QUALIFICATION STATEMENT OF

THERESE B. LAMB

Witness for the Bonneville Power Administration

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

A. My name is Therese B. Lamb. I am employed by the Bonneville Power Administration (BPA), 905 NE. 11th Avenue, Portland, Oregon.

Q. In what capacity are your employed?

A. I am Acting Vice President for Environment, Fish and Wildlife.

Q. Please state your educational background.

A. I have Master's and Bachelor's of Science degree in economics from Portland State University.

Q. Please summarize your professional experience.

A. I have been employed at Bonneville Power Administration since August, 1991. I have spent most of my professional career within BPA's Power Business Line. I started as a policy analyst and moved into product development. I became the Manager of the Transmission and Reserve services and finally served as Manager of Power and Operations Planning. During my tenure as Manager of Power and Operations Planning, I lead the hydro operations negotiation team for the 2000 Biological Opinon and played a key role in planning and coordination during the 2001 drought and Power Emergency. In December of 2002, I started in the position as Acting Vice President of Environment, Fish, and Wildlife.

Q. Please state your experience as a witness in previous proceedings.

A. I was a witness in BPA's 1996 power rate case.

QUALIFICATION STATEMENT OF

SARAH R. MCNARY

Witness for the Bonneville Power Administration

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

A. My name is Sarah R. McNary. I am employed by the Bonneville Power Administration (BPA), 905 NE. 11th Avenue, Portland, Oregon.

Q. In what capacity are you employed?

A. I am the Director for Fish and Wildlife.

Q. Please state your educational background.

A. I received a Bachelor of Arts degree in History from Portland State University. I received a J.D. from Lewis and Clark School of Law.

Q. Please summarize your professional experience.

A. I have been employed by BPA since 1983. From 1983 to 1987, I was a paralegal and then an attorney assigned to the Department of Justice Civil Division Field Office in Portland, Oregon assigned to complex bond litigation MDL 551 (Washington Public Power Supply System).

From 1987 to 1999, I was an attorney in BPA's Office of General Counsel working first in transactional law (power and transmission) and later in environmental law (Endangered Species Act, Migratory Bird Treaty Act, Marine Mammal Act, Magnuson Act, etc.). During this time I served as lead counsel for BPA's development and adoption of the Fish and Wildlife Budget MOA in 1995 – 1996 and development an adoption of the Fish and Wildlife Funding Principles in 1998.

From April 1999 to October 1999, I served as Deputy Director for Fish and Wildlife.

From October 1999 to the present, I have been the Director for Fish and Wildlife.

Q. Please state your experience as a witness in previous proceedings.

A. I have not been a witness in any previous rate case.

QUALIFICATION STATEMENT OF

ROBERT J. PROCTER

Witness for the Bonneville Power Administration

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

A. My name is Robert J. Procter. I am employed by the Bonneville Power Administration (BPA), 905 NE. 11th Avenue, Portland, Oregon.

Q. In what capacity are you employed?

A. I am a Public Utilities Specialist, Power Products, Pricing and Rates in the Power Business Line.

Q. Please state your educational background.

A. In 1972, I first received an Associate in Arts degree in History Humanities from Bucks County Community College in Newtown, Pennsylvania. I then received a Bachelor of Arts degree in Economics from the University of California-Berkeley in 1976. Next, I received a Master of Science degree in Agricultural Economics from Purdue University in 1979, and, finally, I earned a Doctor of Philosophy degree in Agricultural Economics from Michigan State University in 1985. Throughout my education for my Bachelor of Arts degree and graduate degrees, one of my primary focuses has been on microeconomic, or production economics. I have taken a great deal of coursework in Price Theory. I have also taken a good deal of coursework in Welfare Theory, or the study of when Price Theory does not result in socially effective results in markets and public policy responses to these results. This work was complemented by a good deal of coursework in Public Finance with an emphasis on the rationale for various governmental policies in inefficient markets and also a year of coursework in Industrial Organization. My coursework in Industrial Organization included the study of industrial structure, choice, and market performance as well as antitrust theory and law, and finally, the economics of regulated industries. My Master's Thesis examined the

economics of residential solar for heating and hot water. It also examined the effects of various tax incentives for residential solar development and also the effects of different rate designs and rate levels on the economics of residential solar for heating and hot water. This analysis was performed using a Fortran based computer model I developed for this analysis. Also at Purdue University, I worked in the Economics department adapting a Fortran based tax model developed for New York State for use in Indiana. At Michigan State, I participated in a research project that evaluated the distributional effects of a lifeline utility rate structure that was being proposed for adoption by the Michigan legislature. My dissertation examined the farm economics of switching from a more soil erosive tillage system to a less soil erosive tillage system. This work involved investment-disinvestment theory and attempted to develop an approach to reflecting the foregone crop value due to less future soil productivity from greater erosion in today's decision of whether or not to change tillage equipment. This research was performed using a BASIC computer model I developed to run on one of the first versions of the P.C. and it basically integrated an engineering model of tillage system and soil erosion with a crop economics model. Also at Michigan State, a good deal of my coursework was in the areas of microeconomics and quantitative methods. In the area of quantitative methods, I took a great deal of coursework in linear and non-linear programming, including lecturing and tutoring in a graduate level Operations Research class. I also took a year of coursework in dynamic optimatization in Engineering. also attended the National Association of Regulatory Utility Commissioners' Annual Regulatory Studies Program in 1987, and studied various aspects of electric utility ratemaking practices.

Q. Please summarize your professional experience.

A. After completing my coursework at Michigan State, I was first employed at the General Accounting Office in Washington D.C. I was assigned to a number of projects during my approximately 18 months of employment with G.A.O. One project brought me to

the Northwest on a number of occasions – an analysis of the Columbia Basin Project. I was initially employed at BPA in January, 1986 in the Office of Conservation as an Industry Economist.

During the approximately three years I worked in the Office of Conservation, I prepared economic studies and analyses in support of BPA's cost-effectiveness of Model Conservation Standards. I worked with models used to stimulate energy use in buildings to estimate the potential for conservation in the Pacific Northwest. My responsibilities included development of the tests for cost-effectiveness and consumer economic feasibility, development of the models employed in those analyses, and all public involvement supporting document preparation. After this work was completed and BPA and the Northwest Power Planning Council revised the Model Conservation Standards for new residential construction, I was assigned to work on the development of the Conservation Surcharge Policy. My responsibilities included the development of that policy including working with a group of representatives from various utility and other interests involved with policy development with BPA.

Following these assignments, I began working in the Planning Branch of the Office of Energy Resources approximately in 1989 or 1990. During this time I was involved in various efforts associated with development and implementation of BPA's competitive acquisitions and Resource Contingency programs.

This effort included development of the evaluation methods first implemented in the competitive acquisitions program. A significant part of that effort included development of criteria used to value various aspects of independent power projects, such as the seasonality of energy production, the ability to displace energy purchase, the ability to delay online data, and the quantity of onpeak energy production. My responsibilities also included assisting in contract negotiation.

In August 1994, I was appointed to my present position in rates. Since that time, I have had a number of assignments including assisting in the development of methods for unbundled products costing, development of BPA's stranded cost strategy, drafting of BPA's proposed subscription strategy, and work on various rate issues. Over the past several years, I have been responsible for the development and implementation of the LB CRAC mechanism designed to adjust rates twice annually to account for augmentation costs. I am the staff lead in rates for the LB CRAC methodology. My responsibilities have included development of the LB CRAC methodology, documentation of that methodology, development of the EXCEL model that implements that methodology. Currently, I run the LB CRAC model developed to implement the methodology. I operate that model and am the staff lead on issues involving the LB CRAC and augmentation cost recovery. Twice annually I develop the rate adjustments to be applied to May 2000 rates for augmentation costs. I also am the staff lead for explaining that analysis in LB CRAC workshops.

Q. Please state your experience as a witness in previous proceedings.

A. I have been a witness in previous rate proceedings. I believe that I was a witness in the 1996 rate case. I have also been a witness in the FPS rate case held concurrently with BPA's 2000 rate case. The FPS rate case was designed to revise a capacity rate from the 1996 rate case. I have also been a witness in an arbitration proceeding conducted under a power sales contract with Southern California Edison involving the capacity rate in the FPS rate schedule.