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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION FOR A) CASE NO. IPC-E-09-03
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY FOR THE LANGLEY)
GULCH POWER PLANT.)
_____)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

KARL BOKENKAMP

1 Q. Please state your name and business address.

2 A. My name is Karl Bokenkamp and my business
3 address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what
5 capacity.

6 A. I am employed by Idaho Power Company as the
7 General Manager of Power Supply Operations and Planning.

8 Q. Please describe your educational background.

9 A. I received a Bachelor of Science Degree in
10 Mechanical Engineering from the University of Illinois at
11 Urbana-Champaign in 1980. In 1995, I earned a Master of
12 Engineering Degree in Mechanical Engineering from the
13 University of Idaho. I am a registered Professional
14 Engineer in the state of Arizona, and I have attended the
15 Stone & Webster Utility Management Development Program and
16 the University of Idaho's Utility Executive Course.

17 Q. Please describe your work experience with
18 Idaho Power Company.

19 A. I became employed by Idaho Power in 1995 as
20 the Director, and then Manager, of Thermal Production. In
21 this position I was responsible for managing Idaho Power's
22 Thermal Production Department. Primary responsibilities of
23 the department included oversight and control of Idaho
24 Power's ownership shares in its three jointly-owned coal-

1 fired generation resources, Bridger, Boardman, and Valmy,
2 and their associated fuel supplies.

3 In 2001, I accepted a new assignment as the Manager
4 of Power Supply Planning and was later promoted to General
5 Manager of Power Supply Planning. In this position, I was
6 responsible for building and managing Power Supply's
7 Planning Department. This department's responsibilities
8 included operational planning, load forecasting, stream
9 flow forecasting, integrated resource planning,
10 cogeneration and small power producer contract management,
11 water management/river operations, and gas and coal
12 contract management.

13 In 2006, I was promoted to my current position of
14 General Manager, Power Supply Operations and Planning.
15 This position adds operational responsibilities, which
16 include asset optimization, wholesale electricity, and
17 natural gas transactions from real-time through multi-year
18 deals as well as real-time operations and scheduling.

19 Q. Please outline the major topics you will
20 address in your testimony in this proceeding.

21 A. There are three major topics that comprise
22 my testimony. First, I will briefly review how the
23 addition of a baseload resource like the Langley Gulch
24 power plant ("Langley Gulch" or "Project") is consistent

1 with the Company's 2006 Integrated Resource Plan and 2008
2 Update. Second, I will provide an overview of the Request
3 for Proposal ("RFP") process used to evaluate the various
4 resources that competed to provide the baseload resource.
5 Finally, I will explain why the Project was selected as the
6 least-cost resource through the competitive RFP process.

7 Q. What drives the need for Idaho Power to
8 acquire additional resources?

9 A. Load growth within Idaho Power's service
10 territory is primarily what drives the need for new
11 generating resources. In 1990, Idaho Power had
12 approximately 290,000 retail customers, and a firm peak-
13 hour load of less than 2,100 MW. Today, Idaho Power serves
14 over 480,000 retail customers in Idaho and Oregon, and firm
15 peak-hour load has grown to over 3,200 MW. Average firm
16 load has increased from approximately 1,200 aMW in 1990 to
17 over 1,800 aMW in 2008.

18 Q. What role does the Company's integrated
19 resource planning process play in determining the need for
20 the acquisition of a baseload resource?

21 A. The Company's integrated resource planning
22 process is the basis for establishing the Company's need
23 for the acquisition of additional resources. The IRP
24 considers supply-side resources (generators and market

1 purchases), demand-side resources (energy efficiency or
2 demand response programs), and the transmission lines
3 necessary to integrate these resources. Because of the
4 Company's reliance on its hydroelectric generation, its
5 operations can be significantly affected by water
6 conditions. With this in mind, the Company's IRP utilizes
7 two planning criteria, one for average load or energy and
8 another for peak-hour load, and both are based on receiving
9 less than normal streamflows. For energy, Idaho Power
10 plans to be able to serve its average loads under 70th
11 percentile water and 70th percentile load conditions. For
12 peak-hour load, Idaho Power plans to serve its peak-hour
13 loads under 90th percentile water and 95th percentile load
14 conditions.

15 The preferred portfolio in the 2004 IRP included a
16 500 MW baseload coal-fired resource, with seasonal
17 ownership, in 2011. The preferred portfolio in the 2006
18 IRP refined this resource need to a 225 MW power purchase
19 facilitated from what we called a McNary to Boise
20 transmission upgrade in 2012, a 250 MW pulverized coal
21 baseload resource in 2013 and a 250 MW Regional IGCC (or
22 "clean coal") project in 2017. Since the 2006 IRP was
23 published, escalating concerns regarding climate change, CO₂
24 emissions and the public's perception of coal-fired

1 resources has made coal-fired resource development an
2 unrealistic alternative. These concerns coupled with the
3 possibility of new large loads locating in our service
4 territory and the anticipated shift of flow augmentation
5 releases of water from the federal dams on the Snake River
6 above Brownlee Dam from July and August to May and June,
7 have prompted the Company to (1) revise the 250 MW coal-
8 fired resource to a natural gas-fired baseload resource,
9 (2) increase the size of the baseload resource to
10 approximately 300 MW, and (3) accelerate the on-line date
11 of the baseload resource to 2012.

12 Q. Why did the Company decide to utilize a
13 competitive request for proposals or RFP process to acquire
14 the baseload resource previously described in your
15 testimony?

16 A. The competitive RFP process allows the
17 Company to access the broader power supply market to obtain
18 the best resource for our customers. It gives us access to
19 a spectrum of potential resources and resource developers.
20 Use of a formal RFP process provides customers and
21 regulatory agencies with the assurance that the resource
22 selection process was competitive, all potential suppliers
23 had an equal opportunity to participate, and that the best
24 resource alternative was selected.

1 Q. Did the Company engage an independent third-
2 party to review the Company's RFP and bid evaluation
3 process?

4 A. Yes. The Company retained R. W. Beck, an
5 independent consulting company offering a complete range of
6 consulting and engineering services to the utility
7 industry, to assist us with the RFP process. Specifically,
8 R. W. Beck was retained to assist with preparation of the
9 RFP, the draft power purchase and tolling agreements,
10 development of the evaluation criteria and manual, and
11 evaluation of the proposals received in response to the
12 RFP, including the self-build alternative. Mr. Steven
13 Stein, R. W. Beck Principal & Executive Consultant, was R.
14 W. Beck's project manager and the principal consultant
15 involved in supporting our RFP process.

16 Q. Please describe the parameters the Company
17 set for the responses to the RFP.

18 A. The parameters set for this RFP can be
19 grouped into four categories; product, quantity, proposal
20 size, and term. The product was specified as dispatchable,
21 first call, non-recallable, physically delivered firm, or
22 unit contingent energy, commencing not later than June 1,
23 2012, that is dedicated solely to Idaho Power's use. The
24 RFP indicated that the product requirements could be met

1 through Power Purchase Agreements ("PPA") or Tolling
2 Agreements ("TA"). The RFP also advised that the Company
3 would include in the bidding process a Company-developed
4 CCCT that would provide a benchmark resource for
5 consideration. Build-and-transfer proposals were not
6 considered in this RFP process. The quantity of
7 dispatchable firm or unit contingent energy requested was
8 initially specified as between approximately 250 MW and 600
9 MW. On June 25, 2008, the quantity was revised to
10 approximately 300 MW. The minimum and maximum proposal
11 sizes were initially specified as 50 MW and approximately
12 600 MW, respectively. When the quantity was revised to
13 approximately 300 MW, the maximum proposal size also was
14 adjusted to approximately 300 MW. Regarding term, each
15 respondent was required to submit one proposal with a term
16 of 15 years and 1 five-year renewal option.

17 Q. Why didn't the Company allow build-and-
18 transfer proposals?

19 A. When the Company made the decision to pursue
20 a combined cycle project, Company employees visited a
21 number of combined cycle projects. During these site
22 visits, Company employees observed significant design
23 differences between similar sized projects. Simply put,
24 some designs were much better than others.

1 If a build-and-transfer option was permitted, and
2 projects with significant design differences were proposed,
3 the evaluation process could become extremely complicated
4 and somewhat subjective. The Company concluded that the
5 best way to eliminate significant design differences
6 between the proposals and assure an effective evaluation
7 process was to prepare and issue a detailed specification
8 with the RFP to ensure uniform design criteria between
9 projects.

10 Given the decision to accelerate the on-line date to
11 2012, information obtained regarding critical equipment
12 manufacturing lead times, and the aforementioned
13 differences in project design, in the Company's opinion, it
14 did not have enough time to prepare a detailed design
15 specification and release the RFP in time to meet the 2012
16 on-line date.

17 Q. Please describe the response the Company
18 received to the RFP.

19 A. The Company received six proposals. One
20 proposal was returned unopened because the bidder did not
21 submit a Notice of Intent to Bid as required by the RFP.
22 The five remaining valid proposals represented a total of
23 thirteen alternative resources. The alternatives included:

1 one Power Purchase Agreement, nine TAs, two hybrid
2 proposals, and the Benchmark Resource.

3 The nine TAs offered included three different
4 technology classes; three TAs were for large frame simple
5 cycle CTs, two TAs were for advanced aeroderivative simple
6 cycle CTs, and five TAs were for 1 x 1 combined cycle CTs.

7 Q. Please describe the process the Company
8 followed to evaluate and rank the responses to the RFP.

9 A. The process the Company followed to evaluate
10 and rank the responses received in response to the RFP is
11 outlined in the Proposal Evaluation Manual prepared for the
12 2012 Baseload Generation RFP. The Proposal Evaluation
13 Manual was finalized before any of the proposals were
14 received. The evaluation process can be characterized as a
15 three stage screening process.

16 In stage 1 screening, proposals were checked against
17 the minimum requirements set forth in the RFP. This
18 screening involved checking proposals for completed forms,
19 minimum quantities, minimum term, addressing environmental
20 costs, an Interconnection Feasibility Study Report, and
21 signatures.

22 At the Stage 2 screening level, a busbar analysis
23 was used to determine the cost of each proposal. Levelized

1 fixed, variable and total costs, and non-levelized total
2 costs at various capacity factors were calculated.

3 During Stage 3 screening, price and non-price
4 factors, or criteria, were scored for each proposal using a
5 weighted scoring system. The price factors received a
6 total of 60 points. Price factors were based on the net
7 present value ("NPV") of the estimated total revenue
8 requirement associated with each proposal. Each proposal
9 making it to Stage 3 screening was modeled and its impact
10 on Idaho Power's system costs was simulated using the
11 Aurora Electric Market Model. The results of the Aurora
12 analysis were used to determine the NPV of the revenue
13 requirements associated with adding that project to Idaho
14 Power's portfolio of resources. Non-price factors
15 received a total of 40 points. Non-price criteria
16 included: project development, project characteristics,
17 product characteristics, project location, environmental,
18 credit factors, and financial strength. A total of 40
19 points were distributed between these six non-price
20 criteria. Sensitivity analyses were run for high and low
21 gas price scenarios, but these results did not impact the
22 price and non-price scores.

23 Q. How did the Company address transmission
24 costs in the RFP process?

1 A. One of the minimum requirements of the RFP
2 was that proposals relying on a new generating resource to
3 be developed in Idaho Power's service territory were
4 required to submit an Interconnection Feasibility Study
5 report prepared by Idaho Power's Delivery Planning group
6 with their proposal. The cost estimates provided by Idaho
7 Power's Delivery Planning group in the Interconnection
8 Feasibility Study Reports or, in one case, a System Impact
9 Study were used to set the transmission costs of each
10 proposal.

11 Q. What fuel cost assumptions were used in
12 evaluating the bids?

13 A. The same assumptions for the cost of fuel
14 delivery to the Northwest Pipeline mainline tap, in
15 \$/MMBtu, were used to evaluate all proposals, including the
16 Benchmark Resource. Any costs from the main line tap to
17 the proposed resource locations were considered to be
18 project specific. The natural gas price forecast used to
19 evaluate bids showed an increase from \$9.39/MMBtu in 2012
20 to \$15.55/MMBtu in 2036. This forecast is provided as
21 Exhibit No. 1.

22 Q. How was the cost of AFUDC evaluated for the
23 Benchmark Resource?

1 A. The benchmark proposal included an estimate
2 of AFUDC costs expected to be incurred during the
3 construction of the project. The Benchmark Resource team's
4 AFUDC estimate was calculated by applying a 7 percent
5 annual capitalized interest charge to the funds spent on
6 construction of the project. The estimated AFUDC costs
7 were added to the accumulated construction work in progress
8 balances each month. The total amount of AFUDC included in
9 the plant portion of the Benchmark Resource evaluation was
10 approximately \$49 million. For the Benchmark Resource
11 proposal, this amount was included in the capitalized cost
12 of the project, which was used to calculate the estimated
13 revenue requirement for the Benchmark Resource.

14 Q. How do the total costs of the selected
15 Langley Gulch Project compare to the other bids received by
16 the Company in response to the RFP?

17 A. Exhibit No. 2 shows the total revenue
18 requirement for each of the three short-listed CCCT
19 projects. The Benchmark Resource is Project D. Exhibit
20 No. 3 shows the 20 year net present value ("NPV") of the
21 difference in revenue requirement between the short-listed
22 three CCCT projects.

23 Q. What does Exhibit No. 3 show?

1 A. Exhibit No. 3 shows that the 20-year NPV of
2 the revenue requirements for the Langley Gulch Project were
3 \$108 million less than the next closest combined cycle
4 project on the short-list. To put the \$108 million
5 difference in perspective, it is about 3.8 percent less
6 than the 20-year NPV of the revenue requirements of the
7 combined cycle project finishing in second place.

8 Q. Do Exhibits Nos. 2 and 3 reflect the
9 Company's Commitment Estimate amount?

10 A. No. The comparisons shown in these exhibits
11 are based on the final costs submitted by the short-listed
12 bidders. However, I do not believe use of the Commitment
13 Estimate in the comparison would change the ranking of the
14 bids.

15 Q. How did the non-price attributes compare
16 among the various responders to the RFP?

17 A. Although each project was unique, overall,
18 the non-price scoring for the short-listed projects was
19 actually quite close. Less than 3 points separated the
20 non-price scores for all of the short-listed projects and
21 less than 2 points separated the non-price scores of the
22 short-listed combined cycle projects. Out of a possible 40
23 non-price points, the scores for the short-listed combined

1 cycle projects ranged from 30.1 to 28.6. In this RFP, the
2 non-price scores were not a significant differentiator.

3 Q. Why did the Company ultimately select the
4 Langley Gulch Project as the preferred bidder?

5 A. The Company's ultimate decision to select
6 the Langley Gulch Project, based on the results of the RFP,
7 was primarily dictated by its substantially lower price.
8 The differential between the 20 year NPV of the revenue
9 requirements of the Langley Gulch and the closest Tolling
10 Agreement for a combined cycle project shows the second
11 place project was approximately \$108 million more
12 expensive, and the NPV analysis for the Tolling Agreement
13 for the third-place combined cycle project was \$220 million
14 more expensive than the Langley Gulch Project. Exhibit No.
15 3 shows this differential graphically.

16 Q. Are there any unique issues associated with
17 a utility-owned resource?

18 A. There are certain risks and benefits
19 associated with selecting a traditional utility rate-based
20 project. By selecting the Langley Gulch Project and
21 providing a Commitment Estimate, the Company and its
22 shareholders take on project development and construction
23 risk. Customers retain the risk of fuel cost increases
24 under either a tolling agreement or a utility-owned

1 resource. However, with the utility-owned resource, any
2 savings resulting from the Project realizing a better than
3 expected heat rate will be shared with customers through
4 the PCA. That leaves the risk that the Company may not be
5 able to operate and maintain the Project as efficiently as
6 another operator. While this is a possible risk,
7 conversely, if the Company is able to operate and maintain
8 the Project for less than its anticipated costs, customers
9 will have an opportunity to receive those savings. The
10 potential operating risk needs to be balanced against the
11 possible operating savings, plus the benefit of a projected
12 20 year NPV reduction in revenue requirement of \$108
13 million, plus the residual value associated with the
14 Langley Gulch Project at the end of 20 years. It is the
15 Company's conclusion that the above-described benefits to
16 customers outweigh the risks associated with developing and
17 operating a traditional utility rate-based project.

18 Q. The Company's 2006 IRP ten year resource
19 plan recommends that a baseload resource be on-line in
20 2012. What is the schedule for the Project's commercial
21 operation date?

22 A. Initially, the 2012 base load resource was
23 expected to be on-line in time to meet peak-hour loads
24 during the summer of 2012. However, given the current

1 economic crisis, the Company anticipates difficulty
2 financing this project without receiving a Certificate of
3 Public Convenience and Necessity ("CPCN") with specific
4 ratemaking or cost-recovery assurances. The Company
5 estimates that it may take up to 6 months to obtaining a
6 CPCN containing the needed regulatory assurances.
7 Acknowledging the IPUC's need to carefully consider the
8 Company's request, the Company has negotiated with the
9 Langley Gulch Project's EPC contractor to postpone
10 additional expenditures until a CPCN is received.
11 Unfortunately, postponing additional expenditures for 6
12 months is expected to delay the project's on-line date by 6
13 months. Assuming that a Notice to Proceed is issued on
14 September 1, 2009, the project is expected to be on-line in
15 October 2012, and in commercial operation on December 1,
16 2012.

17 Q. How is the fuel supply delivered to the
18 project?

19 A. Ideally, Idaho Power would like to have the
20 ability to access and deliver natural gas from both the
21 Western Canadian Sedimentary Basin (British Columbia and
22 Alberta) and the U.S. Intermountain West, or Rockies
23 region. Idaho Power has transportation rights on Williams'
24 Northwest Pipeline from Sumas, Washington, to Elmore,

1 Idaho. Idaho Power also has committed to acquire
2 additional transportation rights on Northwest Pipeline from
3 Stanfield, Oregon, to the Boise area and we are
4 investigating the acquisition of additional transportation
5 rights, also on Northwest Pipeline, from the Rockies region
6 to the Boise area. Idaho Power intends to deliver natural
7 gas to the Project site via Williams' Northwest Pipeline.
8 Northwest Pipeline will be tapped and a short lateral line,
9 approximately 1 mile in length, will be constructed to
10 connect the Project to Northwest Pipeline.

11 Q. Were there other material considerations
12 that should be considered when reviewing the Company's bid
13 evaluation process?

14 A. Yes. There are two items that I would like
15 to stress. The first is imputed debt. The RFP evaluation
16 process did not assign any additional costs to the PPAs or
17 TAs to cover the costs Idaho Power would incur by issuing
18 additional equity to maintain its debt and equity ratios if
19 the rating agencies imputed additional debt on Idaho
20 Power's balance sheet as a result of entering into a long-
21 term PPA or TA.

22 The second item is treatment of the costs associated
23 with not selecting the Langley Gulch Benchmark Resource.
24 While the Company recognizes that there may be loss of

1 equipment deposits, reservation fees, cancellation charges,
2 and other penalties or costs that Idaho Power would incur
3 if the Benchmark Resource was not selected, these potential
4 costs were not considered in the bid evaluation. If all
5 other things were equal, PPA or TA proposals would not have
6 had to win by more than Idaho Power's cancellation costs to
7 have been considered the winner.

8 Q. Did R. W. Beck provide a written assessment
9 of the Company RFP process?

10 A. Yes. A copy of their assessment is attached
11 as Exhibit No. 4.

12 Q. What did R. W. Beck conclude concerning the
13 quality of the Company's RFP process?

14 A. R. W. concluded:

15 Finally, based on our work with
16 the Idaho Power RFP Evaluation
17 Team as described above, we
18 believe that the Idaho Power 2012
19 Baseload RFP process was conducted
20 fairly and properly and that
21 offers provided to Idaho Power as
22 part of the RFP process, including
23 the Benchmark Resource, were
24 treated objectively and
25 consistently as set forth in
26 Section 5.5 of the RFP. (R. W.
27 Beck Report, p. 3.)

28 Q. Are there other attributes of the Langley
29 Gulch Project that you believe should be important to the
30 Commission's consideration?

1 A. Yes. Although not directly evaluated in the
2 RFP process, there are several other benefits associated
3 with adding a combined cycle combustion turbine to Idaho
4 Power's generation resources. First, by using new, state
5 of the art technology, the Langley Gulch Project will
6 benefit from technological advancements resulting in
7 improved efficiency which can be passed through to
8 customers in the form of reduced operating costs and
9 greater secondary sales revenues. Second, the improved
10 efficiency and the low variable operating costs of the
11 Langley Gulch Project will result in the unit being
12 dispatched more frequently. Having the unit on-line more
13 frequently gives Idaho Power another resource to assist
14 with integrating wind or other intermittent resources.
15 Third, the Langley Gulch Project is expected to have a
16 residual value, and be available to serve customers at the
17 end of 20 years. Finally, adding a combined cycle project
18 to Idaho Power's portfolio provides the Company with an
19 opportunity to shift generation from coal-fired resources
20 to a natural gas-fired combined cycle resource during
21 certain times of the year, reducing the Company's CO₂
22 emissions from its coal-fired resources.

1 Q. The Company is requesting that the
2 Commission expedite its review of the Application. Could
3 you explain why?

4 A. An expedited review of the Company's
5 application will enable the Company to proceed with the
6 project reducing the amount of time that project costs are
7 subject to escalation. Also, an expedited approval process
8 may enable the project to be on-line for the summer of
9 2012.

10 Q. Does that complete your testimony?

11 A. Yes.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-09-03

IDAHO POWER COMPANY

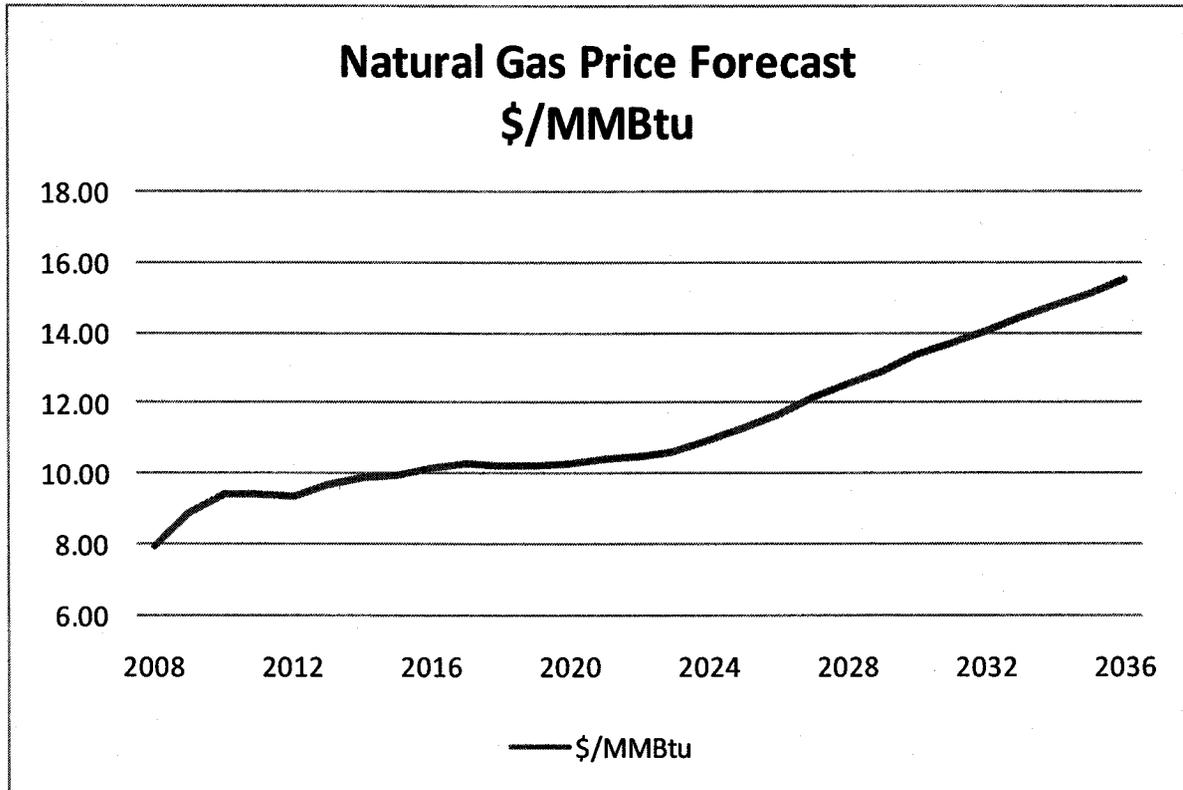
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EXHIBIT NO. 1

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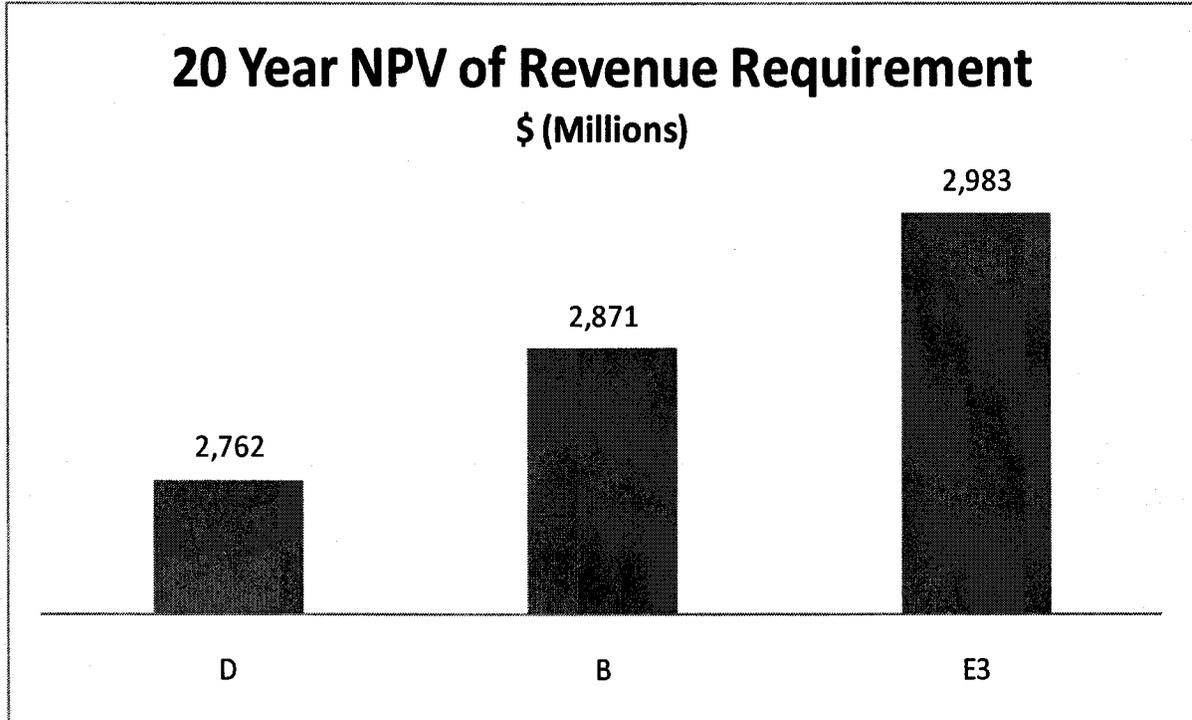
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BOKENKAMP, DI
TESTIMONY

EXHIBIT NO. 2

20 Year NPV of Revenue Requirement

\$(Millions)



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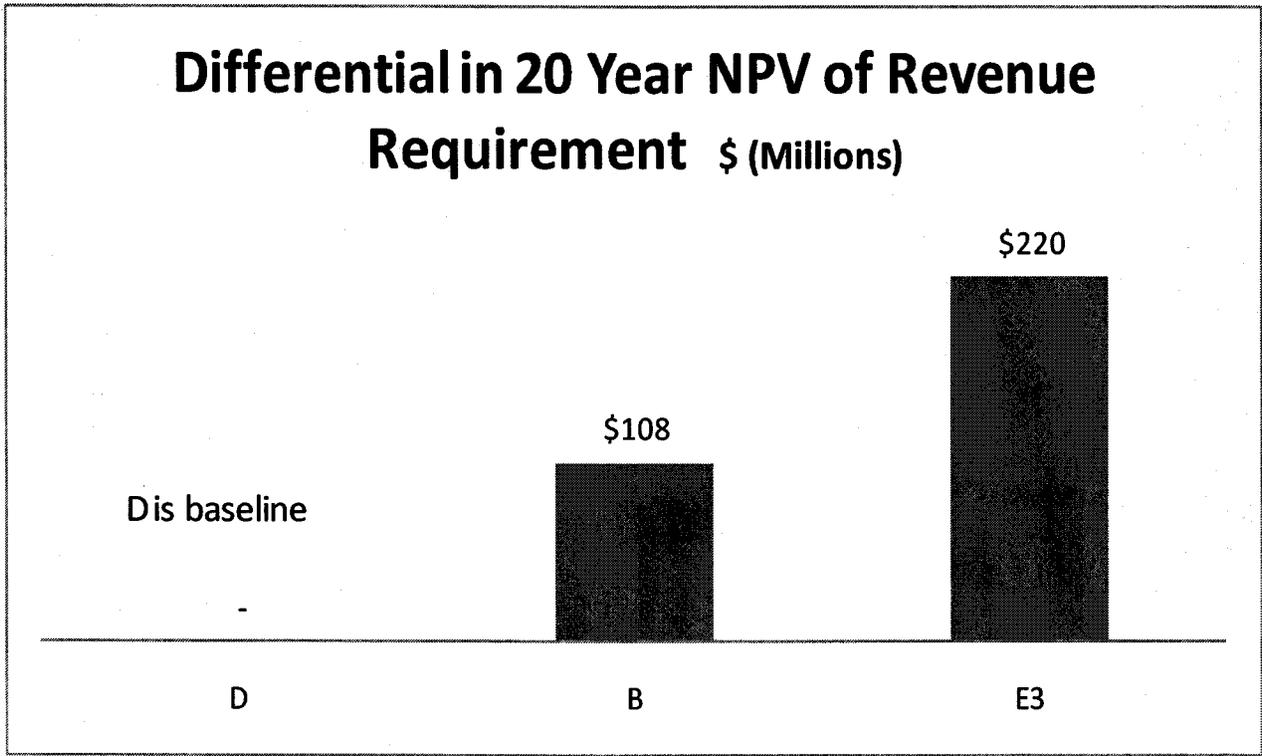
CASE NO. IPC-E-09-03

IDAHO POWER COMPANY

BOKENKAMP, DI
TESTIMONY

EXHIBIT NO. 3

Differential in 20 Year NPV of Revenue Requirement \$ (Millions)



BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

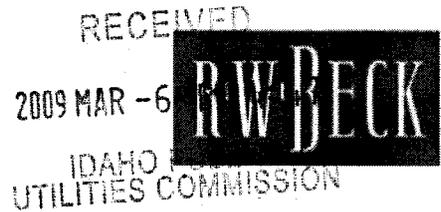
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IDAHO POWER COMPANY

BOKENKAMP, DI
TESTIMONY

EXHIBIT NO. 4

March 5, 2009



Mr. Karl E. Bokenkamp
General Manager
Power Supply Operations & Planning
Idaho Power Company
P. O. Box 70 (83707)
1221 West Idaho Street
Boise, Idaho 83702

**Subject: Letter Report of the Independent Consultant associated with the
Idaho Power Company Request for Proposal, 2012 Baseload Generation**

Dear Karl:

In accordance with your request, we are writing this letter to summarize our work related to services provided by R. W. Beck, Inc. ("R. W. Beck") to Idaho Power Company ("Idaho Power") as the "Independent Consultant" for the Idaho Power Company's Request for Proposal, 2012 Baseload Generation ("RFP"). This letter summarizes our work up to the date of this letter. Changed conditions which occur or become known after such date could affect the results presented in the letter to the extent of such changes.

As stated in Section 5.5 of the RFP, R. W. Beck was retained by Idaho Power to serve as the Independent Consultant to help ensure that the RFP process was conducted fairly and properly and that all offers were treated objectively and consistently. Section 5.5 of the RFP further stated that the Independent Consultant may:

1. "Consult with Idaho Power in preparing the RFP and evaluation criteria.
2. Consult with Idaho Power on evaluation of proposals.
3. Independently score all or a sample of the proposals to determine whether the selection of the short list is consistent with the scoring criteria.
4. Compare the result of the Independent Consultant's scoring with Idaho Power's scoring and work with Idaho Power to attempt to reconcile and resolve scoring differences.
5. Prepare reports as requested by Idaho Power including reports to the IPUC and OPUC as requested by Idaho Power."

To date, Idaho Power has requested R. W. Beck to perform tasks 1, 2 and 5 described above. This included R. W. Beck consulting with and advising Idaho Power in preparing the RFP and evaluation criteria. R. W. Beck was not requested to perform tasks 3 and 4 described above. The decision not to have R. W. Beck independently score the proposals was made in consultation with Idaho Power considering the cost and likely value of duplicating the

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Exhibit No. 4
Case No. IPC-E-09-03
K. Bokenkamp, IPC

Mr. Karl E. Bokenkamp
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evaluation process considering the advisor role R. W. Beck had played in setting up the scoring and evaluation process. As the Independent Consultant, R. W. Beck provided general advice and guidance to the Idaho Power RFP Evaluation Team in numerous ways. This work included attendance at eight meetings with the RFP Team in Boise and participation in numerous conference calls. R. W. Beck's work generally involved consultation and assistance provided to the Company for:

1. Development and execution of the overall RFP process;
2. Preparation of the RFP document;
3. Review of the Tolling Agreement and the Power Purchase Agreement available on the Idaho Power website;
4. Preparation of the Pre-Bid Meeting materials and attendance at the Pre-Bid Meeting;
5. Preparation of the evaluation criteria;
6. Preparation of responses to bidder questions;
7. Preparation of addendum;
8. Evaluation of the proposals;
9. Review of the bus bar spreadsheet (Stage 2 screening) for one proposal alternative;
10. Review of the Stage 2 screening summary results;
11. Review of the cost of service methodology (Stage 3 screening);
12. Review of the Stage 3 screening summary results;
13. The Company's conduct of the non-price scoring sessions;
14. The Company's conduct of one meeting and in conference calls during the proposal review and evaluation sessions;
15. Participation in conference call discussions concerning the selection of the short-listed bidders;
16. Participation in a conference call with the Oregon PUC staff to update the staff on the RFP process; and
17. Attendance at the face-to-face meeting with the short list bidders.

Idaho Power received five proposals that included thirteen alternatives. One of the five proposals was submitted as the Benchmark Resource by an Idaho Power team. Based on my participation in the process, it is my opinion that Idaho Power's RFP evaluation team operated in good faith to maintain confidentiality and maintain independence from the Idaho Power team preparing the Benchmark Resource proposal. Furthermore, based on our work on power supply RFPs, we believe that the RFP document and RFP process was conducted consistent with the practices used in the electric utility industry.

Mr. Karl E. Bokenkamp
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Finally, based on our work with the Idaho Power RFP Evaluation Team as described above, we believe that the Idaho Power 2012 Baseload RFP process was conducted fairly and properly and that offers provided to Idaho Power as part of the RFP process, including the Benchmark Resource, were treated objectively and consistently as set forth in Section 5.5 of the RFP.

I have attached information regarding R. W. Beck's experience and professional expertise in assisting utilities in conducting RFP projects.

Very truly yours,

R. W. BECK, INC.



Steven Stein
Principal and Executive Consultant

SS/ea

Enclosure

This letter report has been prepared for the use of the client for the specific purposes identified in the letter report. The conclusions, observations and recommendations contained herein attributed to R. W. Beck, Inc. (R. W. Beck) constitute the opinions of R. W. Beck. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, R. W. Beck has relied upon the same to be accurate, and for which no assurances are intended and no representations or warranties are made. R. W. Beck makes no certification and gives no assurances except as explicitly set forth in this letter report.

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FIRM OVERVIEW

ABOUT R. W. BECK

At R. W. Beck, our goal is to advance the business of infrastructure. Since our founding in 1942, R. W. Beck has grown to become a trusted advisor to industry leaders across the country and around the world. Today, we are a group of technically-based business consultants who provide planning, business and engineering solutions to the energy, financial, water, wastewater and solid waste industries.

We are unlike traditional engineering firms in that we provide a distinct blend of business insight, financial acumen and technical expertise to drive success for our clients - we advance their projects and business processes in a way that provides positive, lasting impacts to the communities they serve.

To do this, we integrate the talents of our staff of more than 550 engineers, economists, analysts, and other professionals to develop solutions that are always prudent and often innovative. This approach has allowed us to develop a unique work environment fueled by dedicated and creative individuals who are truly passionate about delivering world-class solutions to improve the communities where we all live and work.

We have consistently been included on the list of top engineering and design firms by industry trade publications such as *Project Finance* and *Engineering News-Record*. As a multifaceted organization, we provide the resources of a large interdisciplinary group of engineering, economic, management consulting, and environmental talent, while retaining personal relationships with our clients. We have built our strong reputation for excellence by being committed to independence, listening to our clients, and continually expanding our capabilities to meet clients' changing needs and market conditions.

Our core values, as articulated by company founder Robert W. Beck 65 years ago, remain unchanged – **scrupulous objectivity, first-class problem solving, and absolute commitment to our clients.**

OUR PEOPLE

R. W. Beck has worked diligently to attract and maintain a staff of highly qualified, motivated professionals who enjoy working closely with our clients to solve the complex, challenging issues they face. Many of our staff members are skilled in more than one discipline and are accustomed to working closely with team members from other disciplines and industries. The result of this model is a staff whose dedication,

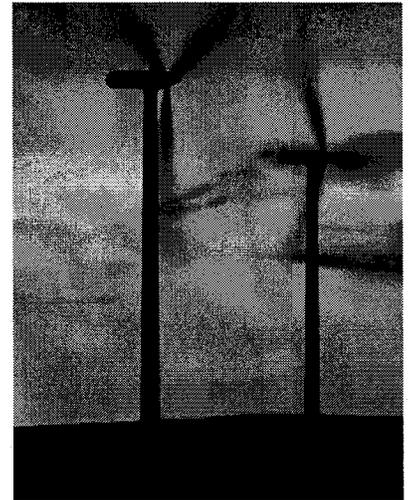


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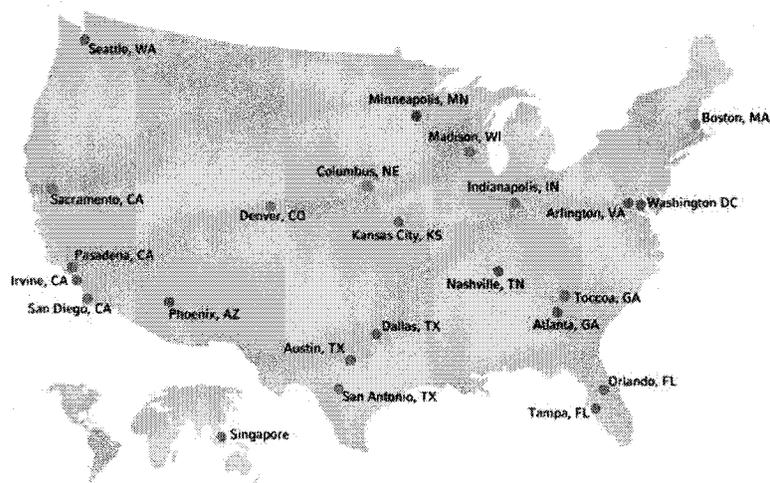
FIRM OVERVIEW

flexibility and cross-disciplinary nature is an added benefit that we pass along to our clients, and one of the reasons clients keep turning to R. W. Beck.

The consistent growth of R. W. Beck is a testament to our ability to bring value to our clients. As we look toward the future our mission will remain the same – to meet and surpass our clients' expectations with the collective experience, skills, and integrity of our most impressive resource: our people.

OFFICE LOCATIONS

Our culture and technical expertise extends from coast to coast, allowing our clients to call on a single, seamless organization to help meet their needs.



CORPORATE MILESTONES

Since the firm's founding in 1942, our accomplished staff has achieved many significant milestones across the energy, water, wastewater, and solid waste industries that allow us to mark our progress as a company.

- Provided independent engineering reviews and financial feasibility assessments associated with funding over \$150 billion in capital investment
- Completed more than 150 appraisals and valuations totaling approximately \$55 billion in fair market value in the past 10 years
- Performed due diligence reviews and/or designed and engineered 400+ power-related projects worldwide (approximately 50,000 MW)
- Permitted and licensed power plants, resources recovery, and industrial sites in 42 states and several U.S. territories
- Conducted more than 600 hydropower projects ranging from 60 kW to 2,000 MW of installed capacity and encompassing studies ranging from site selection to project management
- Worked on water and wastewater systems, including pipelines, pump stations, and treatment plants with capacities ranging from 5 to 200 million gallons per day

- Completed more than 21 alternative delivery projects with a total capital investment of \$1.2 billion since 2000
- Completed more than 200 stormwater planning projects and 130 stormwater design projects
- Conducted more than 100 solid waste management plans for countries, states, multi-jurisdictional entities, counties, and cities

Steven Stein, P.E.

Mr. Stein joined R. W. Beck in 1977 and is a Principal. He has directed the preparation of power supply planning, financial and rate-related studies for individual electric utilities, joint action agencies, industrial clients and other large energy consumers. Throughout his thirty plus year career in the utility industry, he has helped clients develop energy strategies, evaluate power supply alternatives, and he has also represented clients in contract evaluation and negotiations to help achieve the most economical and reliable energy supply. Mr. Stein has presented testimony before the Federal Energy Regulatory Commission (FERC), as well as a number of state public service commissions, local district courts and other regulatory bodies.

Mr. Stein has focused his efforts over the past few years on strategic power supply and transmission policy and related regulatory issues that affect capacity and energy markets, including those established by various Regional Transmission Organizations, utilities' joint formation and joint power supply acquisitions. He has also been involved in several new areas that include location based market price forecasting, enterprise risk management, portfolio resource analysis, generation dispatch and control area operational strategies, power pools, transmission ownership opportunities and energy resource acquisitions in light of an increasingly competitive utility environment. These services have been provided in numerous market regions throughout the United States including Entergy, FRCC, PJM, MISO, SPP and SERC. Mr. Stein has provided a combination of related power supply planning services, including the development of Request for Proposals (RFP); reviewing resource proposals; establishing evaluation criteria; performing technical reviews of power plant alternatives; and negotiating contracts for the purchase of power and energy sales between electric utilities and large industrial customers. He has conducted training sessions regarding the acquisition of resources and the RFP process. With regard to the acquisition and/or development of generating resources, Mr. Stein has assisted with the development and review of contractual arrangements, the development of pro forma projections of related costs and the required transmission and related services arrangements.

Prior to joining R. W. Beck, Mr. Stein conducted generation and transmission planning studies for a large utility in the southeast. He participated in state and regional studies that addressed joint power pooling opportunities and transmission planning and reliability studies. Certain of the studies lead to the formation of the Florida Energy Broker among the electric generating utilities in Florida.

Florida Institute of Technology
Master of Business Administration

University of Central Florida
M.S. in Industrial Engineering
B.S. in Electrical Engineering

Registered Professional Engineer
Alabama
Florida

Professional Honors and Recognitions
UCF – Alumni Service Award
UCF – Charter President, College of Engineering, Alumni Chapter
Herbert C. Westfall Leadership Award
Robert E. Bathen Entrepreneurial and Leadership Award

KEY EXPERTISE

- > Power Supply Arrangements
- > Contract Negotiations
- > Power Cost Projections
- > Wholesale Marketing
- > Transmission Services
- > Procurement Services/Cogeneration
- > Financial Planning and Analysis
- > Mergers and Acquisitions



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Areas of Expertise

Power Supply Arrangements

Mr. Stein has directed the development of various power supply studies and analyses that have considered purchasing power alternatives; ownership interest in jointly-owned units; construction of new power supply resources; refurbishment of existing facilities considering gas, oil, coal and wood fuels; cogeneration facilities and associated transmission facilities; and related transmission arrangements. This work has included the participation in contract reviews, negotiations and discussions with electric utilities, developers and vendors, and also project coordination with other technical experts and attorneys.

Contract Negotiations

Mr. Stein has assisted electric utilities with contract negotiations on power supply arrangements. These negotiations have included discussions with other electric utilities, developers and equipment vendors concerning territorial and franchise arrangements, interchange contracts, short and long-term power exchanges, sale of reserve capacity, interconnection facilities and jointly-owned cogeneration and coal and gas fueled facilities.

Power Cost Projections

Mr. Stein has directed the preparation of power cost projections for municipal, joint action agencies and investor-owned utilities. These projections have included utilities that range in size from 10 MW to 10,000 MW and have considered both retail cost of service concepts required by bond resolutions and state utility commissions and wholesale cost of service concepts required by bond resolutions and the FERC.

Wholesale Marketing

Mr. Stein was responsible for conducting marketing studies for generation owners to identify potential purchasers of wholesale power in various market regions around the United States. Different techniques were employed to identify and screen potential entities, identify the amount and timing and term for capacity and energy purchases, and also to identify the characteristics of the various types of products.

Transmission Services

Mr. Stein has assisted clients with identifying and analyzing alternative transmission strategies. These strategies were used by electric load serving entities to obtain reliable firm and unit power products to serve retail and wholesale load and by generation entities interested in interconnecting into the grid and selling various non-firm and firm wholesale power products.

Procurement Services/Cogeneration

Mr. Stein has been a lead team member or project manager on procurement or related services for the City of North Little Rock, Arkansas; City of Benton, Arkansas; Conway Corporation, Arkansas; City of Tallahassee, Florida; the Florida Municipal Power Agency; City of Hagerstown, Maryland; Town of Front Royal, Virginia; Town of Thurmont, Maryland; Town of Williamsport, Maryland; Idaho Power Company, City of Mt. Dora, Florida, the Alabama Municipal Electric Authority; the City of St. Cloud, Florida; Golden Spread Electric Cooperative; PUD Number 1 of Snohomish County, Washington;

Kissimmee Utility Authority, Florida; Orlando Utilities Commission, Florida; and Vineland, NJ. Mr. Stein was also retained by a multilateral funding organization to participate in an intensive workshop in Nairobi, Kenya, on independent power and how to conduct a RFP process for increased capacity. Mr. Stein's presentation, "Acquiring Private Power Projects," covered competitive bidding, direct negotiations and competitive negotiations.

Financial Planning and Analysis

Mr. Stein has prepared numerous Consulting Engineer's reports, which were used to issue electric utility revenue bonds. These reports typically include a description of the system, purpose of the issuance and historical and projected operating results showing debt service coverage. He has prepared such reports for the City of Tallahassee, Florida; City of Starke, Florida; and the Alabama Municipal Electric Authority.

Mr. Stein's experience has enabled him to analyze the financial aspects of municipal projects including bond indenture requirements, various financing methodologies, tax-exemption considerations, arbitrage and other financial related factors.

Mergers and Acquisitions

Mr. Stein directed the preparation of studies that considered the purchase of electric utilities' facilities by the City of Fernandina Beach, Florida, at the termination of its franchise agreement. The studies included an analysis of alternative wholesale power supply arrangements and development costs required to start the new utility system. Mr. Stein also assisted the City of Winter Park, Florida in several matters related to the acquisition and purchase of the electric facilities for Progress Energy Florida.

Relevant Project Experience

Bulk Power Supply Arrangements

Central Minnesota Municipal Power Agency (CMMPA), Utilities Plus (UP)

Project Manager. Mr. Stein has directed the development of various strategic organizational issues relating to the relationship between CMMPA, UP and the Member utilities, contract drafting and various power supply studies and analyses. The studies and analysis have considered purchasing power alternatives, ownership interest in jointly-owned units, consideration of base load coal resources, pooling of energy resources and energy accounting, consideration of associated transmission facilities, load forecasting and needs determination before regulatory bodies. This work has included the participation in contract drafting and review, discussions with other electric utilities, coordination with other technical experts and attorneys, and presentations to the Members.

Kentucky Municipal Power Agency (KMPA)

Project Manager. Mr. Stein has directed the development of strategic organizational issues relating to the power supply contractual relationship between KMPA and the Member utilities. He was instrumental in contract drafting of a power sales agreement for ownership in a jointly owned coal resource and is expected to be involved in other agreements required to implement this new organization including the disposition and accounting of energy resources among the members.

MEAG Power

Project Manager. Mr. Stein was responsible for directing the initial discussions and studies that ultimately lead to the formation of a municipal pooling arrangement in the southeast. The initial discussions and studies were undertaken by representatives of the Alabama Municipal Energy Authority, JEA, MEAG Power, Santee Cooper and City of Tallahassee. As a result of initial meetings and discussions among the utilities concerning potential benefits of sharing ideas, the utilities agreed to initiate a high level study concerning the potential mutual benefits of joint planning of future resources and a joint energy dispatch arrangement. The analysis included a preliminary energy dispatch for the load and resources for each of the utilities individually and a preliminary energy dispatch for the load and resources for the 5 utilities together for the Study Period. The projected total fuel cost summed together for the 5 utilities individually was compared to the projected fuel cost for the dispatch for the load and resources for the 5 utilities together. This preliminary analysis show projected lower fuel costs for the 5 utilities together compared to the 5 utilities individually and potential benefits associated with a delay in certain of the planned generation resources when the capacity resources were used to meet the composite peak demand and capacity reserves for the 5 utilities.

City of Tallahassee, Florida

Project Manager. Mr. Stein has directed the development of various power supply studies and analyses that have considered purchasing power alternatives, ownership interest in jointly-owned units, construction of new power supply resources operating on fossil fuels, refurbishment of existing facilities considering gas and wood fuels, cogeneration facilities and associated transmission facilities. One of the projects included assisting the City in seeking DOE funding for a proposed clean coal technology CFB boiler. This work has included the participation in contract review, negotiations, and discussions with electric utilities, developers and vendors, and project coordination with other technical experts and attorneys.

City of Starke, Florida

Project Manager. Mr. Stein was responsible for directing the preparation of a report considering the installation of a parallel-operated interconnection between the City and Florida Power & Light Co. The study considered an analysis of continued isolated operation vs. parallel operation, the power supply arrangement and reliability criteria under each method of operation, the cost of power under each arrangement, and a description of potential alternative facility arrangements under parallel operation. He also assisted in negotiating an interchange agreement between the City and Florida Power and Light Co.

Alabama Municipal Electric Authority

Project Manager. Mr. Stein was responsible for directing the studies and analysis that lead to the initial power supply arrangement undertaken in the formation of AMEA. The studies included analysis of the accounting and disposition among the 11 participants of the various capacity and energy resources. The initial and subsequent studies and reports have considered alternative power arrangements, including unit and system purchases, prepaid purchased power arrangements, joint ownership in fossil and nuclear generation facilities and transmission facilities, hydroelectric facilities, peak power generation facilities, and peanut hull fueled generation facilities. This work has included the participation in discussions and negotiations with electric utilities and developers and project coordination with other technical experts. He also assisted in negotiating a contemporary partial requirements agreement that reflects the "Peaker Method" for cost allocation and rate design and includes charges for load regulation, transmission interface, control center services, unit commitment services, reactive control, transactional evaluation and back-up of reserves.

Municipal Electric Authority of Georgia (MEAG)

Project Manager. R. W. Beck conducted a preliminary power supply analysis prior to proceeding with a reverse RFP. MEAG Power's existing coal fuel resources were allowed to compete with new combined cycle, combustion turbine and base, intermediate and peaking partial requirements power to obtain a least cost resource mix over the 20-year study period. Both fixed (including debt service on existing units) and variable costs were considered. The computer software model IRP Manager was used in the analysis. The study revealed that an optional mix of resources would include a short-term sale of certain of MEAG Power's existing coal fuel resources.

City of St. Cloud, Florida

Project Manager. Mr. Stein was responsible for directing the analysis and preparation of a report to consider alternative power supply offers and arrangements to meet the City's future requirements. The studies included a load forecast, review of transmission interface and diesel station capability, screening alternatives including purchases from others, ownership in diesel, combustion turbine, combined cycle and coal steam facilities, and preparing annual and cumulative and cumulative present worth projected power costs under the lowest projected power supply alternative. The study was concluded with a presentation of the results to the City Council, staff and members of a citizens committee.

Bahamas Electricity Corporation

Assistant Project Manager. Mr. Stein was part of the project team that conducted a long-range power supply study for the Bahamas Electricity Corp. This study included the preparation of a load forecast, financial model, identifying power supply alternatives, an operation and maintenance review of existing facilities and the development of a long-range plan. Certain portions of the analysis were prepared both in current and nominal dollars.

Procurement Services/Cogeneration**RFP and Procurement Services****City of New Smyrna Beach, Florida**

Project Manager. R. W. Beck was selected by the Utilities Commission, City of New Smyrna Beach (UNCBSB) to assist with the issuance of a RFP for renewable capacity and energy resources. R. W. Beck performed the following services:

- Helped clarify/establish the purpose and intent of the RFP
- Identified how the proposed resources fit with the UCNSB other power supply resources in supplying the total system net energy requirements
- Developed the RFP
- Answered bidder questions
- Conducted the pre-bid meeting
- Evaluated bids

Request for Resource Proposals**City of Front Royal, Virginia**

Co-Project Manager. R. W. Beck assisted in soliciting all-requirements power supply arrangement to replace their existing contract for all requirements power. R. W. Beck provided RFP process services,

including RFP development; and a review of proposals. The work involved identifying, contacting and informing interested bidders about the RFP process.

Request for Resource Proposals

City of Vineland, NJ

Project Manager. R. W. Beck assisted the Vineland Municipal Electric Utility (VMEU) in conducting a solicitation for electric supply-side resources to meet its future power supply needs. VMEU was interested in proposals for resources located in the City. VMEU requested R. W. Beck to assist in directing the RFP process, prepare and post the RFP and addendum on the R. W. Beck web site, identify potential proposers, conduct the pre-bid meeting, assist in responding to proposer's questions, and prepare the RFP evaluation process. The process was coordinated with the City purchasing department and legal representatives. The evaluation involved a process to evaluate both price and non-price issues. R. W. Beck prepared a status report to summarize the stage one and two screening.

Request for Power

Florida Municipal Power Agency, JEA, Reedy Creek Improvement District and the City of Tallahassee, Florida

Project Manager. R. W. Beck assisted the four Utilities in conducting a solicitation for alternatives to a 750 MW solid fuels resource. R. W. Beck assisted in obtaining a common understanding and description of the individual Utilities' goals and objectives, preparing the RFP, identified a list of the potential responded, conducted the mandatory pre-bid meeting and performed an evaluation of the proposals.

Request for Resource Proposals

Idaho Power Company (Idaho Power)

Project Manager. R. W. Beck assisted Idaho Power in conducting a solicitation for electric supply-side resources to meet its future power supply needs. Idaho Power requested R. W. Beck serve as an independent third party advisor since Idaho Power had not previously issued a power supply RFP. In this role, R. W. Beck assisted in directing the RFP process, preparing the RFP and an evaluation manual. The evaluation process involved a process to evaluate both price and non-price issues. We also assisted in responding to questions from bidders, attending meetings with the public utilities commission and bidders, performing an evaluation of the proposals and helping to develop a short-list.

Request for Resource Proposals

Confidential Canadian Utility

Project Manager. R. W. Beck assisted a confidential Canadian utility (Utility) in its work with regulators to establish a methodology for a solicitation for electric supply-side resources to meet its future power supply needs. The Utility requested R. W. Beck serve the Utility as an independent third party advisor since the Utility had not previously issued a power supply RFP. In this role, R. W. Beck assisted in the review of a process that includes the preparation of a RFP, a pre-bid meeting and an evaluation process. The process will provide procedures that will fairly and impartially evaluate bids and options. The evaluation process is designed to considered both price and non-price issues.

Request for Proposals for Power Supply

Cities of North Little Rock and Benton, Arkansas

Project Manager. R. W. Beck was requested to provide the City of North Little Rock, Arkansas assistance with conducting a RFP process to obtain a new power supply arrangement when its existing contract for power supply terminates in 2002. The City stated that it selected R. W. Beck because of our reputation in power supply, experience with RFPs and reputation with municipal utilities. Implementation

the new arrangement required the new supplier to file for network transmission service under the Entergy Open Access Transmission Tariff as the City's agent and dynamically schedule the City's hourly load into a new control area.

Resource Situation Analysis

Old Dominion Electric Cooperative

Project Manager. Mr. Stein, together with other Senior Consultants of R. W. Beck, prepared and conducted a one-day power supply situation analysis for Old Dominion. The situation analysis allowed an independent review and discussion of Old Dominion's current in-house derived plan for determining whether or not to proceed to build additional generation resources.

International Power Production Seminar

Multilateral Funding Organization, Nairobi and Kenya, Africa

Speaker/Presenter. R. W. Beck was retained by a multilateral funding organization to participate in an intensive workshop in Nairobi, Kenya, on independent power, and conducting a request-for-proposal process for increased capacity.

Representatives from Ethiopia, Kenya, Tanzania and Uganda attended the seminar, which was presented by a group of eight people from the United States and Great Britain. An engineer, an economist and an attorney from the funding organization made presentations, as did an attorney from Ashorst Morris Crisp and a financial advisor from Chemical Bank. The other presenters were two Hunton & Williams attorneys and R. W. Beck, which focused on the technical aspects.

Mr. Stein's presentation, "Acquiring Private Power Projects," covered competitive bidding, direct negotiations and competitive negotiations.

Request for Proposal Evaluation

PUD Number 1 of Snohomish County, Washington

Project Manager. Mr. Stein provided a two-day consulting assignment to the District for preparing an evaluation process to rank responses to its RFP for Power Supply Resources. The evaluation process was designed to consider both price and non-price considerations.

All Requirements Power Supply Procurement

Kissimmee Utility Authority (KUA)

Project Manager. R. W. Beck was responsible for assisting KUA with the planning, writing and evaluation of a power supply RFP for all requirements power supply services of a period of five years. The firm established the RFP on an Internet Web site that allowed bidders to: (1) review the RFP, (2) download the RFP, (3) identify themselves as a bidder, and 4) review addendum. Placing the RFP on the Web site reduced the amount of time and cost to KUA associated with distributing the RFP and addendum.

All Requirements Power Supply Procurement

City of Hagerstown, Maryland and the Towns of Front Royal, Thurmont and Williamsburg

Project Manager. R. W. Beck was responsible for assisting the utilities on two occasions with the planning, writing and evaluation of a power supply RFP for all requirements power supply services of a period of five years. The firm established the RFP on an Internet Web site that allowed bidders to: (1) review the RFP, (2) download the RFP, (3) identify themselves as a bidder, and (4) review addendum.

Placing the RFP on the Web site reduced the amount of time and cost to the utilities associated with distributing the RFP and addendum.

Cogeneration Feasibility Study

City of Tallahassee, Florida

Project Manager. This study presented the projected impact on both the City's electric and gas utilities associated with the City's largest electric and gas customer proceeding with the construction of a cogeneration facility to provide a portion or all of its steam and electric requirements. The study included an economic comparison of the customer's project costs assuming the City continued to serve its requirements versus the change. Alternative gas supply arrangements for both the electric and gas systems were analyzed. A comparison was also presented to show the ranking of the three bidders that submitted cogeneration facilities proposals to the customer.

RFP Evaluation

Orlando Utilities Commission (OUC), Florida

Project Coordinator. Consulting services were provided with respect to the issuance of a RFP for a cogeneration project, the format of a pre-bid conference with potential respondents, the preparation of an evaluation manual to evaluate responses to the RFP, the evaluation of three responses to the RFP, and the testimony before the Florida Public Service Commission concerning the evaluation. The responses to the RFPs were evaluated, ranked and compared to the OUC power supply alternative of constructing a second 400 MW coal-fired unit at an existing power plant station. The evaluation showed that it was more economical to proceed with the second 400 MW unit.

RFP Evaluation

City of St. Cloud, Florida

Project Manager. Consulting services were provided with respect to assisting the City with a RFP process for a long-range purchased power arrangement. The services included: (1) preparing the RFP, (2) preparing the format of and facilitating the pre-bid conference with potential respondents, (3) the preparation of an evaluation manual to evaluate responses to the RFP, (4) the evaluation and ranking of the responses to the RFP, and (5) the negotiation with the selected respondent(s).

Procurement Services

City of Tallahassee, Florida

Co-Project Manager. R. W. Beck assisted the City in the development of a standard offer contract, interconnection agreement and standards, and transmission agreement for potential cogenerators in accordance with the Florida Public Service Commission cogeneration rules and regulations. The standard offer contracts provide terms and conditions for the purchase of avoided energy, avoided capacity and energy, and the sale of back-up capacity and energy. As part of the analysis, the City's short- and long-run avoided cost and avoided unit were identified and analyzed.

RFP Evaluation

Alabama Municipal Electric Authority

Project Manager. Consulting services were provided with respect to writing a RFP, assisting in conducting the pre-bid conference, evaluating the responses and contract negotiations. The evaluation process included a multi-staged screening analysis considering the respondent's assumptions, common assumptions, technical and contractual aspects of each proposal, transmission and back-up services, as

well as the Authority's other contractual arrangements. Similar services were provided in 1990, 1993 and 1997.

Cogeneration Feasibility Study

Prudential Power Funding Associates (Prudential)

Project Manager. R. W. Beck was employed to conduct an independent engineering review for Prudential to evaluate the technical, contractual and financial merits of a cogeneration facility in Florida. The task involved the preparation of projected operating results over the life of a proposed cogeneration facility. It also involved discussions with the underwriters, review of the electric and thermal power sales contracts and preparation of projected revenues and expenses over a fifteen-year period under basic assumptions and sensitivity case analysis.

Demand- and Supply-Side RFP Process

Golden Spread Electric Cooperative, Inc.

Project Manager. Consulting services were provided with respect to assisting Golden Spread with the preparation of a demand- and supply-side RFP for peaking projects. The firm was also be responsible for distributing copies of the RFP upon receipt of a payment, answering questions from prospective respondents, assisting with the pre-bid conference, conducting an independent evaluation, negotiations and providing testimony before the Public Utility Commission of Texas (PUCT). The PUCT's final order stated that the RFP evaluation criteria were reasonable and was fairly and consistently applied to all bidders.

RFP Evaluation Process

City of Tallahassee, Florida

Project Manager. R. W. Beck provided advice and counsel as requested with respect to the City RFP process. Such services included preparing the evaluation process, and periodic high level reviews of the evaluation process.

RFP Process

Florida Municipal Power Agency

Project Manager. R. W. Beck was responsible for assisting FMPA in two separate RFPs. The firm also assisted in identifying entities to notify about the RFPs and establishing the format for the pre-bid conference. R. W. Beck was requested to attend the pre-bid conference, assist in the design of a multi-staged evaluation process and assist in the evaluation of proposals submitted to FMPA. The firm established the RFPs on an Internet Web site that allowed bidders to: (1) review the RFPs, (2) download the RFPs, (3) identify themselves as a bidder, and (4) review addendum. Similar services were provided in 1996 and 1997. Placing the RFPs on the Web site reduced the amount of time and cost associated with distributing the RFPs and addendum.

Demand Side Management

City of Tallahassee, Florida

Project Manager. This preliminary survey of commercial conservation program study included an identification, description, and status of other utilities' commercial conservation programs. A preliminary assessment of potential customer acceptance, limitations and constraints for certain programs was also provided. The study included a presentation of a preliminary economic screening analysis (the net of avoided and program costs) of various conservation programs and identified a potential work plan and

projected costs and manpower requirements for implementing a lighting retrofit, new building and cool storage commercial conservation programs as its initial goals.

City of Tallahassee, Florida

Co-Project Manager. This alternative residential load management electric rate study included the development of alternative rates for residential load management service based on Tallahassee's cost and approved rates for similar service provided by other Florida utilities. The rates were structured to provide an incentive to encourage customer participation in Tallahassee's load management program. Mr. Stein was responsible for preparing the projected avoided cost and benefits associated with the implementation of a load management system.

Alabama Municipal Electric Authority

Project Manager. This preliminary analysis of load factor improvement study presented an evaluation of the potential benefits or avoided costs associated with load factor improvement (reducing peak demand). A survey and discussion of alternative programs used by other electric utilities for load factor improvement was also provided. The programs ranged from customer education to direct load control of customer appliances. The projected costs and benefits for implementing residential load management, commercial and industrial programs were provided.

Alabama Municipal Electric Authority

Co-Project Manager. This preliminary engineering study of load management system alternatives study consisted of technical and economic analyses of implementing a load management system with central control in Montgomery and local load control at each of 11 individual member cities located in South and Central Alabama. The study reviewed both power-line carrier and radio based systems, examining the economics over the life of the project. Both avoided costs and program implementation costs were considered. Mr. Stein was responsible for directing the cost/benefit analysis portion of the study.

Expert Testimony

Golden Spread Electric Cooperative, Inc., Texas

Expert Witness. Mr. Stein prepared written testimony before the Public Utility Commission of Texas with regard to a consulting assignment with Golden Spread to serve as the Independent Evaluator in a RFP process.

City of Tallahassee, Florida

Expert Witness. Mr. Stein prepared written testimony before the Florida Public Service Commission in: (1) a territorial dispute with regard to projected power supply arrangements for both parties and (2) a needs hearing concerning a 230 kV transmission line interconnection between the City and Georgia Power Co.

Alabama Municipal Electric Authority

Expert Witness. Mr. Stein prepared written testimony before the Federal Energy Regulatory Commission concerning the cost related treatment and use of capacitors in planning a bulk power supply system.

City of Starke, Florida

Expert Witness. Mr. Stein served as an expert witness before a Florida circuit court in a bond validation hearing with respect to the economics of constructing and operating a parallel operated interconnection between the City and Florida Power & Light Company.

Rates

City of Starke, Florida

Project Manager. Mr. Stein was responsible for directing the preparation of a new monthly energy cost adjustment factor for its electric rates for recovering the changes in the monthly costs for fuel and purchased power. A similar rate was also prepared for the City's gas utility system.

City of Tallahassee, Florida

Project Manager. Mr. Stein was responsible for directing the development of and periodic update of cost support schedules used to calculate rates for wholesale interchange transactions between the City and other generating electric utilities.

City of Dothan, Alabama

Co-Project Manager. Mr. Stein was responsible for directing the preparation of an interruptible electric rate for industrial customers. This rate was designed to take into consideration the City's existing large power rate and the City's cost of purchased power.

Consulting Engineer's Report - Financing

City of Tallahassee, Florida

Co-Project Coordinator. Mr. Stein was responsible for preparing the Consulting Engineer's report that was used by the City to issue approximately \$93 million in electric utility revenue bonds. The report included a description of the system, purpose of the issuance and historical and projected operating results showing debt service coverage. The work also included the development of a new bond resolution.

City of Starke, Florida

Project Coordinator. Mr. Stein was responsible for preparing the Consulting Engineer's report that was used by the City to issue approximately \$3 million in electric utility revenue bonds. The report included a description of the system, purpose of the issuance and historical and projected operating results showing debt service coverage.

Alabama Municipal Electric Authority

Project Coordinator. Mr. Stein was responsible for preparing Consulting Engineer's reports or financing documents that were used by the Authority to issue approximately \$350 million in electric utility revenue bonds. The reports included a description of the system, purpose of the issuance and historical and projected operating results showing debt service coverage. Bonds were issued to fund the prepayment for purchased power arrangements, load management facilities, rate stabilization, and peaking power facilities.

Periodic Reports

Alabama Municipal Electric Authority

Project Manager. Mr. Stein directed the preparation of the first two quinquennial (five-year) reports required pursuant to the Bond Resolution. The report included a description of the Authority's management, projects undertaken by the Authority, and a comparison of actual versus budgeted revenues and expenses.

STEVEN STEIN, P.E.

City of Tallahassee, Florida

Mr. Stein was responsible for preparing a description of the existing power supply arrangements and power supply alternatives that were under consideration by the City to meet its projected requirements for the City's biennial report.

Record of Power Supply Request for Proposals

Steven Stein, P.E.

Year	Client	Summary of Services
1985	Orlando Utilities Commission (FL)	Base Load Resources.
1989	Alabama Municipal Electric Authority	Prepared the RFP, conducted evaluations of proposals and helped with contract negotiations for a "Base Load" purchase.
October 1991	Alabama Municipal Electric Authority	Prepared the RFP, conducted evaluations of proposals and helped with contract negotiations for "Peaking" purchase.
April 26, 1993	City of St. Cloud (FL)	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for an All Requirement Purchase.
1994	Snohomish County Public Utility District (WA)	Training on Conducting an RFP Process.
August 31, 1995	City of Tallahassee (FL)	Helped prepare the RFP and helped conduct evaluations.
1996	City of St. Cloud (FL)	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for an All Requirements Purchase with sale of excess capacity.
February 1996	World Bank – East Africa	Conducted Hand-On Training on Conducting an RFP.
March 1, 1996	Alabama Municipal Electric Authority	Prepared the RFP, conducted evaluations of proposals and helped with contract negotiations.
May 28, 1997	Kissimmee Utilities Authority (FL)	Capacity and Energy Purchases.
May 28, 1997	Florida Municipal Power Agency	Capacity and Energy Purchases.
May 28, 1997	Florida Municipal Power Agency	Capacity and Energy Purchases.
May 24, 2000	Orlando Utilities Commission (FL)/Florida Municipal Power Agency/Kissimmee Utilities Authority (FL)	750 MW Physically Firm Dispatchable Capacity and Energy.
July 17, 1997	City of Hagerstown (MD) and Towns of Front Royal (VA), Thurmont (MD) and Williamsport (MD)	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for All Requirements Purchases in the PJM market.
July 17, 1997	Golden Spread Electric Cooperative (TX)	Helped prepare the RFP, conducted evaluations of proposals and helped with contract negotiations for a 400 MW GT Project that was revised to consider a CC Project.
August 4, 2000	Idaho Power Company	Helped prepare the RFP, conducted an independent evaluation of proposals concerning a Supply Side CC Resource.

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Year	Client	Summary of Services
February 2001	Confidential Client (Canada)	Assisted Client Develop RFP Procedures for Approval by the Energy Board, Code of Ethics and Procedure.
April 27, 2001	North Little Rock & Benton (AR)	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for All and Partial Requirements Purchases.
Fall 2001	Confidential Client (OK)	Prepared the RFP and conducted evaluations of proposals concerning a Unit Power Purchases.
March 1, 2002	City of Hagerstown (MD) and Towns of Front Royal (VA), Thurmont (MD) and Williamsport (MD)	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for All Requirements Purchases in the PJM market.
March 2002	Confidential Client (Canada)	Assist with Power Supply RFP (Combined Cycle).
May 13, 2002	The Energy Authority/Nebraska Public Power District	Sale of Energy and Capacity (reverse RFP).
August 23, 2002	City of Columbia (MO)	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for a Purchase of Capacity and Energy (System) in the MISO market.
February 17, 2003	Conway Corporation (AR)	Prepared the RFP and conducted evaluations of proposals for a Partial Requirements Capacity and Energy Arrangement.
April 2003	Confidential Client (Canada)	Assist with Draft Language to Implement Cogeneration Rules for an RFP Process.
February 24, 2003	Idaho Power Company	Helped prepared the RFP, helped with evaluations of proposals and helped with contract negotiations for a 85 - 200 MW of Capacity and Energy during June, July, August, November and December.
December 2003	Winter Park (FL)	Reviewed RFP and Process for All Requirements Power.
July 6, 2004	7 Arkansas Utilities	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for All-Requirements, Partial Requirements, Block Power, and/or Control Area, Transmission & Ancillary Services.

Record of Power Supply Request for Proposals

Steven Stein, P.E.

Year	Client	Summary of Services
June 7, 2005	City of Hagerstown (MD) and Towns of Front Royal (VA), Thurmont (MD) and Williamsport (MD)	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for All Requirements Purchases in the PJM market. An implementation analysis involved the evaluation of auction revenue rights (AAR) and firm transmission rights (FTR) associated with the prior and new provider under the contract.
November 2005	Florida Municipal Power Agency, Jacksonville Electric Authority (FL), Reedy Creek Improvement District (FL) & City of Tallahassee (FL)	Prepared the RFP and conducted evaluations for the Utilities seeking alternatives to a 750 MW solid fuels resource.
Summer 2005	Florida Municipal Power Agency	Peaking Power RFP.
September 2005	Cities of North Little Rock and Benton (AR)	All and Partial Requirements Purchases.
December 2005	City of Front Royal (VA)	Prepared the RFP and conducted evaluations of proposals for All Requirements Purchases in the PJM market.
March 2006	Central Minnesota Municipal Power Agency (CMMMPA)	Base and intermediate load partial requirements RFP for 12 members of CMMMPA in the MISO market.
April 2006	City of Mt. Dora (FL)	Prepared the RFP, conducted evaluations of proposals and conducted contract negotiations for an All Requirements Purchase.
June 2007	Utilities Commission, City of New Smyrna Beach (FL)	Prepared the RFP, conducted the Pre-Bid Meeting and will conduct evaluations of proposals and contract negotiations for Renewable Resources.
June 2007	Florida Municipal Power Agency	Prepared the RFP, conducted the Pre-Bid Meeting and will conduct evaluations of proposals and contract negotiations for Renewable Resources.
June 2007	Florida Municipal Power Agency	Prepared the RFP and assisted in conducting the Pre-Bid Meeting, all for base load and intermediate resources.
February 2008	Vineland Municipal Electric Utility (NJ)	Prepared and posted the RFP, assisted in conducting the Pre-Bid Meeting, responding to proposer's questions, prepared addenda, prepared an evaluation process, and prepared a stage one and two screening report.

Record of Power Supply Request for Proposals

Steven Stein, P.E.

Year	Client	Summary of Services
May 2008	Idaho Power Company	Acting as the independent engineer, assisted in the preparation of the RFP for a 2012 Baseload Generation resource, attend and helped write the Pre-Bid Meeting presentation, assisted in responding to respondent's questions and assisted in the evaluation of proposals.
January 2008	City of Osceola (AR)	Assisted in the preparation of an RFP for all requirements power.
October 2008	Conway Corporation (AR) and West Memphis (AR)	Assisting the Utilities with an RFP process for all requirement power.