

## RE 64 e-FILING REPORT COVER SHEET

REPORT NAME:

**2012 Affiliated Interest Report (Reporting May 2013)**

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 2012 Affiliated Interest Reporting**

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



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

May 31, 2013  
puc.filingcenter@state.or.us

Oregon Public Utility Commission  
550 Capitol Street, N.E., Ste 215  
P. O. Box 2148  
Salem, OR 97301-2148

Attn: **Filing Center**

**RE: Report No. 64 - 2012 Affiliated Interest Report  
(Reported May 2013)**

In accordance with 757.005 and OAR 860-027-0100, enclosed is Portland General Electric's (PGE) Affiliated Interest Report for the twelve months ending December 31, 2012. We have provided two additional courtesy copies for Staff.

Attachment 1 shows amounts of annual billings between PGE and its affiliates. PGE billed approximately \$1.4 million to affiliates during 2012. Attachment 1 also provides billings from affiliates to PGE of approximately \$6.7 million. The largest of these billings was approximately \$5.0 million from 121 SW Salmon Corporation for the lease of the World Trade Center Building.

Attachment 2 is PGE's Cost Allocation Manual pursuant to OAR 860-027-0048(6), which includes PGE's 2012 corporate allocation summary.

Attachment 3 references PGE's 2012 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 2012. Section I-C provides affiliate financial information that PGE considers **Confidential 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.

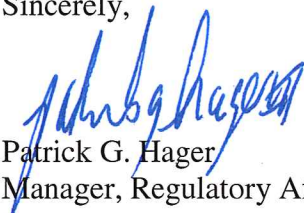
PGE is providing financials for SunWay 1, LLC, SunWay 2, LLC, and SunWay 3, LLC, although they are not true affiliates, and have no appointed directors or officers. Portland General Electric Company, as Managing Member, directs the operations of SunWay 1, LLC, SunWay 2, LLC, and SunWay 3, LLC.

May 31, 2013  
Oregon Public Utility Commission  
[2012 Affiliated Interest Report]  
Page 2 of 2

For the reasons stated above, the affiliate financial statements (Section I-C) are noted as **Confidential 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 "CONFIDENTIAL." 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) 464-7580.

Sincerely,



Patrick G. Hager  
Manager, Regulatory Affairs

*Encls.*

*Attachment 1*

***PORTLAND GENERAL ELECTRIC COMPANY***

***2012 Analysis of Affiliated Interest Transactions***

***(Reported May 2013)***

Portland General Electric  
2012 Analysis of Affiliated Interest Transactions  
Attachment 1  
Reported May 2013  
Actual Billings vs Estimated

Affiliate	Billings to PGE			Billings From PGE		
	2011 Actuals	2012 Actuals	2012 Estimates	2011 Actuals	2012 Actuals	2012 Estimates
121 SW Salmon Corp.	4,973,098	4,973,098	5,000,000	-	-	N/A
PGE Foundation (PGEF)	-	-	N/A	94,265	107,366	120,000
Salmon Springs Hospitality Group	785,075	875,390	525,000	759,479	1,214,937	800,000
SunWay 1, LLC <sup>1</sup>	-	-	N/A	5,156	5,276	N/A
SunWay 2, LLC <sup>1</sup>	58,326	794,777	N/A	15,748	48,110	N/A
SunWay 3, LLC <sup>1</sup>	110,363	122,747	N/A	6,857	22,431	N/A
WTC NW	-	-	N/A	-	-	N/A
<b>Total Billings under PGE</b>						
<b>Master Service Agreement</b>	5,926,862	6,766,012	5,525,000	881,505	1,398,120	920,000

<sup>1</sup> SunWay 1, LLC, SunWay 2, LLC, and SunWay 3, LLC were not PGE affiliates for 2012. However, PGE is including them in this report as mentioned previously to OPUC Staff.

*Attachment 2*

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 Cost Allocation Manual**

**per**

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

(Reported May 2013)

# **PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2012**

## **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.

## **PGE's Non-Regulated Activities**

Non-Regulated Activities:

- Green Tags for Large Nonresidential (Schedule 54)
- Meter Information Services (Schedule 320)
- Electrical Equipment Services (Schedule 715)
- E-Manager (Schedule 725)
- Power Quality Products and Services (Schedule 730)
- Mapping Services (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 and also provides catering outside of the WTC. SSHG charges PGE its market rate less a discount for its catering. 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 2012**

Other:

- SunWay 1, LLC – SunWay 1 owns a 104kW photovoltaic solar power facility located at the intersection of I-5 and I-205 in Tualatin, Oregon, on property which is owned by the Oregon Department of Transportation. The equipment is operated and maintained by PGE.
- SunWay 2, LLC – SunWay 2 owns three photovoltaic solar power facilities approximating a total of 1,095 kW located on the rooftops of three different buildings in Portland, Oregon, which are owned by ProLogis (a Maryland real estate investment trust). The equipment is operated and maintained by PGE.
- SunWay 3, LLC – SunWay 3 owns seven photovoltaic solar power facilities approximating a total of 2,406 kW located on the rooftops of seven different buildings in Portland, Oregon, which are owned by ProLogis (a Maryland real estate investment trust). The equipment is operated and maintained by PGE.

## **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. The accounting entries created by the loading process are captured in accounts using Cost Elements (CE) 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.

### **Payroll Taxes**

The Payroll Tax loading consists of employer-paid, labor-related taxes such as FICA (Social Security & Medicare), federal unemployment, state unemployment, and SIAC (workers' compensation premiums).

### **Employee Benefits**

The Employee Benefits loading includes the costs of retirement savings, health, dental, disability, and life insurance; and education and recreation programs.

### **Corporate Incentives**

The incentive loading consists of the cost of PGE's general incentive pay program that is incurred in the Performance Incentive Compensation accounts.



# PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2012

## **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.

## **Paid Time Off**

Paid Time Off (PTO) consists of employee pay for vacation, holiday, sick leave, and funeral leave.

## **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 nonutility activities.

## **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's applied to PGE's labor is reduced by the amount of Pension Service Costs billed to outside parties and charged to nonutility activities.

Following is a table which includes the actual labor loading rates for 2012:

<b>Labor Loading Rates</b>	<b>2012 Actuals</b>
Employee Support	2.18%
Payroll Taxes	10.60%
Employee Benefits	33.50%
Corporate Incentives	4.89%
Injuries & Damages (PGE Only)	7.19%
Vacation (PTO)	18.59%
Pension Service Cost	7.74%
Net Periodic Pension Cost	11.40%

# PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2012

## Service Provider Allocations

### Overview

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.

### World Trade Center Facilities

The World Trade Center Allocation is used to allocate the cost (lease, operations and maintenance, and cost of capital) between PGE (utility and non-utility) and non-PGE tenants. The amount allocated to PGE is apportioned by functional areas of PGE, including O&M, A&G, Capital and non-utility accounts.

#### WTC Cost Distribution (Actual)

PGE (Utility/Non-Utility Tenants)	67.70%
Non-PGE Tenants	32.30%

Total Cost Pool	<u>\$11,561,591</u>
PGE's Share allocated	<u><u>\$7,827,197</u></u>

Below is a table of the actual distribution percentages of the 2012 WTC costs allocated to PGE:

World Trade Center Allocation	% Lease Cost
Boardman	2.07%
Coyote Springs	0.58%
Pelton	0.30%
Round Butte	1.48%
Utility Capital	7.09%
Utility Expense	85.97%
Non-Utility	2.51%
<b>2012 Actual Total</b>	<b>100.00%</b>

# PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2012

## Information Technology

PGE's Information Technology department provides services to all functional areas of the company. The allocation of these costs is based on several methods. Some costs are allocated based on counts of equipment, some use historical analysis, and others use the results of the spread of all of the previous methods.

## Production Services

The Production Services portion of Service Providers includes the Printing & Mail Services group. The allocation of these costs is based on historical usage of services provided, which is tracked by the Printing & Mail Services group. This in turn is used to allocate costs to end use accounts.

## Helicopter

The costs to operate the corporate helicopter (operations, maintenance, and depreciation) are charged to a clearing account (Account 184). The helicopter costs are allocated based on historical usage patterns. The helicopter is used primarily for transmission and distribution power line inspections and surveillance.

Included below is a table which lists the 2012 actual percentages and costs for the Service Provider Allocations<sup>1</sup>:

	<b>Information Technology</b>	<b>Production Services</b>	<b>Helicopter</b>
Trojan	0.63%	0.12%	N/A
Boardman	5.29%	3.14%	N/A
Coyote Springs	1.40%	0.37%	N/A
Pelton / Round Butte	1.40%	0.20%	N/A
Generation <sup>1</sup>	8.91%	1.28%	N/A
Trading Floor	3.01%	0.37%	N/A
Transmission	1.57%	1.44%	66.00%
Distribution	35.62%	21.09%	22.00%
Marketing	2.68%	1.43%	N/A
Retail Products (Non-Utility)	0.21%	0.50%	N/A
Customer Service	17.86%	36.30%	N/A
Admin & General	19.92%	31.71%	12.00%
Non-Utility	1.50%	2.05%	N/A
<b>Totals</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>2012 Actuals</b>	<b>\$30,171,331</b>	<b>\$228,913</b>	<b>\$396,514</b>

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

**PORTLAND GENERAL ELECTRIC  
COST ALLOCATION MANUAL  
FOR THE YEAR 2012**

**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. 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 9 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. For the Type 1 through 8 vehicles these rates are used to spread vehicle overhead costs to end-use accounting based on hours of 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 actual rates for Type 1-8 vehicles used during 2012 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 2012 total \$13,690,443.

**PORTLAND GENERAL ELECTRIC  
COST ALLOCATION MANUAL  
FOR THE YEAR 2012**

**Administrative Allocations**

**Corporate Governance**

Certain A&G costs are distributed to PGE’s capital, non-utility and the co-owned entities through the Corporate Governance allocation. These costs are incurred for activities such as Human Resources, Accounting, and other corporate functions that support all PGE activities. This is accomplished by pooling the corporate governance costs and allocating them to PGE capital, non-utility, and the co-owned entities capital and A&G accounts.

Activities charged to certain accounts and by certain departments have been identified as supporting all PGE, including the generating plant co-owners. The charges in these ledger segments are pooled together creating the “Corporate Governance Cost Pool”. Certain departments, however, are excluded from the Cost Pool since their activities do not support the co-owners, such as tax and legal.

The basis for this allocation is labor costs for PGE and the co-owned entities (excluding PTO). For PGE, the allocation is made to capital and non-utility activity only. Costs remaining in A&G reflect amounts that are unallocated to PGE’s O&M (income statement) expenses. For the co-owned entities, however, costs are distributed to capital, A&G, and decommissioning.

Included below is a table which shows the 2012 actual percentages and costs for the Corporate Governance Allocation:

**Corporate Governance**

	<b>Capital</b>	<b>Decommissioning</b>	<b>Expense</b>
Trojan	0.00%	0.65%	0.00%
Boardman	0.66%	N/A	5.92%
Pelton	0.06%	N/A	0.58%
Round Butte	0.32%	N/A	1.51%
Coyote Springs	0.09%	N/A	1.65%
Utility	28.87%	N/A	58.94%
Non-Utility	0.00%	N/A	0.48%
Affiliates	N/A	N/A	0.27%
<b>Totals</b>	<b>30.00%</b>	<b>0.65%</b>	<b>69.35%</b>

2012 Actual Total                      \$20,411,597

# PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2012

## Corporate Allocation Summary

The pool of allocable dollars in 2012 related to Labor Loadings, Service Provider Allocations, and Corporate Governance, all of which were discussed above, totaled \$228,546,072 of which \$152,687,897 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.

### 2012 Corporate Allocation Summary

Trojan	0.76%
Boardman	6.69%
Pelton	0.77%
Round Butte	1.96%
Coyote Springs	1.50%
Salmon Springs Hospitality Group	0.24%
Portland General Electric Foundation	0.04%
SunWay 2, LLC	0.03%
Utility Capital	37.53%
Utility Expense	49.55%
Non-Utility	0.93%
<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 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 nonutility 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 (DOSE)
- Generation Operations Supervision/Engineering (GOSE)
- PSES Administrative Overhead Allocation (GGF)
- West Side Hydro Operations (Hydro/Hydro2)
- Construction Loadings (allocation of administrative costs to utility capital)

These allocations do not impact affiliate, nonutility or subsidiary activities.

# PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2012

## 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 accounts (1630001). The stores loading process and manual adjustments keep the overhead balance at the appropriate level.

The 2012 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, 2012**

**A hardcopy will not be provided as PGE files a hardcopy Form 10-K in the OPUC Supplemental Report to its FERC Form 1 filing filed every April.**

**See PGE WEB URL Path:**

**<http://investors.portlandgeneral.com/sec.cfm?DocType=Annual&Year=2012>**



**Portland General Electric Company**  
**2012 Affiliated Interest Report**  
(Reported May 2013)

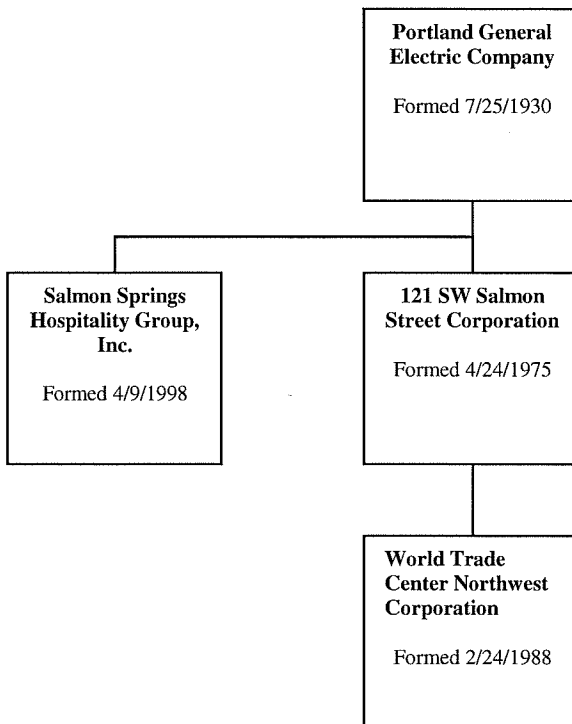
Section I:

- Organization Chart
- Listing of 2012 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 with PGE in excess of \$25,000 per year

**PORTLAND GENERAL ELECTRIC COMPANY**  
**2012 Affiliated Interest Report**  
(Reported May 2013)

**Section I-A**  
**Organizational Chart**  
**for**  
**PGE Affiliates**

**Portland General Electric and Related Companies**  
**Organization Chart**  
**December 31, 2012**



SunWay 1, LLC,  
SunWay 2, LLC  
SunWay 3, LLC are not depicted above because they are not affiliates of PGE.

**PORTLAND GENERAL ELECTRIC COMPANY**  
**2012 Affiliated Interest Report**  
(Reported May 2013)

**Section I-B**  
**Officers and Directors of**  
**Portland General Electric Company**  
**and**  
**Affiliates**  
**(as of December 31, 2012)**

## Directors and Officers

### Portland General Electric Company

<u>NAME</u>	<u>TITLE</u>
Corbin A. McNeill, Jr.,	Chairman
John W. Ballantine	Director
Rodney L. Brown, Jr.	Director
Jack E. Davis	Director
David A. Dietzler	Director
Kirby A. Dyess	Director
Mark B. Ganz	Director
Neil J. Nelson	Director
M. Lee Pelton	Director
Robert T. F. Reid	Director
James J. Piro	Director
James J. Piro	President and Chief Executive Officer
Maria M. Pope	Senior Vice President, Finance, Chief Financial Officer & Treasurer
William O. Nicholson	Senior Vice President, Customer Service Transmission and Distribution
Arleen N. Barnett	Vice President, Administration
O. Bruce Carpenter	Vice President, Distribution Services
Carol A. Dillin	Vice President, Customer Strategies And Business Development
J. Jeffrey Dudley	Vice President, General Counsel Corporate Compliance Officer and Assistant Secretary

Campbell A. Henderson	Vice President, Information Technology and Chief Information Officer
James F. Lobdell	Vice President, Power Operations and Resource Strategy
Stephen M. Quennoz	Vice President, Nuclear and Power Supply / Generation
W. David Robertson	Vice President, Public Policy
Kristin A. Stathis	Vice President, Customer Service Operations
Marc S. Bocci	Corporate Secretary
Kirk M. Stevens	Controller and Assistant Treasurer
Brett C. Greene	Assistant Treasurer
Nora E. Arkonovich	Assistant Secretary
Cheryl A. Chevis	Assistant Secretary
Karen J. Lewis	Assistant Secretary

**Changes since 2011 Affiliated Interest Report:**

Peggy Y. Fowler	Director - Resignation	May 23, 2012
Jack E. Davis	Director – Appointment	June 13, 2012
Tamara S. Neitzke	Resignation	July 9, 2012
Brett C. Greene	Appointment as Assistant Treasurer	July 9, 2012

**Directors and Officers**

**121 SW Salmon Street Corporation**

<b><u>NAME</u></b>	<b><u>TITLE</u></b>
Maria M. Pope	Chairman of the Board
Carol A. Dillin	Director
J. Jeffrey Dudley	Director
Cindy A. Laurila	President
Maria M. Pope	Treasurer
Marc S. Bocci	Secretary

**Changes since 2011 Affiliated Interest Report**

Deanne Hulden	Resigned President Position	May 24, 2012
Cindy A. Laurila	Appointed President	May 24, 2012

**2013 Expected changes**

Maria Pope	Resignation Chairman of Board and Treasurer	April 2, 2013
James F. Lobdell	Appointment as Chairman Of Board and Treasurer	April 2, 2013

## Directors and Officers

### Salmon Springs Hospitality Group, Inc.

Maria M. Pope	Chairman of the Board
Carol A. Dillin	Director
J. Jeffrey Dudley	Director
Cindy A. Laurila	President
Maria M. Pope	Treasurer
Marc S. Bocci	Secretary

### Changes since 2011 Affiliated Interest Report

Deanne Hulden	Retired – Resign President Position	May 24, 2012
Cindy A. Laurila	Appointed President	May 24, 2012

### 2013 Expected changes

Maria Pope	Resignation Chairman of Board and Treasurer	April 2, 2013
James F. Lobdell	Appointment as Chairman Of Board and Treasurer	April 2, 2013



## **PGE Foundation**

### **NAME**

### **TITLE**

Gwyneth Gamble Booth	Chairman
David K. Carboneau	Director
Carol A. Dillin	Director
Peggy Y. Fowler	Director
Randolph L. Miller	Director
James J. Piro	Director
William David Robertson	Director
DeAngelo Wells	Director
Carole E. Morse	President
Maria M. Pope	Treasurer
Rosalie M. Duron	Secretary

### **Finance Committee**

David K. Carboneau, Chair  
Randolph L. Miller  
Maria M. Pope  
Bruce Carpenter  
Gwyneth Gamble Booth

### **Changes since 2011 Affiliated Interest Report**

David K. Carboneau	Appointment to Finance Comm.	Sept. 18, 2012
Randolph L. Miller	Resignation of Chair position	Sept. 18, 2012
David K. Carboneau	Appointment Chair Finance Committee	Nov. 27, 2012

### **2013 Expected changes**

Maria Pope	Resignation as Treasurer And Finance Committee	March 1, 2013
James F. Lobdell	Appointment as Treasurer And Finance Committee	March 1, 2013

## Directors and Officers

### World Trade Center Northwest Corporation

<u>NAME</u>	<u>TITLE</u>
Maria M. Pope	Chairman of the Board
Carol A. Dillin	Director
J. Jeffrey Dudley	Director
Cindy A. Laurila	President
Maria M. Pope	Treasurer
Marc S. Bocci	Secretary

### Changes since 2011 Affiliated Interest Report

Deanne Hulden	Resignation President Position	May 24, 2012
Cindy A. Laurila	Appointed President	May 24, 2012

### 2013 Expected changes

Maria Pope	Resignation Chairman of Board and Treasurer	April 2, 2013
James F. Lobdell	Appointment as Chairman Of Board and Treasurer	April 2, 2013

**Directors and Officers**

**SunWay 1, LLC**

**SunWay 2, LLC**

**Sun Way 3, LLC**

**NAME**

**TITLE**

No Directors or Officers

Portland General Electric Company, as Managing Member, directs the operations of SunWay 1, SunWay 2, and SunWay 3.

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 Affiliated Interest Report**

(Reported May 2013)

Section I-C

Financial Statements  
for  
PGE Affiliates

121 SW Salmon Street Corporation  
PGE Foundation  
Salmon Springs Hospitality Group  
World Trade Center Northwest Corporation  
Sunway 1, LLC  
Sunway 2, LLC  
Sunway 3, LLC

***(Confidential- Under Separate Cover)***

**PORTLAND GENERAL ELECTRIC COMPANY**  
**2012 AFFILIATED INTEREST REPORT**

**(Reported May 2013)**

**Sections II – VII**

- Transactions by Affiliate
- Employee Transfers
- Intra-Company Cost Allocations

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 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
SunWay 1, LLC.....	8
SunWay 2, LLC.....	10
SunWay 3, LLC.....	12
PGE – Intra-Company Headquarters Allocation .....	14
PGE – Intra-Company Corporate Governance Allocation.....	15
PGE – Intra-Company Service Provider Allocation.....	15

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 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.

	<b>Amount</b>
Original amount of the debt	\$ 57,063,276
Maximum amount for the year	\$ 33,771,188
Ending balance for December 2012	\$ 31,774,122

Commission Order(s):

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

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 AFFILIATED INTEREST REPORT**

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:

	<u>Amount</u>
Account 418 - Lease Payments	\$ 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:

<u>Amount</u>
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**

**2012 AFFILIATED INTEREST REPORT**

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

II. Service Billed to PGE:

	<u>Amount</u>
Account 921 - Catering Services	\$ 875,390

Description of Basis of Pricing:

Non-labor items are billed at market value.

Service Billed to SSHG:

	<u>Amount</u>
Account 186 - Administrative Support	\$ 814,937

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**

**2012 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

Account 123.1 – Investment in Subsidiary (Dividend)

\$ 400,000

Description of Basis of Pricing:

Dividends paid.

- 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**

**2012 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

\$ 107,366

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.

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 AFFILIATED INTEREST REPORT**

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 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**

**2012 AFFILIATED INTEREST REPORT**

Name of Company: SunWay 1, LLC (SunWay 1)

II. Service Billed to PGE:

Amount

None

Service Billed to SunWay 1:

Amount

None

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 SunWay 1 debt, nor does SunWay 1 guarantee any PGE debt.

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 AFFILIATED INTEREST REPORT**

- 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

PGE is the primary beneficiary of SunWay 1 LLC, a VIE which was formed in late 2008. This entity was formed for the sole purpose of designing, developing, constructing, owning, maintaining, operating, and financing photovoltaic solar power facilities located on real property owned by third parties and selling the energy generated by the facilities.

Other Items Billed to SunWay 1:

**Amount**

Account 921 – Administrative and Management Fees

\$ 5,276

Description of Basis of Pricing:

Administrative and Management Fees as specified in the Operating Agreement

- 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 SunWay 1

None

Number of Employees Transferred from SunWay 1 to PGE

None

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 AFFILIATED INTEREST REPORT**

Name of Company: SunWay 2, LLC (SunWay 2)

II. Service Billed to PGE:

**Amount**

None

Service Billed to SunWay 2:

**Amount**

None

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 SunWay 2 debt, nor does SunWay 2 guarantee any PGE debt.

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 AFFILIATED INTEREST REPORT**

- 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:

	<u>Amount</u>
Account 123.1 – Investment in Subsidiary (Capital Contribution)	\$ 751,000
Account 555 – Purchased Power	\$ 43,777

Description of Basis of Pricing:

Account 123.1 – Cash contribution.

Purchased power is priced under Schedule 201 “Qualified Facility 10 MW or Less – Avoided Cost Purchase Power Information”.

Other Items Billed to SunWay 2:

	<u>Amount</u>
Account 442 – Commercial and Industrial Sales	\$ 440
Account 921 – Administrative and Management Fees & Administrative Support	\$ 47,670

Description of Basis of Pricing:

Account 442 – Monthly service charge per Schedule 201 due to separately metered QF not associated with a retail customer account.

Account 921 – Administrative and Management Fees as specified in the Operating Agreement. Labor costs are based on man-hours utilized at fully allocated labor rates. Non-labor items are billed at cost.

- 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 SunWay 2 \_\_\_\_\_  
None

Number of Employees Transferred from SunWay 2 to PGE \_\_\_\_\_  
None



**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 AFFILIATED INTEREST REPORT**

Name of Company: SunWay 3, LLC (SunWay 3)

II. Service Billed to PGE:

**Amount**

None

Service Billed to SunWay 3:

**Amount**

None

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 SunWay 3 debt, nor does SunWay 3 guarantee any PGE debt.

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 AFFILIATED INTEREST REPORT**

- 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:

	<u>Amount</u>
Account 555 – Purchased Power	\$ 122,747

Description of Basis of Pricing:

Account 555 – Purchased power is priced under Schedule 201 “Qualified Facility 10 MW or Less – Avoided Cost Purchase Power Information”.

Other Items Billed to SunWay 3:

	<u>Amount</u>
Account 442 – Commercial and Industrial Sales	\$ 1,121
Account 921 – Administrative and Management Fees	\$ 21,310

Description of Basis of Pricing:

Account 442 - Monthly service charge per Schedule 201 due to separately metered QF not associated with a retail customer account.

Account 921 – Administrative and Management Fees as specified in the Operating Agreement.

- 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 SunWay 3 None

Number of Employees Transferred from SunWay 3 to PGE None

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 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. Amounts related to PGE utility operations are allocated above the line to various Operating and Maintenance Expense accounts.

Allocation of costs between utility and non-utility operations is based on square footage of space used. Operating costs which are identifiable to specific utility or non-utility operations are directly allocated.

	<u>Amount</u>
Total 2012 World Trade Center Operations:	\$ 11,561,591
Amount transferred to utility operations during 2012:	
Account 107 - Construction Work in Progress - Electric	\$ 647,449
Account 184 - Clearing Accounts (Service Providers)	1,329,583
Account 557 - Miscellaneous Power Expense	335,286
Account 920 - Administrative & General Expense - Labor	140,698
Account 921 - Administrative & General Expense - Non-labor	2,391,290
Account 930.2 - Miscellaneous General Expense	46,246
Account 931 - Rents	2,740,097
Total allocated to utility in 2012:	<u>\$ 7,630,649</u>

**PORTLAND GENERAL ELECTRIC COMPANY**

**2012 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 (Account 921) to the following: PGE capital, jointly-owned projects capital and expense, billing jobs and non-utility operations.

	<u>Amount</u>
Amount transferred to non-utility operations during 2012 Accounts 417, 418, 421 & 426:	\$ 156,989

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.

	<u>Amount</u>
Amount transferred to non-utility operations during 2012 Accounts 417 & 421:	\$ 515,930