



**Portland General Electric**  
121 SW Salmon Street • Portland, Ore. 97204  
PortlandGeneral.com

May 30, 2018

Via E-Mail/US Mail  
[puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us)

Filing Center  
Public Utility Commission of Oregon  
201 High St., SE. Suite 100  
P. O. Box 1088  
Salem, Oregon 97308-1088

Attn: **Filing Center**

**RE: Report No. 64 - 2017 Affiliated Interest Report (Reported May 2018)**

In accordance with ORS 757.005 and OAR 860-027-0100, enclosed is Portland General Electric Company's (PGE) Affiliated Interest Report for the twelve months ending December 31, 2017.

Attachment 1 shows amounts of annual billings between PGE and its affiliates. PGE billed approximately \$1.5 million to affiliates during 2017. Attachment 1 also provides billings from affiliates to PGE of approximately \$5.7 million. The largest of these billings was approximately \$5.0 million from 121 SW Salmon Street Corporation for the lease of the World Trade Center (WTC) Buildings.

Attachment 2 is PGE's Cost Allocation Manual pursuant to OAR 860-027-0048(6), which includes PGE's 2017 corporate allocation summary.

Attachment 3 references PGE's 2017 SEC form 10-K. Following Attachment 3 are Sections I through VII of the Affiliated Interest Report. Section I-A provides the related Organization chart. Section I-B provides lists of officers and directors for each company with inter-company transactions that exceeded \$25,000 during 2017. Section I-C provides affiliate financial information that PGE considers **privileged and subject** to treatments prescribed under OAR 860-001-0070 (Confidential Information) because it could be used to harm PGE, its customers, its affiliates, and/or their customers. Sections II through V provide information on Affiliated Transactions. Sections VI and VII provide information regarding employee transfers and intra-company allocations.

For the reasons stated above, the affiliate financial statements (Section I-C) are noted as **privileged and subject** to treatments prescribed under OAR 860-001-0070 (Confidential Information). Therefore, this item is provided on yellow paper, and provided in a separate sealed envelope bearing the legend "**PRIVILEGED.**" Additionally, for this item, please do not release this information to anyone outside the Public Utility Commission Staff and please store this information in a locked file cabinet. If you are unable to honor these requests, please notify us immediately.

If you have any questions regarding this report, please feel free to contact me at (503) 464-7805.

Sincerely,



Stefan Brown  
Manager, Regulatory Affairs

SB/np

*Encls.*

US Mail (Section I-C, Conf)

*Attachment 1*

***PORTLAND GENERAL ELECTRIC COMPANY***

**2017 Analysis of Affiliated Interest Transactions**

(Filed May 2018)

Portland General Electric  
2017 Analysis of Affiliated Interest Transactions  
Attachment 1  
Filed May 2018  
Actual Billings vs Estimated

Affiliate	Services Billed To PGE			Services Billed From PGE		
	2016 Actuals	2017 Actuals	2017 Estimates	2016 Actuals	2017 Actuals	2017 Estimates
121 SW Salmon Corp.	4,973,098	4,973,098	5,000,000	-	-	N/A
Salmon Springs Hospitality Group	800,961	735,422	895,000	1,104,898	1,399,336	995,000
PGE Foundation (PGEF)	-	-	-	108,378	114,685	125,000
WTC NW	-	-	-	-	-	-
<b>Total Billings under PGE</b>						
<b>Master Service Agreement</b>	5,774,059	5,708,520	5,895,000	1,213,276	1,514,021	1,120,000

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PGE Foundation is not a subsidiary of PGE but is listed above due to common officers and directors.

**PORTLAND GENERAL ELECTRIC  
COST ALLOCATION MANUAL  
FOR THE YEAR 2017**

*Attachment 2*

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 Cost Allocation Manual**

**per**

**OAR 860-027-0048(6)**

(Reported May 2018)

# **PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2017**

## **Introduction**

This document discusses PGE's loadings, allocations and the respective methodologies that are used to redistribute costs to non-regulated activities and affiliates. For some services, typically those that benefit various functional areas, it is not practicable to charge the cost directly. Costs that cannot be reasonably directly charged are captured either on the balance sheet through deferred accounts or in specific income statement accounts. These costs are then redistributed to their ultimate destination.

PGE uses a series of automated reclassifications and loadings to distribute administrative and overhead costs to end use accounts. There are four groups of these: 1) Labor Loadings, 2) Service Provider Allocations, 3) Administrative Allocations, and 4) Overhead Stores Loadings.

Within the above allocations, numerous costs are distributed to and from Administrative and General (A&G) ledgers, generally FERC accounts 920 and 921. Most A&G costs are not fully allocated. Some A&G accounts are not allocated at all, while others are only allocated in part. With the exception of Paid Time Off (PTO), A&G allocations apply largely to capital and deferred (balance sheet) accounts and to operations and maintenance (O&M - income statement) accounts in limited circumstances. Consequently, the amounts remaining in A&G represent the unallocated costs related to O&M. The reason for this approach is to comply with FERC reporting requirements (see the Interpretations of Uniform System of Accounts for Electric, Gas and Water Utilities, as revised February 27, 1981). Costs that are applicable to construction work should be directly assigned or allocated to capital. Those that are not related to capital work remain in A&G according to their FERC designation. Note, see the discussion below regarding the exception for Service Provider allocations.

In accordance with FERC, "wherever allocations are necessary in order to arrive at the amount to be included in any accounts, the method and basis of allocation shall be reflected by underlying records" (CFR, Title 18, Pt. 101).

**PORTLAND GENERAL ELECTRIC  
COST ALLOCATION MANUAL  
FOR THE YEAR 2017**

**PGE's Non-Regulated Activities**

Non-Regulated Activities:

- Large Nonresidential Tradable Renewable Credit Rider (Schedule 54)
- Meter Information Services (Schedule 320)
- Electrical Equipment Services (Schedule 715)
- Service Maps (Schedule 800)

**PGE Affiliates and Subsidiaries**

Affiliates:

- Portland General Electric Foundation – Corporate foundation of PGE.

Subsidiaries:

- 121 SW Salmon Street Corporation – PGE makes its WTC lease payments to 121 SW Salmon, which makes payments to the leaseholder.
- World Trade Center Northwest Corporation – Inactive except for holding the World Trade Center franchise.
- Salmon Springs Hospitality Group, Inc. – SSHG provides catering within the WTC complex. SSHG charges PGE market rate for catering but discounts the charge for room rental. PGE charges SSHG labor costs based on man-hours utilized at fully allocated labor rates. Non-labor items are billed at cost, with the exception of office space, which is billed at market value. All profits/losses from SSHG flow back to PGE (regulated).

# **PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2017**

## **Labor Loadings**

There are eight categories of labor loadings: 1) Employee support; 2) Payroll Taxes; 3) Employee Benefits; 4) Corporate Incentives; 5) Injuries & Damages; 6) Paid Time Off (PTO); 7) Pension Service Cost; and 8) Net Periodic Pension Cost.

For accounting purposes, labor-related costs are classified as A&G costs. With the exception of Paid Time Off (PTO), these A&G allocations are applied to capital and deferred accounts more universally. O&M accounts receive A&G allocations under certain circumstances, which include non-utility activities, transmission study costs (for billing purposes) and O&M accounts that receive certain Service Provider allocations. In general, labor-related A&G costs are allocated proportionately to the actual direct labor charges in specified Cost Elements (CE), Accounts, Accounting Work Orders (AWO) and Operating Units (representing costs allocable to co-owners). In addition, labor allocated as part of certain Service Provider allocations will be allocated loadings based on the AWO associated with that Service Provider.

Except where indicated below, labor loadings are mostly allocated to straight-time labor charges. The accounting entries created by the loading process are captured in accounts using CEs specific to the loadings.

### **Employee Support**

The Employee Support loading includes the cost of administering PGE's compensation program, EEO (Equal Employment Opportunity) and employee relations, employee training and development, and Human Resources administration. The costs to be allocated are recorded to A&G accounts 920 (labor) and 921 (non-labor).

### **Payroll Taxes**

The Payroll Tax loading consists of employer-paid, labor-related taxes such as FICA (Social Security & Medicare), federal unemployment, state unemployment, and workers' compensation premiums. For accounting purposes, these costs are recorded to Taxes Other Than Income Taxes account 408.1. However, it is appropriate to capitalize a portion of these costs as they relate to direct labor costs that have been capitalized. Note: this loading is allocated to premium time and overtime labor charges in addition to straight-time labor charges.

### **Employee Benefits**

The Employee Benefits loading includes the costs of retirement savings, health, dental, disability, and life insurance; and education and recreation programs. For accounting purposes, these costs are charged to Employee Pensions and Benefits account 926. However, it is appropriate to capitalize a portion of these costs as they relate to direct labor costs that have been capitalized.



# **PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2017**

## **Corporate Incentives**

The incentive loading consists of the cost of PGE's general incentive pay program that is incurred in the Performance Incentive Compensation account (A&G account 920). Costs are not allocated to Coyote Springs, Port Westward, Carty, Biglow Canyon, Tucannon, Boardman, and Pelton/Round Butte because those generating plants have their own incentive programs.

## **Injuries & Damages**

The Injuries & Damages loading includes the cost of administering PGE's health and safety programs plus claims from general liability damages, workers' compensation injuries, and auto accidents. Since most injuries and damages occur in fieldwork, the labor basis is reduced by office groups and A&G workers based on labor charges to certain accounts. Consequently, the allocation is weighted to line work and construction. Also, allocated Corporate Governance labor (office groups and A&G labor) is excluded from this labor basis. The costs to be allocated are recorded to Injuries and Damages account 925. Note: this loading is allocated to premium time and overtime labor charges in addition to straight-time labor charges.

## **Paid Time Off**

Paid Time Off (PTO) consists of employee pay for vacation, holiday, sick leave, and funeral leave. Costs for vacation and holiday pay are estimated and accrued while costs for sick and funeral leave are expensed as taken. PTO is the only A&G expense that is fully allocated to balance sheet and income statement accounts. The costs to be allocated are recorded to Employee Pensions and Benefits account 926.

## **Pension Service Cost**

Pension Service Cost is the actuarial estimate of the pension service cost earned by eligible participants. This loading is applied to PGE labor that gets billed to outside parties (i.e., co-owners of PGE's generating facilities and billings jobs) and non-utility activities. The costs to be allocated are recorded to Employee Pensions and Benefits account 926.

## **Net Periodic Pension Cost**

The Net Period Pension Costs (NPPC) loading includes the annual accounting expense associated with the PGE pension plan. The amount of NPPC that is applied to PGE's labor is reduced by the amount of Pension Service Costs billed to outside parties and charged to non-utility activities. The costs to be allocated are recorded to Employee Pensions and Benefits account 926.

**PORTLAND GENERAL ELECTRIC  
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FOR THE YEAR 2017**

Following is a table which includes the actual labor loading rates for 2017:

<b>Labor Loading Rates</b>	<b>2017 Actual Rates</b>	<b>2017 Actual Costs</b>
Employee Support	0.78%	\$ 1,677,226
Payroll Taxes	10.87%	\$ 27,349,332
Employee Benefits	32.24%	\$ 69,490,804
Corporate Incentives	5.61%	\$ 10,965,811
Injuries & Damages	7.12%	\$ 9,881,060
Vacation (PTO)	19.37%	\$ 41,769,440
Pension Service Cost *	7.93%	\$ 21,450,056
Net Periodic Pension Cost *	10.05%	
2017 Actual Total		\$ 182,583,729

\* Note: Since the pension related loadings share components of pension expense, total pension expense is shown for both loadings in order to calculate total allocable costs.

# **PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2017**

## **Service Provider Allocations**

### **Overview**

It is not practical or cost-effective to maintain corporate service expertise in each area of PGE. Accordingly, service groups are formed to provide these services to all organizations within the company. PGE has several departments that provide services to most areas of the company. These services include World Trade Center facilities, Information Technology, Production Services, the corporate Helicopter, and Fleet Services. These departments charge their support service expenses to FERC clearing account 184 (excluding WTC) and then the costs are reclassified (or allocated) to the functional areas of the company receiving their services. FERC account 184 serves as the allocation “base” that accumulates costs that are then allocated to those areas receiving the services, or “targets.”

Service Provider allocations and the loadings thereon are distributed to various income statement accounts outside of the general rule associated with capital and non-utility accounts and all co-owner accounts. These costs are distributed to reflect the fully allocated cost of the services provided in a manner similar to the results of services provided by a third party. This approach recognizes the full value of the service groups to the user groups and reflects the costs of these services in the income statement line items where the services are used.

### **World Trade Center Facilities**

PGE leases, operates and maintains its corporate headquarters office at the World Trade Center (WTC). Portions of the WTC are subleased to third parties (non-PGE tenants). The WTC Allocation is used to allocate the cost of PGE’s corporate headquarters office between PGE (utility and non-utility) and non-PGE tenants.

Costs incurred to lease and operate the building are initially recorded in non-utility accounts (FERC account 418) with the exception of property taxes, which are recorded in FERC account 408.2 Taxes Other Than Income Taxes. Operating costs include security, general maintenance, cleaning, administration, licenses and fees, utilities, taxes, insurance, depreciation, uncollectible accounts, cost of capital, and the monthly lease amount.

Allocation of costs to PGE is based on PGE’s percentage of occupancy of the rentable space in the WTC buildings. The amount allocated to PGE is then apportioned by functional areas of PGE, including O&M, A&G, Capital and non-utility accounts using fixed rates. These rates are calculated based on budgeted labor dollars (including contract labor) in departments that occupy space at WTC. Each employee working at the WTC is assigned an equal weight as all employees are assumed to consume an equal amount of space and costs, which are then assigned to functional areas based on the accounts used by the departmental budgeted labor. Amounts related to functional areas in PGE utility operations are allocated above the line to various O&M expense accounts. Amounts related to functional areas in PGE non-utility operations are allocated to non-utility expense accounts.

**PORTLAND GENERAL ELECTRIC  
COST ALLOCATION MANUAL  
FOR THE YEAR 2017**

Operating costs that are identifiable to specific utility or non-utility operations are directly allocated.

**WTC Cost Distribution (Actual)**

PGE (Utility/Non-Utility Tenants)	67.65%
Non-PGE Tenants	32.35%

Total Cost Pool	<u>\$15,586,532</u>
PGE's Share allocated	<u><u>\$10,544,693</u></u>

Below is a table of the actual distribution percentages of the 2017 WTC costs allocated to PGE:

<b>World Trade Center Allocation</b>	<b>% Lease Cost</b>
Boardman	0.30%
Coyote Springs	0.01%
Pelton	0.38%
Round Butte	0.46%
Utility Capital	16.88%
Trojan	0.10%
Utility Expense	78.41%
Non-Utility	3.46%
<b>2017 Actual Total</b>	<b>100.00%</b>

**Information Technology**

PGE's Information Technology (IT) department provides services to all functional areas of the company in the following ways:

- Provides operational and developmental support to end-user applications systems (software);
- Develops, operates and maintains computer systems and telecommunication equipment; and
- Manages the overall direction for information system and technology issues.

The allocation of these costs, which initially post to FERC account 184, is done via fixed rates, which are based on the relative percentage of budgeted labor hours (straight-time and contract labor for most areas) of the receivers of IT services. The overall allocation to Generation (including Power Operations) is further allocated to each generating facility and Power Operations based on the number of computers assigned.

**PORTLAND GENERAL ELECTRIC  
COST ALLOCATION MANUAL  
FOR THE YEAR 2017**

**Production Services**

The Production Services portion of Service Providers includes the Printing and Mail Services group, whose primary mission is to ensure PGE's retail revenue invoices are printed, inserted and mailed timely and completely in a cost-effective manner. They also provide a variety of other business services including CD/DVD production, engraving, copying, inserter sorting, bindery, and mailing services.

Costs are initially charged to FERC account 184 then certain service requests are manually allocated to the user (requesting) department. The remaining balance is allocated based on fixed percentages to various functional areas/end use accounts. The Printing and Mail Services group tracks the volume of services to end-users (historical usage), which is used to calculate the fixed percentages. Unless there is a significant change in the end-users of the services, the percentages usually remain the same from the prior year.

**Helicopter**

The costs to operate the corporate helicopter (operations, maintenance, and depreciation) are charged to FERC account 184. While the helicopter is used primarily for transmission and distribution power line inspections and surveillance, usage charged to A&G includes environmental, wildlife, vegetation, and project surveys. The helicopter costs are allocated via fixed percentages based on historical usage patterns. Unless this is a significant change in the usage patterns, the percentages usually remain the same from the prior year.

Included below is a table that lists the 2017 actual percentages and costs for the Service Provider Allocations:

	<b>Information Technology</b>	<b>Production Services</b>	<b>Helicopter</b>
Trojan	0.48%	0.10%	N/A
Boardman	2.32%	0.25%	N/A
Coyote Springs	1.00%	0.15%	N/A
Pelton / Round Butte Generation <sup>1</sup>	0.72%	0.40%	N/A
Power Operations	11.08%	1.65%	N/A
Transmission	1.88%	1.00%	N/A
Distribution	1.91%	7.00%	43.00%
Marketing	38.00%	15.50%	18.00%
Customer Service	3.57%	2.25%	N/A
Admin & General	19.48%	32.00%	N/A
Non-Utility	18.66%	38.00%	39.00%
<b>Totals</b>	<b>0.90%</b>	<b>1.70%</b>	<b>N/A</b>
<b>Totals</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>2017 Actual Total</b>	<b>\$49,774,138</b>	<b>\$503,023</b>	<b>\$409,703</b>

<sup>1</sup> Generation includes Beaver, Faraday, North Fork, Oak Grove, River Mill, Sullivan, Port Westward, Port Westward 2, Carty, Biglow, and Tucannon.

# PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2017

## Fleet Services Overview

PGE manages a fleet of vehicles and specialized equipment to support the wide variety of activities necessary to operate the company. The majority of these vehicles are dedicated to the work of PGE's line crews (Transmission and Distribution – T&D). In addition, PGE maintains a small pool of light-duty pickups and passenger vehicles which support employee transportation job requirements. The fleet is segregated into nine vehicle types:

- Type 1 - Man-lift equipment
- Type 2 - Digger derrick equipment
- Type 3 - Cranes
- Type 4 - Heavy-duty trucks
- Type 5 - Medium-duty trucks
- Type 6 - Light-duty trucks
- Type 7 - Construction equipment
- Type 8 - Trailers
- Type 9 - Automobiles

Rates are determined for each vehicle class by analyzing historical cost and usage levels through periodic cost studies.

Fleet related costs are initially charged to FERC account 184. Out of this cost pool, non-T&D assigned vehicles are allocated a fixed monthly amount based on the type of vehicle assigned and the latest vehicle study rate and normalized usage. The vehicles located at the corporate headquarters (Type 9) are charged at market rates to end-use accounting provided by employees who use the vehicles. The remaining cost pool is then allocated to T&D departments with assigned vehicles based on their labor costs.

Vehicles assigned to generation plants are generally excluded from the fleet allocation since the generating plants incur the overhead costs (maintenance, fuel, etc.) for their assigned vehicles, either at the generating plant or at the mini-fleet shop maintained at Faraday. Accordingly, generation assigned vehicles are reviewed for possible inclusion but generally are not allocated costs.

**PORTLAND GENERAL ELECTRIC  
COST ALLOCATION MANUAL  
FOR THE YEAR 2017**

The actual rates for Type 1-8 vehicles used during 2017 are included in the following table:

<b>Transportation Rates</b>	<b>Hourly Rate</b>
Type 1 - Man-lift Equipment	\$38.67
Type 2 - Digger Derrick Equipment	\$80.82
Type 3 - Cranes	\$71.77
Type 4 - Heavy Duty Trucks	\$95.68
Type 5 - Medium Duty Trucks	\$27.06
Type 6 - Light Duty Trucks	\$12.80
Type 7 - Construction Equipment	\$28.64
Type 8 - Trailers	\$12.75

Actual costs associated with operating and maintaining the company vehicle fleet for 2017 total \$14,547,129.





# PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2017

## Corporate Allocation Summary

The pool of allocable dollars in 2017 related to Labor Loadings, Service Provider Allocations, and Corporate Governance, all of which were discussed above, totaled \$277,993,213 of which \$196,215,666 was allocated to capital, non-utility and other expenses. The below table provides a summary of the allocation targets. All unallocated dollars remain in their respective A&G or O&M accounts.

### 2017 Corporate Allocation Summary

Trojan	0.69%
Boardman	3.88%
Pelton	1.05%
Round Butte	1.19%
Coyote Springs	1.39%
KB Pipeline	0.03%
Salmon Springs Hospitality Group	0.38%
Portland General Electric Foundation	0.03%
Utility Capital	36.07%
Utility Expense	54.38%
Non-Utility	0.91%
<b>Total</b>	<b>100.00%</b>

## Affiliate Billings

The affiliate billings include labor loadings plus the allocations (Corporate Governance, WTC Floor Space and Service Provider costs). The direct costs incurred to provide services (i.e. labor costs) are accumulated in a billing job account (FERC account 186 Miscellaneous Deferred Debits) along with the associated loadings and allocations. These costs are then billed to each affiliate and the billing job is relieved. If any balance remains in the billing job account, these costs are cleared to a non-utility account.

## Other Utility Administrative Allocations

PGE has other administrative allocations that are intra-company allocations and stay within utility operations; these include:

- Distribution Operations Supervision Engineering
- PSES Administrative Overhead Allocation
- Construction Loadings (allocation of administrative costs to utility capital)

These allocations do not impact affiliate, non-utility or subsidiary activities.

# PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2017

## Stores Loadings

### Overview

PGE uses two stores loading rates: Boardman and PGE general inventory. The Boardman rate applies only to the operating trust; the PGE general inventory rate is applied to all other stores issues and returns.

### PGE General Inventory

The Stores loading (also referred to as the materials loading) is used to spread the cost of operating and maintaining material storerooms to the accounts that receive materials issues.

The costs incurred to operate each storeroom relate to both the maintenance of items in inventory and issuance of inventory to end-users. The balance remaining in stores overhead has a parallel relationship to the balance in stores inventory, so as the level of inventory increases, so would the balance in stores overhead. The calculation of the loading rate utilizes a 2-year rolling average of gross purchases, issues and returns divided into a 2-year rolling average of the operating costs. This ratio, multiplied by the dollar value of the physical inventory at a given point in time, determines the net amount of dollars that will remain in the stores overhead account (account 163). The stores loading process and manual adjustments keep the overhead balance at the appropriate level.

The 2017 loading rates are as follows:

PGE Materials	20%
Boardman	23%

*Attachment 3*

***PORTLAND GENERAL ELECTRIC COMPANY***

**Form 10-K for the year ended**

**December 31, 2017**

**A hardcopy will not be provided as PGE files the Annual Report on Form 10-K with SEC and places the electronic document on the Portland General Electric Company website.**

**See PGE WEB URL Path:**

***<http://investors.portlandgeneral.com/static-files/40793abf-ffab-4559-9945-07846188dde5>***

# **PORTLAND GENERAL ELECTRIC COMPANY**

## **2017 Affiliated Interest Report**

(Filed May 2018)

### **Section I:**

- Organization Chart
- Listing of 2017 Officers and Directors of each company doing business with PGE in excess of \$25,000 per year
- Balance Sheet and Income Statement for each company doing business

# **PORTLAND GENERAL ELECTRIC COMPANY**

## **2017 Affiliated Interest Report** (Filed May 2018)

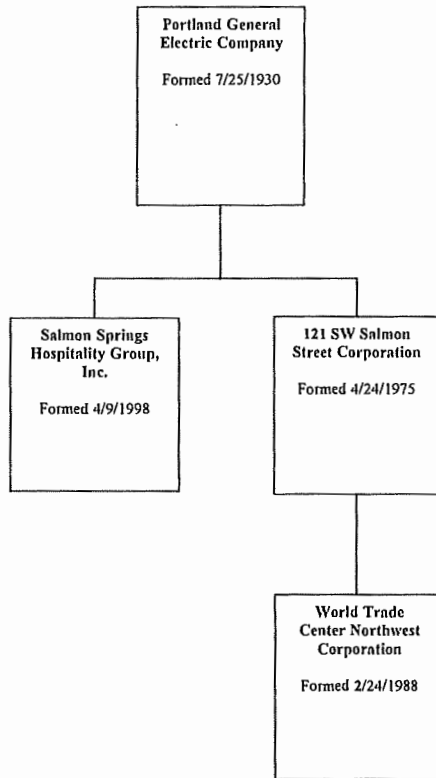
### **Section I - A**

Organizational Chart

For

PGE Affiliates

**Section I - A**  
**PORTLAND GENERAL ELECTRIC COMPANY**  
and Related Companies  
**Organization Chart**  
**As of December 31, 2017**  
  
(Filed May 2018)



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PGE Foundation is not a subsidiary of PGE but it is listed on the PGE Affiliated Interest Report due to common officers/directors.

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 Affiliated Interest Report**

(Filed May 2018)

**Section I - B**

**Officers and Directors of**

**Portland General Electric Company**

**and**

**Affiliates**

**(as of December 31, 2017)**

## Directors and Officers

### Portland General Electric Company

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1 2017 forward)*</u>
Jack E. Davis	Chairman	
John W. Ballantine	Director	
Rodney L. Brown, Jr.	Director	
David A. Dietzler	Director	
Kirby A. Dyess	Director	
Mark B. Ganz	Director	
Kathryn J. Jackson	Director	
Neil J. Nelson	Director	
M. Lee Pelton	Director	
Charles W. Shivery	Director	
James J. Piro	Director	Retired: 12/31/17
James J. Piro	President and Chief Executive Officer	Retired: President: October 1, 2017; CEO: December 31, 2017
Maria M Pope	President and Chief Executive Officer	Appointed: President October 1, 2017; Appointed CEO: January 1, 2018
James F. Lobdell	Senior Vice President, Finance Chief Financial Officer and Treasurer	
William O. Nicholson	Senior Vice President, Customer Service, Transmission and Distribution	
Larry N. Bekkedahl	Vice President, Transmission and Distribution Services	
Carol A. Dillin	Vice President, Customer Strategies and Business Development	
Bradley Y. Jenkins	Vice President, Power Supply Generation	



## Directors and Officers

### Portland General Electric Company

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1 2017 forward)*</u>
Lisa A. Kaner	Vice President, General Counsel, Corporate Compliance Officer and Assistant Secretary	Appointed: 6/29/17
J. Jeffrey Dudley	Vice President, General Counsel, Corporate Compliance Officer and Assistant Secretary	Retired: 6/28/17
Campbell A. Henderson	Vice President, Information Technology and Chief Information Officer	Retired: 1/02/18
John T. Kochavatr	Vice President, Information Technology and Chief Information Officer	Appointed: 2/01/18
Anne F. Mersereau	Vice President, Human Resources, Diversity and Inclusion	
W. David Robertson	Vice President, Public Policy & Corporate Resiliency	
Kristin A. Stathis	Vice President, Customer Service Operations	
Jardon T. Jaramillo	Controller and Assistant Treasurer	
Christopher A. Liddle	Manager of Finance & Assistant Treasurer	
Marc S. Bocci	Associate General Counsel and Corporate Secretary	
Nora E. Arkonovich	Assistant Corporate Secretary	
Karen J. Lewis	Assistant Corporate Secretary	
David White	Assistant Corporate Secretary	

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\*Reports reflect any changes in Officer/Director positions from previous AIR filing

**Directors and Officers**

**121 SW Salmon Street Corporation**

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2017 forward)*</u>	
James F. Lobdell	Chairman of the Board		
Lisa A. Kaner	Director	Appointed:	7/1/2017
J. Jeffrey Dudley	Director	Retired:	7/1/2017
Carol A. Dillin	Director		
Cindy A. Laurila	President		
James F. Lobdell	Treasurer		
Marc S. Bocci	Secretary		

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\*Reports reflect any changes in Officer/Director positions from previous AIR filing

**Directors and Officers**

**Salmon Springs Hospitality Group, Inc.**

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2017 forward)*</u>	
James F. Lobdell	Chairman of the Board		
Lisa A. Kaner	Director	Appointed:	7/1/2017
J. Jeffrey Dudley	Director	Retired:	7/1/2017
Carol A. Dillin	Director		
Cindy A. Laurila	President		
James F. Lobdell	Treasurer		
Marc S. Bocci	Secretary		

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\*Reflects any changes in Officer/Director positions from previous AIR filing

## Directors and Officers

### PGE Foundation<sup>1</sup>

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2017 forward)*</u>
David K. Carboneau	Director	Term expired: 12/31/17
Carol A. Dillin	Director	Appointment: 11/13/17
Peggy Y. Fowler	Director	
Kristin A. Stathis	Director	Appointment: 11/13/17
Randolph L. Miller	Director	Appointment: 11/13/17
Maria M. Pope	Director	Appointment: 11/13/17
James J. Piro	Director	Retired: 12/31/17
W. David Robertson	Director	
Jardon T. Jaramillo	Director	
Loretta Mabinton	Director	Appointment: 11/13/17
Gwyneth Gamble Booth	Chairman	
W. David Robertson	President	Appointment: 11/13/17
James F. Lobdell	Treasurer	Appointment: 11/13/17
Joyce Harlan	Secretary	Appointment: 11/13/17
Barbara Parr	Secretary	Term expired: 11/13/17
Kregg Arnston	Executive Director	Unofficial term expired

### Finance Committee

David K. Carboneau, Chair		Term expired: 12/31/17
Kristin A. Stathis	Finance Committee Chair	Appointment: 11/13/17
Randolph L. Miller		Appointment: 11/13/17
James F. Lobdell		Appointment: 11/13/17
Gwyneth Gamble Booth		Appointment: 11/13/17
Jardon T. Jaramillo		Appointment: 11/13/17
Campbell A. Henderson		Term expired: 12/31/17

(1) The Foundation is not a subsidiary of PGE but it is listed on the PUC Affiliated Interest Report due to common officers/directors.

Directors do not automatically resign because they retire.

Directors are elected every two years – staggered terms.

Officers are elected annually for 1-year terms.

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\*Reflects any changes in Officer/Director positions from previous AIR filing

**Directors and Officers**

**World Trade Center Northwest Corporation**

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2017 forward)*</u>	
James F. Lobdell	Chairman of the Board		
Carol A. Dillin	Director		
Lisa A. Kaner	Director	Appointed:	7/1/2017
J. Jeffrey Dudley	Director	Retired:	7/1/2017
Cindy A. Laurila	President		
James F. Lobdell	Treasurer		
Marc S. Bocci	Secretary		

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\*Reflects any changes in Officer/Director positions from previous AIR filing

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 Affiliated Interest Report**

(Reported May 2018)

Section I-C

Financial Statements

for

PGE Affiliates

121 SW Salmon Street Corporation  
PGE Foundation  
Salmon Springs Hospitality Group  
World Trade Center Northwest Corporation

***Confidential and Subject to Treatment Prescribed in OAR 860-001-0070***

**Sections II - VII**

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 Transactions By Affiliates**

(Filed May 2018)



**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

**Transactions by Affiliate  
Sections II -VII**

	<b><u>Page Number</u></b>
121 SW Salmon Street Corp. (121 SW Salmon).....	2
Salmon Springs Hospitality Group, Inc. (SSHG) .....	4
PGE Foundation (PGEF).....	6
PGE – Intra-Company Headquarters Allocation.....	8
PGE – Intra-Company Corporate Governance Allocation.....	9
PGE – Intra-Company Service Provider Allocation .....	9

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

Name of Company: 121 SW Salmon Street Corp. (121 SW Salmon)

II. Services Billed to PGE:

Amount

None

Services Billed to 121 SW Salmon:

Amount

None

III. For intercompany loans to the utility from 121 SW Salmon or loans to 121 SW Salmon from the utility, provide:

A. The month-end amounts outstanding separately for short-term and long-term loans:

No loans currently outstanding.

B. The highest amount during the year separately for short-term and long-term loans.

Refer to III A.

C. A description of the terms and conditions for loans including the basis for interest rates.

Refer to III A.

D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans.

Refer to III A.

E. Specify the Commission Order(s) approving the transactions where such approval is required by law.

Refer to III A.

IV. If the utility guarantees any debt of affiliates, identify the entities involved, the nature of the debt, the original amount of the debt, the maximum amounts during the year, the balance as of the end of the year, and the Commission Order(s) approving the transactions where such approval is required by law:

Entities: Portland General Electric, 121 SW Salmon Street Corporation

Nature of the debt: PGE guarantees the annual principal and interest payments for the headquarters complex leased by 121 SW Salmon.

	<u>Amount</u>
Original amount of the debt	\$ 57,063,276
Maximum amount for the year	\$ 20,727,961
Ending balance for December 2017	\$ 17,667,841

Commission Order(s):

This transaction approved by Commission Order 75-953, as amended by Commission Orders 77-381, 78-646 and 98-193.

V. Report other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) as follows (repeat format for each affiliate):

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

Other Items Billed to PGE:

Account 418 - Lease Payments

Amount  
\$ 4,973,098

Description of Basis of Pricing:

121 SW Salmon bills PGE the same amount it pays to lease the building from a third party.

Commission Order(s) Approving Transactions Where Such Approval is Required by Law:

These transactions approved by Commission Order 75-953, as amended by Commission Orders 77-381, 78-646 and 98-193.

Other Items Billed to 121 SW Salmon:

Amount  
None

- VI. By affiliate and job title, provide the total number of executive, management, and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

Number of Employees Transferred from PGE to 121 SW Salmon \_\_\_\_\_ None

Number of Employees Transferred from 121 SW Salmon to PGE \_\_\_\_\_ None

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

Name of Company: Salmon Springs Hospitality Group, Inc. (SSHG)

II. Service Billed to PGE:

	<u>Amount</u>
Account 921 - Catering Services	\$ 729,296
Account 426.5 – Non-utility Catering Services	\$ 6,126

Description of Basis of Pricing:

Non-labor items except for room rental, which is billed at a discount, are billed at market value.

Service Billed to SSHG:

	<u>Amount</u>
Account 186 - Administrative Support	\$ 1,399,336

Description of Basis of Pricing:

Labor costs are based on man-hours utilized at fully allocated labor rates. Non-labor items are billed at cost, with the exception of office space, which is billed at market value.

III. For intercompany loans to the utility from affiliates or loans from affiliates to the utility, provide:

A. The month-end amounts outstanding separately for short-term and long-term loans.

No loans currently outstanding.

B. The highest amount during the year separately for short-term and long-term loans.

Refer to III A.

C. A description of the terms and conditions for loans including the basis for interest rates.

Refer to III A.

D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans.

Refer to III A.

E. Specify the Commission Order(s) approving the transactions where such approval is required by law.

Refer to III A.

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

- IV. If the utility guarantees any debt of affiliates, identify the entities involved, the nature of the debt, the original amount of the debt, the maximum amounts during the year, the balance as of the end of the year, and the Commission Order(s) approving the transactions where such approval is required by law:

PGE does not guarantee any SSHG debt, nor does SSHG guarantee any PGE debt.

- V. Report other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) as follows (repeat format for each affiliate):

Other Items Billed to PGE:

Amount

None

Other Items Billed to SSHG:

Amount

None

- VI. By affiliate and job title, provide the total number of executive, management, and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

Number of Employees Transferred from PGE to SSHG

None

Number of Employees Transferred from SSHG to PGE

None

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

Name of Company: PGE Foundation (PGEF)

II. Service Billed to PGE:

Amount

None

Service Billed to PGEF:

Amount

Account 186 - Administrative Support

\$ 114,685

Description of Basis of Pricing:

Labor costs are based on man-hours utilized at fully allocated labor rates. Non-labor items are billed at cost, with the exception of office space, which is billed at market value.

III. For intercompany loans to the utility from affiliates or loans from affiliates to the utility, provide:

A. The month-end amounts outstanding separately for short-term and long-term loans.

No loans currently outstanding.

B. The highest amount during the year separately for short-term and long-term loans.

Refer to III A.

C. A description of the terms and conditions for loans including the basis for interest rates.

Refer to III A.

D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans.

Refer to III A.

E. Specify the Commission Order(s) approving the transactions where such approval is required by law.

Refer to III A.

IV. If the utility guarantees any debt of affiliates, identify the entities involved, the nature of the debt, the original amount of the debt, the maximum amounts during the year, the balance as of the end of the year, and the Commission Order(s) approving the transactions where such approval is required by law:

PGE does not guarantee any PGEF debt, nor does PGEF guarantee any PGE debt.

V. Report other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) as follows (repeat format for each affiliate):

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

Other Items Billed to PGE:

Amount

None

Other Items Billed to PGEF:

Amount

None

VI. By affiliate and job title, provide the total number of executive, management, and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

Number of Employees Transferred from PGE to PGEF

None

Number of Employees Transferred from PGEF to PGE

None

**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

Name of Company: PGE - Intra-Company Headquarters Allocation

VII. A description of each intra-company cost allocation procedure, and a schedule of cost amounts transferred between regulated and non-regulated segments of the company.

Corporate Headquarters Lease (World Trade Center Operations)

PGE leases, operates and maintains its corporate headquarters office. Portions of the building are subleased to third parties (non-utility tenants). Costs incurred to lease and operate the building are recorded in non-utility accounts. Allocation of costs to PGE is based on PGE's percentage of occupancy of the rentable space in the World Trade Center (WTC) buildings.

PGE allocates its share of costs to each functional area of PGE using fixed rates. These rates are calculated based on budgeted labor in departments that occupy space at WTC. The functional areas are based on the accounts used by the departmental budgeted labor. Amounts related to functional areas in PGE utility operations are allocated above the line to various Operating and Maintenance Expense accounts. Amounts related to functional areas in PGE non-utility operations are allocated to non-utility expense accounts.

Operating costs which are identifiable to specific utility or non-utility operations are directly allocated.

	<u>Amount</u>
Total 2017 World Trade Center Operations:	<u>\$ 15,586,532</u>
Amount transferred to utility operations during 2017:	
Account 107 - Construction Work in Progress – Electric	\$ 1,813,467
Account 184 - Clearing Accounts (Service Providers)	1,910,463
Account 557 - Miscellaneous Power Expense	1,120,126
Account 920 - Administrative & General Expense – Labor	57,507
Account 921 - Administrative & General Expense – Non-labor	1,109,925
Account 930.2 - Miscellaneous General Expense	1,579
Account 931 – Rents	4,143,955
Account 935 – Maintenance of General Plant	20
Total allocated to utility in 2017:	<u>\$ 10,157,042</u>



**PORTLAND GENERAL ELECTRIC COMPANY**

**2017 AFFILIATED INTEREST REPORT**

Name of Company: PGE - Intra-Company Corporate Governance Allocation

VII. A description of each intra-company cost allocation procedure, and a schedule of cost amounts transferred between regulated and non-regulated segments of the company.

Corporate Governance A&G Allocation

Corporate Governance is a pool of Administrative and General costs, a portion of which are reclassified (or allocated) from PGE Expense to the following: PGE capital, jointly-owned projects capital and expense, billing jobs and non-utility operations. The basis for this allocation is labor costs for PGE and the co-owned entities (excluding PTO).

	<u>Amount</u>
Amount transferred to non-utility operations during 2017 Accounts 417, 418, 421 & 426:	\$ 125,809

Name of Company: PGE - Intra-Company Service Provider Allocation

VII. A description of each intra-company cost allocation procedure, and a schedule of cost amounts transferred between regulated and non-regulated segments of the company.

Service Provider Allocation

PGE has several departments that provide services to most areas of the company. These services include computer support, information processing, printing and mailing and telecommunications. These departments charge their support service expenses to FERC 184 and then these are reclassified (or allocated) to the areas of the company receiving the services via fixed rates specific to the particular service provider.

	<u>Amount</u>
Amount transferred to non-utility operations during 2017 Account 417, 418, 421 & 426:	\$ 316,607

**RE 64 ( ) e-FILING REPORT COVER SHEET**

REPORT NAME:

**2017 Affiliated Interest Report (Filed May 2018)**

COMPANY NAME: **PORTLAND GENERAL ELECTRIC COMPANY**

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION?  **Yes**

If known, please select designation:  **UI Affiliated Interest**

Report is required by:  **OAR 860-027-0100**

Statute

Order

Is this report associated with a specific docket/case?  **No**

Key words:

**Portland General Electric Company 2017 Affiliated Interest Report**

If known, please select the PUC Section to which the report should be directed:

**Economic and Policy Analysis**

Electric and Natural Gas Revenue Requirements

Electric Rates and Planning

Utility Safety, Reliability & Security

Administrative Hearings Division