research on a variety of public policy issues.

MEMBERSHIP: National Association of State Utility Consumer Advocates
Board of Directors, OSPIRG Citizen Lobby
Telecommunications Policy Committee, Consumer Federation of America
Electricity Policy Committee, Consumer Federation of America

Docket UM 1283
Exhibit No.: 103
Witnesses: Pyron

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – CUB – NWIGU – CADDO – OECA
NVEC – MDU RESOURCES – CASCADE

Joint Testimony in Support of Stipulation

May 2007

Paula E. Pyron
Statement of Qualifications

Paula Pyron is the Executive Director of the Northwest Industrial Gas Users ("NWIGU"), a nonprofit association of 35 large end-users of natural gas with facilities in Oregon, Washington and Idaho. The association represents its members' interests in distributor and pipeline rate cases, tariff filings and regulatory policy issues in the three states and at the Federal Energy Regulatory Commission. Ms. Pyron accepted this representation of NWIGU effective September 2000.

Ms. Pyron has been a lawyer since 1983, hailing from the oil patch in Tulsa, Oklahoma for the first several years of her business-focused practice with the law firm of Boesche, McDermott & Eskridge. She began private practice in Portland, Oregon in 1991 with an emphasis in energy regulation and contract negotiation. She represented Northwest Industrial Gas Users from 1991 to 1999 as an outside counsel, most recently as a partner at Energy Advocates LLP, and prior to that firm's founding was a partner at Ball Janik LLP. Until her recent engagement as NWIGU's executive director, since April 1999 she managed the legal department in Portland as Assistant General Counsel for PG&E Gas Transmission, Northwest Corporation.

Ms. Pyron is admitted to practice in the state bars of Oregon and Oklahoma and numerous federal courts. She is a 1983 graduate of the University of Tulsa, College of Law and has a BS in Economics, *summa cum laude* from the University of Texas at Dallas. She has testified on energy regulatory and legislative matters in Oregon and Washington before the Oregon Public Utility Commission (OPUC), the Washington Utilities and Transportation Commission (WUTC), and state legislative committees. She has appeared on numerous occasions before the WUTC, the OPUC and the Idaho Public Utility Commission as executive director of NWIGU.

Docket UM 1283
Exhibit No.: 104
Witnesses: Abrahamson

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – CUB – NWIGU – CADDO – OECA
NWECC – MDU RESOURCES – CASCADE

Joint Testimony in Support of Stipulation

May 2007

**QUALIFICATIONS AND BACKGROUND OF
THOMAS JAMES (JIM) ABRAHAMSON**

Q: Please state your name and business address.

A. My name is Thomas James (Jim) Abrahamson. My business address is 945 Columbia Street NE, Salem, Oregon 97301.

Q. By whom are you employed and in what capacity?

A. I am the Oregon Energy Partnership Coordinator for the Community Action Directors of Oregon (CADO). In this capacity I work with CADO and the Oregon Energy Coordinators Association (OECA) to analyze, coordinate, communicate and implement issues and projects that provide needed energy benefits to low income Oregonians.

Q. Please describe your educational background and professional experience.

A. I was awarded a Masters of Science in Economics and a Bachelor of Science in Economics from Portland State University in Portland, Oregon. I have been the Oregon Energy Partnership Coordinator since January, 2004. I have nearly 20 years of experience in the electric utility industry in a variety of capacities. Most recently, I was employed by Cinergy / PSI Energy and was based in Indianapolis, Indiana. While employed at Cinergy / PSI Energy I was Manager of Strategic Planning Systems. Other responsibilities included the development of long-term population, employment and electric load forecasts associated with PSI's first IRP filing with the Ohio PUC, and management of a major marketing program. Prior to that I was employed by Pacific Power and Light Company in Portland, Oregon. While employed at Pacific Power my responsibilities included long-term economic and electric load forecasting, strategic

planning, public policy, and the administration of Pacific's first integrated resource planning process (RAMPP 1). While in Indiana, I also operated in the capacity as a loaned executive providing critical strategic planning and decision making services to non-profit agencies throughout central and southern Indiana. I have served as the Chair of the Portland (Oregon) Utilities Review Board advising the Portland City Council on issues related to water, wastewater, stormwater and solid waste/recycling rates including the impact of the City's low-income utility assistance programs. In addition, I was a member of the City of Portland's Regional Electric Utility Advisory Council which was assisting in the recently concluded efforts to transform Portland General Electric into a regionally-owned public utility.

Q. Have you provided testimony to this commission in the past?

A. Yes, I provided testimony on behalf of CADO and OECA in UM 1121 and UG 167.

Docket UM 1283
Exhibit No.: 105
Witnesses: Weiss

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – CUB – NWIGU – CADDO – OECA
NWEC – MDU RESOURCES – CASCADE

Joint Testimony in Support of Stipulation

May 2007

QUALIFICATION STATEMENT OF

STEVEN WEISS

Witness for the

NW Energy Coalition

Q. Please state your name, employer and business address.

A. My name is Steven Weiss. I am employed by the NW Energy Coalition (NWEC), 219 First Ave. South, Suite 100, Seattle, WA 98104. My phone number is 503-851-4054.

Q. What is your position and responsibilities?

A. I am a Senior Policy Associate and represent NWEC in regulatory proceedings at BPA and in the State of Oregon. I am also an advocate for clean and affordable energy in many other forums including the NW Power Planning Council, Grid West's Regional Representatives Group (RRG) and the Oregon Legislature.

Q. Summarize your educational background and professional experience.

A. I received a Masters in Science Education from Bucknell University in 1976 and a Bachelor of Arts in Physics and Math from the University of California at Berkeley in 1968. Previous professional experience includes employment as Assistant Professor at Clarion State College in Pennsylvania from 1975-79 and Director of Salem Electric (Co-op) from 1982-94. I also taught math and statistics at Chemeketa Community College part-time during that period. I owned and operated a retail bicycle shop from 1980-96. I have been employed by NWEC since 1994 and have participated in numerous Oregon and regional policy forums and ratecases. I also co-authored Oregon's electricity restructuring law (SB 1149).

Q. Have you appeared before the Commission in other proceedings?

A. Yes. I have represented NW Energy Coalition and Natural Resources Defense Council in numerous dockets, including rulemakings, Portland General Electric, PacifiCorp and NW Natural rate cases and Integrated Resource Planning dockets, as well as at workshops and conferences over the past dozen years.

Docket UM 1283
Exhibit No.: 106
Witnesses: Stoltz

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

STAFF – CUB – NWIGU – CADDO – OECA
NVEC – MDU RESOURCES – CASCADE

Joint Testimony in Support of Stipulation

May 2007

Qualification Statement of Jon T. Stoltz

Q. Please state your name and address for the record.

A. Jon T. Stoltz, 222 Fairview Avenue North, Seattle, Washington.

Q. By whom are you employed and what is your title?

A. I am employed by Cascade Natural Gas Corporation ("Cascade" or the "Company") as Senior Vice President - Gas Supply and Regulatory.

Q. Would identify your responsibilities with the Company?

A. As Senior Vice President- Gas Supply and Regulatory, I am responsible for the Gas Supply and Regulatory Affairs Departments of Cascade. The Gas Supply Department is responsible for the execution of the Company's Gas Procurement Strategy, including the negotiation and purchasing of physical gas supplies and the securing of price hedges for appropriate portions of the company's core gas supply portfolio. The Gas Supply Department is also responsible for the daily, monthly and annual management of the core gas supply portfolios, including coordination of transportation and storage of gas supplies via interstate and Canadian pipelines. Cascade is a firm shipper on two U.S. interstate pipelines and two Canadian pipelines. As such, the Gas Supply Department is also responsible for overseeing long- and short-term pipeline contracts and negotiations before the Federal Energy Regulatory Commission (FERC) and Canada's National Energy Board.

The Regulatory Affairs Department is responsible for the preparation of all rate-related exhibits in "tracking" and general rate relief filings. The Regulatory Affairs Department is also responsible for the preparation of the Integrated Resource Plan or sometimes referred to as the Least Cost Plan. Least Cost Planning involves long-range market forecasts, evaluation of the costs and availabilities of demand-side and supply-side resources to meet such forecasted markets, as well as the development of

written Integrated Resource Plans for submittal before the Washington Utilities and Transportation Commission and the Public Utility Commission of Oregon.

Q. Please describe your education background and previous experience.

A. I am a graduate of the University of Texas at El Paso with a degree in electrical engineering. My post-graduate studies include courses in utility economics, management and accounting.

Prior to joining Cascade, I was employed by El Paso Electric Company as a Rate Engineer with the title of Special Projects Engineer. My responsibilities while with El Paso Electric were quite similar to those rate analyst have with Cascade.

My tenure with El Paso Electric was approximately three years.

Q. Have you previously sponsored testimony?

A. Yes, I have sponsored testimony before the Public Utility Commission of Oregon, before the Washington Utilities and Transportation Commission, before the New Mexico Public Utility Commission, and before FERC.

CERTIFICATE OF SERVICE

I certify that I served, on May 18, 2007, the **Joint Testimony** by causing a copy to be sent by electronic and U.S. Mail to:

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(*) Denotes by electronic mail only.

PERKINS COIE

By 

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May 18, 2007

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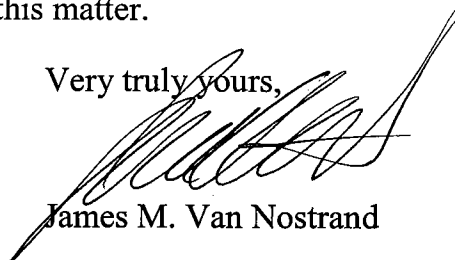
Re: Docket UM 1283

Dear Sir/Madam:

I am enclosing for filing an original and five copies of Joint Testimony in Support of Stipulation.

Thank you for your attention to this matter.

Very truly yours,



James M. Van Nostrand

JMV:dma
Enclosures
cc: Service List

62016-0003/LEGAL13249690.1

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