



Portland General Electric Company
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November 12, 2009

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
550 Capitol Street NE, #215
PO Box 2148
Salem OR 97308-2148

**Re: UM 1443 – INVESTIGATION INTO DETERMINATION OF RATE REVISION
CONSISTENCY WITH ORDER NO. 05-584**

Attention Filing Center:

Enclosed for filing in the captioned docket are an original and five copies of:

**Reply Testimony of Portland General Electric Company
PGE Exhibit 200 Kuns**

This document is being filed by electronic mail with the Filing Center. An extra copy of the cover letter is enclosed. Please date stamp the extra copy and return to me in the envelope provided.

This document is being served upon the UM 1443 service lists.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Richard George", with a stylized flourish extending to the right.

J. Richard George

JRG:smc
Enclosures
cc: Service List-UM 1443

**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

UM 1443

Investigation Into if the Avoided Cost Rate is
Consistent with Order No. 05-584

PORTLAND GENERAL ELECTRIC COMPANY

Reply Testimony

November 12, 2009

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I. Introduction

1 **Q. Please state your name and position.**

2 A. My name is Doug Kuns. I am employed by Portland General Electric Company as Manager
3 of Pricing and Tariffs. My qualifications are described in Section VI.

4 **Q. Have you previously filed testimony in this docket?**

5 A. Yes. My direct testimony and qualifications were filed as UM 1443/PGE/100.

6 **Q. What is the purpose of your testimony?**

7 A. This testimony briefly responds to two issues addressed by Staff in opening testimony filed
8 October 27, 2009 including: (1) the use of PGE's draft Integrated Resource Plan (IRP) to
9 establish the resource sufficiency period, and (2) the proposed gas price forecast update.

10 In addition, I do not respond to ICNU's reply testimony because ICNU did not review the
11 accuracy or reasonableness of PGE's avoided costs.

12 Finally, PGE notes that Staff agrees that the avoided costs in our Schedule 201 appear
13 reasonable and are calculated in a manner consistent with Commission Order No. 05-584.
14 Staff/1, Durrenberger/5.

II. Resource Sufficiency Period Determination Using Draft IRP

1 **Q. Is Staff proposing to modify PGE's current avoided costs due to the use of the Draft**
2 **IRP?**

3 A. No. Staff is concerned with PGE's use of the draft IRP for avoided costs, but is not
4 proposing to modify avoided costs. Staff notes that PGE will need to update avoided costs
5 next year upon acknowledgement of PGE's IRP.

6 Staff makes a general comparison of the previous (2007) avoided costs filing and the
7 new, 2009 filing and notes that the end of the resource sufficiency period has moved from
8 2012 to 2013. Staff does not state that the overall resource sufficiency period is now 1 year
9 shorter (3½ years from August 2009) compared to 4½ years when the previous avoided cost
10 filing was approved.

11 **Q. Has PGE formally filed its IRP?**

12 A. Yes. PGE formally filed its IRP on November 5.

13 **Q. Are there changes in the final IRP that would affect the resource sufficiency period**
14 **determination?**

15 A. No. The IRP continues to support a resource sufficiency period through the end of 2012.

III. Gas Price Forecast and Proposed Price Revision

1 **Q. In opening testimony, Staff indicates they do not support PGE’s proposal to revise the**
2 **gas price forecast used in the calculation of avoided costs. Do you agree?**

3 A. We agree with Staff that revisions to avoided cost inputs at this point are generally not
4 useful. However, we are concerned that the underlying gas price forecast as originally filed
5 was incorrect relative to the gas price forecast we should have used, based on the draft IRP
6 inputs. Therefore, we continue to support forecast gas price revisions in this circumstance.
7 In addition, as previously noted, avoided costs will be updated following acknowledgement
8 of PGE’s IRP.

9 **Q. Does this conclude your testimony?**

10 A. Yes.

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **PORTLAND GENERAL ELECTRIC COMPANY's REPLY TESTIMONY** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No. UM 1443.

Dated at Portland, Oregon, this 12th day of November, 2009.



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UM 1443
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