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September 13, 2013

Via Electronic Mail and Federal Express

Public Utility Commission of Oregon
Attn: Filing Center
550 Capitol St. NE #215
P.O. Box 2148
Salem OR 97308-2148

Re: In the Matter of PACIFICORP, dba PACIFIC POWER
Transition Adjustment, Five-Year Cost of Service Opt-Out
Docket No. UE 267

Dear Filing Center:

Enclosed for filing in the above-referenced docket, please find the original and five (5) copies of the Reply Testimony of Donald W. Schoenbeck on behalf of the Industrial Customers of Northwest Utilities.

Thank you for your attention to this matter, and please don't hesitate to contact our office with any questions.

Sincerely,

/s/ Jesse Gorsuch
Jesse Gorsuch

Enclosures
cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the attached REPLY TESTIMONY OF DONALD W. SCHOENBECK ON BEHALF OF THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES upon all parties of record in this proceeding by causing a copy thereof to be sent via electronic mail to each party's last-known e-mail address, as shown below.

Dated at Portland, Oregon, this 13th day of September, 2013.

/s/ Jesse Gorsuch
Jesse Gorusch

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BEFORE THE OREGON PUBLIC UTILITY COMMISSION

UE 267

In the Matter of	)
	)
PACIFICORP	)
	)
Five-Year Cost of Service Opt-Out Program	)
	)

REPLY TESTIMONY OF DONALD W. SCHOENBECK

ON BEHALF OF

THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES

September 13, 2013

I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Donald W. Schoenbeck. I am a member of Regulatory & Cogeneration Services, Inc. ("RCS"), a utility rate and economic consulting firm. My business address is 900 Washington Street, Suite 780, Vancouver, WA 98660.

Q. PLEASE DESCRIBE YOUR BACKGROUND AND EXPERIENCE.

A. I have been involved in the energy industry for over 40 years. During that time, I have served as an analyst and expert on a variety of power supply, cost, ratemaking, and policy topics, including issues related to the Pacific Northwest investor-owned utilities and the Bonneville Power Administration ("BPA"). I have provided testimony on behalf of the Industrial Customers of Northwest Utilities ("ICNU") before the Oregon Public Utility Commission ("OPUC" or "Commission") in various proceedings regarding Portland General Electric Company ("PGE") and PacifiCorp (the "Company"). I have also provided testimony on behalf of ICNU before the Washington Utilities and Transportation Commission ("WUTC") regarding Avista, PacifiCorp, and Puget Sound Energy. A further description of my educational background and work experience can be found in Exhibit ICNU/101.

Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

A. I am testifying on behalf of ICNU. ICNU is a non-profit trade association whose members are large industrial customers served by local distribution utilities throughout the Pacific Northwest, including PacifiCorp.

Q. WHAT TOPICS WILL THIS TESTIMONY ADDRESS?

A. The purpose of this testimony is to address the flaws in PacifiCorp's proposed approach to a five-year opt-out program for qualified customers to move to direct market access for electricity supply. In particular, PacifiCorp's proposed Customer Opt-Out Charge that imposes 20 years of fixed generation costs on potential direct access participants during the five-year transition period is unreasonable and unsupported.

ICNU proposes that the Commission adopt an alternate methodology similar to the universally supported proposed settlement of direct access issues in PGE's UE 262 General Rate Case docket. This methodology represents a reasonable and conservative approach to allowing eligible customers to transition to long-term market energy supply while minimizing any potential harm to remaining cost of service customers.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS IN THIS TESTIMONY.

A. The essential elements of ICNU's proposed five-year opt-out program are summarized below.

- **Participation Cap:** 175 aMW pursuant to reevaluation upon reaching 80% participation (same proposal as PacifiCorp).

- **Eligibility:** Customers taking delivery service under Schedules 47/747 or 48/748 and consumers taking service under Schedules 30/730, 47/747, or 48/748 under a single corporate name with meters each having more than 200 kW of billing demand at least one time in the past 13 months and totaling at least 1 MW (as opposed to 2 MW proposed by PacifiCorp).

- **Rate Charges:** During the transition period, customers electing the five-year program would be subject to base power supply charges (Schedule 200), transition adjustments based on the difference between regulated net power costs and the market value of power, and applicable delivery charges and supplemental adjustment schedules. After the five year transition period, customers would only be responsible for applicable delivery and adjustment schedules and would pay no power supply costs to PacifiCorp (same proposal as PacifiCorp excepting the Customer Opt-Out Charge).

- **Return to Cost of Service:** Direct access customers would retain the right to return to cost of service rates with three years of advance notification to the Company (as opposed to no possibility of return in the Company's filing).

II. PACIFICORP'S DIRECT ACCESS PROGRAM

Q. PLEASE DESCRIBE THE PURPOSE OF THIS DOCKET.

A. As ordered by the Commission in docket UM 1587, the Company has filed a proposed tariff to allow eligible customers to participate in a five-year opt-out program to go to direct access by paying fixed transition charges for five years and then no longer be subject to transition adjustments.

Q. HAS PACIFICORP'S DIRECT ACCESS PROGRAM TO DATE BEEN A VIABLE OPTION FOR CUSTOMERS?

A. No. Since its initial implementation, PacifiCorp's direct access programs have suffered from anemic participation. Based on PacifiCorp's response to Noble Americas Energy Solutions ("NAES") Data Request 1.2 and 1.3, direct access participation in 2013 will be only about 22 aMW, representing 3% of currently eligible load. These data responses are attached as part of Exhibit ICNU/102, Schoenbeck/1-2. Customers have been particularly limited by lack of means to make a long term commitment to direct access that results in eventual cessation of transition adjustments and payment of fixed generation costs to PacifiCorp.

Q. PLEASE BRIEFLY DESCRIBE THE COMPONENTS OF PACIFICORP'S ELECTRICITY SUPPLY SERVICE AND HOW THEY RELATE TO PACIFICORP'S CURRENT THREE-YEAR OPT-OUT PROGRAM.

A. PacifiCorp's electricity supply service for cost of service customers has two components. The first component is Net Power Costs ("NPC"), which are collected through Schedule

201 and generally include fuel costs, wholesale power purchases, wheeling expenses, and offset by wholesale sales revenues (i.e., variable generation costs). The second component is Base Supply Service costs, which are collected through Schedule 200 and are composed of the capital costs and operations and maintenance expenses for PacifiCorp's generation fleet that are not captured in NPC (i.e., fixed generation costs).

The Company's current direct access program allows eligible customer to opt out of Schedule 201 charges in favor of market service. These customers are still subject to Schedule 200 charges and also pay transition adjustments reflecting the forecasted difference between the Company's regulated NPC and the market value of the energy that is freed by the customers choosing direct access.

Q. PLEASE SUMMARIZE PACIFICORP'S PROPOSED FIVE-YEAR PROGRAM IN THIS PROCEEDING.

A. PacifiCorp's proposal in this proceeding is for customers currently eligible for the three-year opt-out program to also be eligible for the five-year program. Specifically, this includes customers taking delivery service under Schedules 47/747 or 48/748 and consumers taking service under Schedules 30/730, 47/747, or 48/748 under a single corporate name with meters each having more than 200 kW of billing demand at least one time in the past 13 months and totaling at least 2 MW. Total program participation would be capped at 175 aMW.

Similar to the extant three-year program, eligible customers electing the five-year program would continue to pay Schedule 200 charges and also transition adjustments, plus an additional Customer Opt-Out Charge which PacifiCorp is proposing as part of Schedule 296. After five years of continuous participation in the opt-out program, customers would no longer pay transition adjustments or Customer Opt-Out Charges in

Schedule 296 and also would be exempt from Schedule 200 charges. In other words, after five years customers would no longer pay PacifiCorp for any power supply costs. Finally, under PacifiCorp's proposal, customers who fully transitioned away from PacifiCorp's cost of service power supply would never be eligible to return to full cost of service rates.

Q. PLEASE DESCRIBE THE PROPOSED FIVE-YEAR PROGRAM CUSTOMER OPT-OUT CHARGES UNDER SCHEDULE 296 IN MORE DETAIL.

A. The Customer Opt-Out charge is the key element that differentiates PacifiCorp's proposed program from PGE's program (both historically and prospectively). According to PacifiCorp, the purpose of the Schedule 296 rates is to charge direct access customers for the projected fixed generation costs (offset by the value of freed up energy) for years six through twenty after a customer elects direct access. In other words, PacifiCorp is proposing to charge direct access for customers for a full *twenty years* of fixed generation costs during the five year transition period.

PacifiCorp's rationale for this proposal is that it is "necessary to minimize cost shifting to nonparticipating customers when customers in this program cease paying Base Supply Service in Schedule 200 after five years." PAC/200, Duvall/6 lines 9-11. PacifiCorp appears to have chosen a 20-year time frame to match the "planning horizon" in long-term Integrated Resource Plans ("IRP").

Q. IS PACIFICORP'S PROPOSAL REASONABLE?

A. No. Although PacifiCorp does include 20 year planning in its IRP, actual resource acquisitions are made based on significantly shorter-term considerations. PacifiCorp does not consider the value to remaining cost of service customers of avoiding or delaying expensive resource acquisitions as a result of customers choosing direct access.

Further, PacifiCorp's analysis does not consider the impact of load growth in offsetting any potential "stranded costs" as a result of customers choosing direct access.

Since PacifiCorp claims that it plans and operates its system on an integrated basis and Oregon currently pays for the costs of load growth on the Company's eastern system, it is relevant to consider the rate of load growth on the system. In response to Staff Data Request 2, PacifiCorp identified that it projects 175 aMW of load growth to occur on its system within four years. This data response is attached as part of Exhibit ICNU/102, Schoenbeck/4. Thus, even if the fully allowed amount of direct access load left as soon as possible, any stranded cost issue would be completely ameliorated before those customers stopped paying Schedule 200 charges. This means that the Customer Opt-Out Charges representing fixed costs for years six through twenty would be a pure subsidy from customers electing direct access to remaining cost of service customers. It is also worth keeping in context that 175 aMW represents only 2.6% of the Company's projected load for 2014.

Q. HOW DOES ICNU RECOMMEND THAT PACIFICORP'S PROPOSAL FOR THE FIVE-YEAR PROGRAM BE MODIFIED?

A. First and foremost, ICNU recommends that the Customer Opt-Out Charge be eliminated in its entirety. This charge serves no purpose other than a poison pill to the viability of the five-year program as a choice for consumers. As described above, even under the "worst case" scenario where the fully allowed load chose direct access immediately, there would be no stranded cost issue. Further, remaining cost of service customers would actually benefit as a result of the ability to delay or avoid resource acquisitions.

ICNU recommends that customers choosing the five-year program for direct access be subject to the following charges during the five year transition period:

- Applicable Direct Access Delivery Service rate schedule (730, 747, or 748).
- Schedule 200 (Base Supply Service)
- Applicable adjustment schedules
- Schedule 296, modified from PacifiCorp's proposal to include only transition adjustments calculated as the difference between forecasted regulated NPC and the market value of freed up power.

After the full five year transition period, customers would only be subject to their applicable delivery charges and sundry adjustment schedules. Customers' first opportunity to select the five-year program would be in the 2014 election period for service in the 2015 rate year.

Consistent with the proposed PGE program, ICNU recommends that customers be allowed to return to full cost of service rates with three years of advance notification to the Company. ICNU also recommends that the size threshold for eligible customers be reduced from a 2 MW peak down to 1 MW. Finally, ICNU recommends that once 80% of the participation cap is reached (i.e., 140 aMW of the 175 aMW total), that the Commission consider the issue of raising the cap.

Q. WHAT ARE THE ADVANTAGES OF ICNU'S PROPOSED PROGRAM?

A. I have already described the reasons for eliminating the Customer Opt-Out Charge. Allowing a three year advance notification to return to cost of service rates will strike a balance between the possibility of return to cost of service rates in the event of unforeseen circumstances, but still give adequate time to the Company to integrate the new load into its resource acquisition commitments and planning. As shown in the Company's response to OPUC Data Request 2, three years reasonably lines up with the

Company's typical time frame for the acquisition of new resources. This data request is attached as part of Exhibit ICNU/102, Schoenbeck/4.

Lowering the cap to 1 MW of aggregate demand would allow greater ability for consumers to pursue direct access, while still limiting the program to relatively large and sophisticated customers. Pursuant to NAES Data Request 1.10, this reduced demand threshold would only expand eligibility from 343 aMW to 357 aMW at this time (and of course would have no effect on the overall participation cap). This data request is attached as part of Exhibit ICNU/102, Schoenbeck/3.

ICNU believes that a potential expansion of the participation cap may be in order if the program is successful enough to use most of the total (80% under ICNU's proposal). Reconsideration of the program if it is actually successful should not pre-judge any particular outcome.

Finally, ICNU's proposed five-year program closely mirrors the settlement proposal that is universally supported by Staff, ICNU, PGE, Citizens' Utility Board and NAES in PGE's UE 262 general rate case docket. This settlement agreement and supporting testimony are attached as Exhibit ICNU/103. Given that both programs are being driven by the same policy goals, it is logical for the Commission to have a consistent direct access policy for PGE and PacifiCorp. Consumers should have the same opportunities to pursue direct access regardless of historical accident that placed them in PGE or PacifiCorp's service territory.

Q. ARE YOU ADDRESSING OTHER ISSUES RELATED TO PACIFICORP'S DIRECT ACCESS PROGRAM?

A. No. It is my understanding that this proceeding is limited to only reviewing PacifiCorp's five-year opt-out proposal, and is not addressing other issues or concerns that ICNU may have with PacifiCorp's direct access program.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

UE 267

In the Matter of	)
	)
PACIFICORP	)
	)
Five-Year Cost of Service Opt-Out Program	)
	)

EXHIBIT ICNU/101

QUALIFICATIONS OF DONALD W. SCHOENBECK

September 13, 2013

QUALIFICATIONS AND BACKGROUND OF DONALD W. SCHOENBECK

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Donald W. Schoenbeck, 900 Washington Street, Suite 780, Vancouver, Washington 98660.

Q. PLEASE STATE YOUR OCCUPATION.

A. I am a consultant in the field of public utility regulation and I am a member of Regulatory & Cogeneration Services, Inc. ("RCS").

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I have a Bachelor of Science Degree in Electrical Engineering from the University of Kansas and a Master of Science Degree in Engineering Management from the University of Missouri.

From June of 1972 until June of 1980, I was employed by Union Electric Company in the Transmission and Distribution, Rates, and Corporate Planning functions. In the Transmission and Distribution function, I had various areas of responsibility, including load management, budget proposals and special studies. While in the Rates function, I worked on rate design studies, filings and exhibits for several regulatory jurisdictions. In Corporate Planning, I was responsible for the development and maintenance of computer models used to simulate the Company's financial and economic operations.

In June of 1980, I joined the consulting firm of Drazen-Brubaker & Associates, Inc. Since that time, I have participated in the analysis of various utilities for power cost forecasts, avoided cost pricing, contract negotiations for gas and electric services, siting and licensing proceedings, and rate case purposes including revenue requirement determination, class cost-of-service and rate design.

In April 1988, I formed RCS. RCS provides consulting services in the field of public utility regulation to many clients, including large industrial and institutional customers. We also assist in the negotiation of contracts for utility services for large users. In general, we are engaged in regulatory consulting, rate work, feasibility, economic and cost-of-service studies, design of rates for utility service and contract negotiations.

Q. IN WHICH JURISDICTIONS HAVE YOU TESTIFIED AS AN EXPERT WITNESS REGARDING UTILITY COST AND RATE MATTERS?

A. I have testified as an expert witness in rate proceedings before commissions in the states of Alaska, Arizona, California, Delaware, Idaho, Illinois, Maryland, Montana, Nevada, North Carolina, Ohio, Oregon, Washington, Wisconsin and Wyoming. In addition, I have presented testimony before the Bonneville Power Administration, the National Energy Board of Canada, the Federal Energy Regulatory Commission, publicly-owned utility boards and in court proceedings in the states of Washington, Oregon and California.

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

UE 267

In the Matter of	)
	)
PACIFICORP	)
	)
Five-Year Cost of Service Opt-Out Program	)
	)

EXHIBIT ICNU/102

PACIFICORP RESPONSES TO NOBLE AMERICAS ENERGY SOLUTIONS' DATA REQUESTS NOS. 1.2, 1.3 and 1.10;

PACIFICORP RESPONSE TO OPUC STAFF DATA REQUEST NO. 2

September 13, 2013

UE-267/PacifiCorp
March 26, 2013
NAES Data Request 1.2

NAES Data Request 1.2

In UE 227, in Response to Noble Solutions DR 14, PacifiCorp indicated that the amount of PacifiCorp's total Oregon direct access load (MWH) for each year, 2003 through 2010, was as follows:

Year	MWh
2003	-
2004	-
2005	169,729
2006	108,645
2007	103,855
2008	100,808
2009	75,480
2010	116,703

(a) Please confirm the accuracy of this information and update it for 2011 and 2012.

(b) Please provide the projected amount of PacifiCorp's direct access Oregon retail load in 2013.

Response to NAES Data Request 1.2

(a) As provided in response to Noble Solutions Data Request 14 in docket UE 227, the Company's total Oregon direct access load for the years 2003-2010 is correct. Please refer to Attachment NAES 1.2 for the Company's direct access load for 2011-2012.

(b) PacifiCorp's estimated direct access retail load for 2013 in Oregon is 194,751 MWh.

UE-267/PacifiCorp
March 26, 2013
NAES Data Request 1.3

NAES Data Request 1.3

Reference Advice No. 13-004 at 2, discussing "Total Eligible Load."

(a) Please provide the amount of PacifiCorp's total Oregon retail load (MWH) that was eligible for direct access in each year, 2003 through 2012.
(b) Please provide the projected amount of PacifiCorp's direct-access-eligible Oregon retail load in 2013.
(c) Please indicate whether PacifiCorp's sales to Georgia Pacific – Camas under the Special Contract listed in Schedule 400 are included in the totals in and a. and b., and explain PacifiCorp's reasoning for inclusion or exclusion (as the case may be).

Response to NAES Data Request 1.3

(a) Nonresidential retail customers are eligible for direct access. PacifiCorp's Oregon nonresidential retail sales (MWh) for the years 2003 through 2012 are provided below:

2003	8,001,316
2004	7,915,075
2005	7,832,102
2006	8,358,417
2007	8,433,502
2008	8,212,141
2009	7,770,161
2010	7,264,730
2011	7,445,009
2012	7,373,205

(b) PacifiCorp's forecast Oregon nonresidential retail sales for 2013 is 7,657,910 MWh.

(c) PacifiCorp's sales to Georgia Pacific–Camas are reflected in the nonresidential retail sales in (a) and (b) above. The Company does not provide customer specific usage data and therefore has not removed sales to Georgia Pacific–Camas.

UE-267/PacifiCorp
March 26, 2013
NAES Data Request 1.10

NAES Data Request 1.10

Reference Advice No. 13-004 at 2, discussing "Total Eligible Load."

(a) Please identify the amount of total qualifying load under the Company's proposal expressed in both MWa and MWH.
(b) What is the amount of total qualifying load if the minimum aggregate load under a single corporate name is reduced from 2 MW (PacifiCorp proposal) to 1 MW?
(c) What is the amount of total qualifying load if the minimum aggregate load under a single corporate name is reduced from 2 MW (PacifiCorp proposal) to 1 MW and the minimum billing demand per meter is increased from 200 kW to 250 kW?

Response to NAES Data Request 1.10

(a) The amount of total qualifying load under the Company's proposal is 3,006,426 MWh, or 343 aMW, based on usage in 2012.

(b) The amount of total qualifying load if the minimum aggregate load under a single corporate name is reduced from 2 MW to 1 MW is 3,127,130 MWh, or 357 aMW, based on usage in 2012.

(c) The Company objects to this request as requesting information not maintained in the ordinary course of business or as requiring a special study. Without waiving these objections, the Company responds as follows:

This data is not readily available. The Company does not have a rate schedule with a minimum registered usage of 250 kW.

UE-267/PacifiCorp
July 22, 2013
OPUC Data Request 2

OPUC Data Request 2

Regarding PAC/100, Steward/6, lines 5 through 11, (a) what number of years is it typically necessary for the company to adjust its resources and power purchase commitments in order to economically serve new load? (b) On a PacifiCorp system basis, how many years of load growth are needed to reach a cumulative load growth of 175 aMW? (c) On an Oregon basis, how many years of load growth are needed to reach a cumulative load growth of 175 aMW?

Response to OPUC Data Request 2

(a) The Company uses its Integrated Resource Plan (IRP) process, which utilizes a 20-year planning horizon, to identify the appropriate mix of resources to economically serve load. The Company files an IRP every other year. As a general matter, the cited portion of Ms. Steward's testimony does not address new load; rather, it addresses load that is lost from customers departing to direct access.

(b) The 2013 IRP load forecast shows that on a system basis PacifiCorp will add cumulative load of approximately 175 aMW (1,533 GWh) in 2017 or approximately four years.

(c) The 2013 IRP load forecast does not show Oregon loads growing by 175 aMW (1,533 GWh) cumulatively in the forecasted 20-year horizon.

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

UE 267

In the Matter of	)
	)
PACIFICORP	)
	)
Five-Year Cost of Service Opt-Out Program	)
	)

EXHIBIT ICNU/103

SECOND PARTIAL STIPULATION IN DOCKET NO. UE 262;
JOINT TESTIMONY IN SUPPORT OF
SECOND PARTIAL STIPULATION IN DOCKET NO. UE 262

September 13, 2013

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 262

In the Matter of	)	
	)	
PORTLAND GENERAL ELECTRIC COMPANY	)	**SECOND PARTIAL STIPULATION**
	)	
	)	
Request for a General Rate Revision	)	

This Second Partial Stipulation ("Stipulation") is between Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff'), the Citizens' Utility Board of Oregon ("CUB"), the City of Portland ("COP"), Fred Meyer Stores and Quality Food Centers, Division of Kroger Co. ("Kroger"), the Industrial Customers of Northwest Utilities ("ICNU"), Wal-Mart Stores, Inc., and Noble Americas Energy Solutions LLC ("Noble") (collectively, the "Stipulating Parties"). PacifiCorp intervened to monitor this docket, did not participate in settlement negotiations, and takes no position on this Stipulation.

Many of the Stipulating Parties previously entered into and filed a Partial Stipulation in this docket that settled all issues except PGE's test year pension-related costs, proposed changes to PGE's direct access program, aspects of PGE's decoupling mechanism, and three streetlight related issues raised by the COP: ownership and maintenance responsibility of associated circuits, certain luminaire charges, and pole maintenance charges.

On July 2, 2013, the Stipulating Parties participated in a Settlement Conference regarding all remaining issues in this docket except pension expense. All parties were invited to participate. A subsequent settlement conference was held on July 9, 2013. Counsel for the Northwest and Intermountain Power Producers Coalition ("NIPPC") participated in this

Settlement Conference. As a result of those discussions the Stipulating Parties have reached a compromise settlement of all remaining issues in this docket except pension-related cost, as described in detail below.

TERMS OF PARTIAL STIPULATION

1. This Partial Stipulation resolves all remaining issues in this docket except PGE's test year pension-related costs.

LONG-TERM DIRECT ACCESS ISSUES

2. To address disputed issues of potential undue cost shifting and fairness to all customers, the Stipulating Parties agree to the following changes to PGE's long-term direct access programs. The Stipulating Parties intend for these changes to be implemented after expiration of the currently effective stipulation approved by the Commission in Order No. 12-057, which makes the current program available through the 2013 election window for service commencing in 2014 and thereafter.

3. With respect to the five-year cost of service opt-out option in PGE's tariffs, the Stipulating Parties agree that commencing with elections made in 2014 for service commencing in 2015 and thereafter:

    a. The portion of the Schedule 129 transition adjustments related to net variable costs, applicable supplemental adjustments, and the market price of power will be calculated in advance of the applicable enrollment window and will not be subject to updates during the five-year period for which the transition adjustments are applicable. This portion of the transition adjustments will be levelized over the five-year period.

b. The initial Schedule 129 transition adjustments will reflect current Commission-approved fixed generation costs, and the transition adjustments will not be levelized over the five-year period.

c. During the five-year period the portion of Schedule 129 transition adjustments related to fixed generation costs will be updated consistent with Commission orders related to general rate cases or Renewable Resource Automatic Adjustment Clause proceedings.

d. Beginning in year six from the election transition adjustments will be zero.

e. PGE will continue to differentiate Schedule 129 transition adjustments by schedule and delivery voltage for Schedules 485 and 489.

f. Consistent with the agreements below regarding streetlight issue, new tariff Schedules 491, 492, and 495 will be implemented. Schedules 491, 492 and 495 will each be subject to the same Schedule 129 transition adjustments.

g. Customers electing the five-year opt-out under Schedules 485, 489, 491, 492, and/or 495, must give PGE not less than three years notice to return to cost of service.

4. With respect to the three-year cost of service opt-out option in PGE's tariffs, and also commencing with elections made in 2014 for service commencing in 2015 and thereafter:

a. PGE will offer fixed Schedule 129 transition adjustments in accordance with OAR 860-038-0275(5) that are not subject to update.

b. PGE will calculate these transition adjustments by including the projected monthly revenue requirements of existing and new resources, if any, that are expected to begin providing service to customers during the three-year period. If the new resources are expected to commence service to customers on a date other than January 1, the revenue requirements for the resource will be appropriately prorated for the year.

c. The Schedule 129 transition adjustments will be levelized and differentiated by tariff schedule and delivery voltage.

5. Customers that enrolled in a five-year opt-out prior to the 2015 service year will not be subject to the changes to the calculation of the transition adjustment implemented by the Stipulation, and instead will continue to be responsible for the fixed transition adjustments contained in the rate schedules in effect at the time of the direct access election.

6. PGE will offer long-term direct access for customers on tariff Schedules 91, 92, and 95 commencing with the 2015 service year. These new long-term direct access tariffs will be Schedules 491, 492 and 495. To be eligible for Schedules 491 and 495, the minimum number of lights will be 30,000. To be eligible for Schedule 492, the minimum number of intersections will be 500. To be eligible for participation in any of these schedules, all lights corresponding to an individual municipal department (e.g. transportation, water, or parks departments within a municipality) must be included in the long-term direct access election. Participation in the new Schedules 491, 492, and 495 will be subject to the 300 aMW direct access participation cap.

7. The overall long-term direct access participation limit will remain at 300 aMW.

8. PGE agrees to consider in good faith the possibility of providing an option that would allow direct access customers to remain in the direct access program after relocating to

another location within PGE's service territory, and the Stipulation Parties agree that implementing such a change to the direct access program will not violate this Stipulation.

9. It is the intent of the Stipulating Parties that the terms of this Stipulation regarding long-term direct access issues will be in effect for the four service years 2015 through 2018. The Stipulating Parties agree that they will not propose or support changes to PGE's long-term direct access program during this period, unless agreed to by all Stipulating Parties. The Stipulating Parties further agree that if PGE seeks a waiver of OAR 860-038-0275 as a result of the 300 aMW limit, the Stipulating Parties will not oppose PGE's request.

DECOUPLING ISSUES

10. PGE's Schedule 123 Decoupling Adjustment will be extended through 2016 with the following changes:

    a. Commencing in 2014 PGE will file its decoupling results for the previous year by November 1, for prices effective January 1. For example, PGE will file its 2013 decoupling results by November 1, 2014, for prices effective January 1, 2015.

    b. For Schedule 7, a secondary fixed monthly charge will be applied only to customer counts that exceed the test period customer counts. This secondary fixed charge will be calculated by taking 76 percent of the final Schedule 7 Monthly Fixed Charge per customer in order to develop the secondary fixed monthly charge.

    c. The fixed monthly charge and the secondary fixed monthly charge will be updated in general rate cases. The secondary fixed monthly charge will be a percentage factor multiplied by the fixed monthly charge. The percentage factor will be the average of the annualized consumption for new (connecting) residential customers during a two-year period, compared to the final forecast Schedule 7 use per customer in the rate case test period. The two-year period shall begin three years prior to the initial filing date and end one year prior to the filing date.

STREETLIGHT ISSUES

11. The previously stipulated overall rate of return will be applied to lighting pole and investment prices.

12. The costs of maintenance of associated circuits will be reassigned from distribution to the maintenance prices for Schedule 91 Option A and B, Schedule 95 Option A, and Schedule 15 prices.

13. Schedule 91 Option B pole prices will be calculated using a 0.20% replacement rate.

14. PGE and the City of Portland commit to resolve concerns regarding the Option C demarcation points and the points of delivery for streetlight associated circuits in the City of Portland. PGE and the City of Portland commit to resolving concerns regarding ownership and responsibilities regarding these associated circuits, including but not limited to code compliance, accessibility and safety, outside of this proceeding.

GENERAL PROVISIONS

15. The Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of all remaining issues in this docket except PGE's test-year pension related costs.

16. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable and will meet the standard in ORS 756.040.

17. The Parties agree that this Stipulation represents a compromise in the positions of the parties. Without the written consent of all parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

18. The Stipulating Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Party reserves its right: (i) to withdraw from the Stipulation, upon written notice to the Commission and the other Parties within five (5) business days of service of the final order that rejects this Stipulation, in whole or material part, or adds such material condition; (ii) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (iii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission order. Nothing in this paragraph provides any Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

19. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation (if

specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

20. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 24th day of July, 2013.

PORTLAND GENERAL ELECTRIC COMPANY

STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

CITIZENS' UTILITY BOARD OF OREGON

CITY OF PORTLAND

specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

20. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 22 day of July, 2013.

PORTLAND GENERAL ELECTRIC
COMPANY

Johanna Riemenschneider
STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

CITY OF PORTLAND

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DATED this day of July, 2013.

PORTLAND GENERAL ELECTRIC COMPANY

STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

CITIZENS' UTILITY BOARD OF OREGON

CITY OF PORTLAND

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20. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this day of July, 2013.

PORTLAND GENERAL ELECTRIC COMPANY

STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

CITIZENS' UTILITY BOARD OF OREGON

Benjamin Walters, Chief Deputy
7/24/13 CITY OF PORTLAND

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

THE KROGER CO.

WAL-MART STORES, INC.

NOBLE AMERICAS ENERGY
SOLUTIONS LLC

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

THE KROGER CO.

WAL-MART STORES, INC.

NOBLE AMERICAS ENERGY
SOLUTIONS LLC

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

THE KROGER CO.

WAL-MART STORES, INC.

NOBLE AMERICAS ENERGY
SOLUTIONS LLC

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

THE KROGER CO.

WAL-MART STORES, INC.

NOBLE AMERICAS ENERGY
SOLUTIONS LLC

CERTIFICATE OF SERVICE

I hereby certify that I served the Joint Parties **Second Partial Stipulation,** by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UE 262.

DATED at Portland, Oregon, this 25th day of July, 2013.

Quisha Light
Regulatory Paralegal
Portland General Electric Company
121 SW Salmon St., 1WTC1301
Portland, OR 97204
(503) 464-8866 (Telephone)
(503) 464-2200 (Fax)
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SERVICE LIST – 07/25/13
OPUC DOCKET # UE 262

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SERVICE LIST – 07/25/13
OPUC DOCKET # UE 262

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Robert D. Kahn NORTHWEST & INTERMOUNTAIN POWER PRODUCERS COALITION rkahn@nippc.org	

BEFORE THE PUBLIC UTILITY COMMISSION

OF THE STATE OF OREGON

UE 262

PORTLAND GENERAL ELECTRIC COMPANY

Joint Testimony in Support of Second Partial Stipulation

George Compton
Lance Kaufman
Michael Deen
Bob Jenks
Kevin Higgins
Chris Hendrix
Marc Cody

August 20, 2013

Table of Contents

I. Introduction

Q. Please state your names and positions.

A. My name is George Compton. I am a Senior Economist, employed in the Rates, Finance, and Audit Section of the Energy Division of the Oregon Public Utility Commission (OPUC). My qualifications appear in OPUC Exhibit 301.

My name is Lance Kaufman. I am a Utility Economist, employed in the Rates, Finance, and Audit Section of the Energy Division of the OPUC. My qualifications appear in OPUC Exhibit 401.

My name is Michael Deen. I am employed by Regulatory and Cogeneration Services, Inc. (RCS), a utility rate and consulting firm. I am testifying on behalf of the Industrial Customers of Northwest Utilities (ICNU). My qualifications appear in ICNU Exhibit 101.

My name is Bob Jenks. I am the Executive Director of the Citizens' Utility Board of Oregon (CUB). My qualifications appear in CUB Exhibit 101.

My name is Kevin Higgins. I am a principal in the firm Energy Strategies, LLC and am testifying on behalf of both Noble Americas Energy Solutions LLC (Noble) and The Kroger Co. My qualifications appear in Noble Exhibit 100.

My name is Chris Hendrix. I am the Director of Markets and Compliance for Wal-Mart Stores, Inc. (Wal-Mart). My qualifications are also contained in Exhibit 201 to this testimony.

My name is Marc Cody. I am a Senior Analyst for Portland General Electric (PGE). My qualifications appear in PGE Exhibit 1500.

Q. What is the purpose of your testimony?

A. Our purpose is to describe the Second Partial Stipulation (the Stipulation) reached among the OPUC Staff (Staff); CUB; ICNU; the City of Portland (COP); Noble; Wal-Mart; and PGE (the Stipulating Parties) regarding the direct access, decoupling, and streetlighting issues in this docket (UE 262). While there are other parties to this case, we are not aware of any who oppose this Partial Stipulation.

Q. Please describe the process that led to this Stipulation.

A. PGE filed this general rate case on February 15, 2013. During the next three to four months, Staff, CUB, ICNU, and other parties submitted over 750 data requests regarding PGE's filing. On May 16, Staff provided an initial analysis of issues and the Stipulating Parties participated in Settlement Conferences on May 29, June 3 and June 6, during which other parties also identified issues. Staff and the COP submitted testimony on June 14 regarding PGE's long-term direct access program and decoupling, and the COP submitted testimony on several streetlighting issues. The Stipulating Parties participated in additional Settlement Conferences on July 2 and July 9. During those Settlement Conferences, proposals were advanced and modified by the Stipulating Parties and ultimately compromises were made and a resolution satisfactory to all was reached.

II. Resolved Direct Access Issues

Q. Please summarize the long-term direct access issues raised by either Staff or the COP?

A. Staff or the COP variously made the following proposals:

1) Revise Schedule 129 Long-term Transition Adjustment to better capture fixed generation costs.

2) Spread the Schedule 129 revenues to all rate schedules instead of just Schedules 85 and 89 and their direct access equivalents.

3) Simplify the Schedule 129 price structure such that the prices for different enrollment vintages would no longer be differentiated.

4) Provide for annual updating of the Schedule 129 transition adjustments.

5) Change the advance notification for customers desiring a return to cost-of-service (COS) energy pricing from the current two years to five years.

6) Consider changing the participation limits.

7) Offer long-term direct access to streetlight and traffic signal customers who meet certain size thresholds.

Q. Why did Staff initially propose to revise Schedule 129?

A. Staff proposed to revise Schedule 129 because of a concern that long-term direct access customers are not being assigned an adequate share of fixed generation costs, to the detriment of COS customers.

Q. How did the Parties resolve this issue?

A. For the five-year option, the Parties agree to allow updates to fixed generation costs during the period for which transition adjustments apply. These updates will reflect Commission-approved fixed generation costs that are recovered in COS customer rates. For the three-year option, PGE will calculate Schedule 129 transition adjustments by including an amount equal to a projection of the revenue requirements of new generation resources expected to be brought online and put in rates during the three-year period for which the transition adjustments will be applicable. Including this amount helps to prevent the unwarranted shifting of costs to other retail electricity consumers of the electric company, as required under ORS 757.607(1). The three-year option will not be subject to any updates; hence it will conform to Oregon Administrative Rule 860-038-0275(5), which specifies that, "[a]t least once each year, electric companies must offer customers a multi-year direct access program with an associated fixed transition adjustment."

Q. Regarding the three-year option, how will the appropriate supplemental amount be determined if the commercial operation date of a projected new resource is other than January 1 of each year?

A. If the commercial operation date of an expected new resource is other than January 1, PGE will include an amount that is equal to the applicable first year revenue requirement, prorated to account for the anticipated commercial operation date. For any succeeding year, PGE will include an amount equal to the entirety of the annual revenue requirement associated with the new resource for such year..

Q. Why did Staff propose to spread the Schedule 129 revenues to all rate schedules?

A. Staff proposed this on the basis of equity. PGE currently allocates the Schedule 129 revenues (which currently are positive) as credits to Schedules 85 and 89 and their direct access equivalent schedules. When customers choose long-term direct access, the fixed generation costs are spread to a reduced amount of COS energy; therefore, transition adjustments (whether positive or negative) are appropriately allocated to all COS customers going forward.

Q. Did the Parties resolve this issue?

A. The Parties resolved this issue in the First Partial Stipulation filed on July 10.

Q. Why did Staff propose to simplify the Schedule 129 price structure and how was this issue resolved?

A. Staff, partially through PGE's Response to OPUC Data Request No. 311, identified PGE's Schedule 129 pricing structure as overly complex and burdensome. The Parties agreed to continue differentiating the Schedule 129 transition adjustments by schedule and delivery voltage. However, in order to reduce the number of Schedule 129 transition adjustments in any one enrollment window, the Parties agreed to levelize some (power costs for the five-year option) or all (for the three-year option) of these transition adjustments across the applicable period during which transition adjustments would apply (three or five years). This levelization of transition adjustments should reduce some of the administrative burden associated with each individual long-term direct access vintage while continuing to provide for the appropriate cost differences between the rate schedules and delivery voltages.

Q. How does the settlement prevent cost shifting and reduce administrative burden?

A. The levelization of prices should, as mentioned above, address some of the Schedule 129 administrative burden. Updating fixed generation costs for the five-year option will help address cost-shifting and accuracy. This is also true with supplementing the transition charge for the three-year option to account for the cost-shifting that occurs if new resources are brought online during the three years a direct access customer is not a COS customer.

Q. Why did Staff propose to change the notice period for returning to COS from two years to a minimum of five years and how was this issue resolved?

A. Staff proposed this change because it better represents how PGE adjusts its long-term resource portfolio to accommodate changes (mostly increases) in load. The Parties, in the interest of settlement agreed to change the advance notification provision from two years to three years for customers who select the five-year option for service beginning in the 2015 service year. This change is more consistent with PGE's long-term planning process and also provides some measure of reassurance to potential new direct access participants that they may access PGE energy pricing in the future.

Q. Why did Staff suggest that the long-term direct access participation limits could be increased?

A. Staff proposed a nonspecific change in the participation limits based on reduced risk of cost-shifting resulting from adoption of the Staff proposals including the change in the advance notification for the five-year option.

Q. How did the Parties resolve the participation limit issue?

A. The Parties agreed to maintain the current overall participation limits of 300 aMW in the interest of settlement of all the direct access issues specified above.

Q. What did the COP propose regarding long-term direct access?

A. The COP proposed that streetlight customers with at least 3,000 luminaires and traffic signal customers with at least 200 intersections be allowed to participate in long-term direct access. This proposal would create new Rate Schedules 491, 492, and 495.

Q. How was this issue resolved?

A. The Parties agreed that PGE will create these new rate schedules for customers with at least 30,000 lights and 500 intersections effective January 1, 2014 for the 2015 service year. This compromise will allow the COP to choose long-term direct access for their streetlight and signal accounts, while helping to mitigate the large set-up costs that PGE will incur in providing the option to applicable streetlight and signal customers.

Q. For what period of time do the Parties recommend the direct access portion of the Stipulation remain in effect?

A. The Parties agree the direct access portion of the Stipulation remain in effect for the four service years, 2015-2018. The Parties further agree that they will not propose or support changes to PGE's long-term direct access program during this period unless agreed to by all the Stipulating Parties. In addition, the Parties agree that they will not oppose PGE's request to seek a waiver of OAR 860-038-0275(5) as a result of the 300 aMW limit.

Q. For what service year are the direct access stipulated changes above expected to take effect?

A. The Parties agree that the changes discussed above will take effect commencing with the enrollment window in 2014 for the 2015 service year. Customers who enroll in long-term direct access on or before the 2014 service year will not be subject to fixed generation cost true-ups, and will continue to have a two-year advance notification period for return to COS pricing.

III. Resolved Decoupling Issues

Q. Please describe PGE's initial decoupling mechanism proposal.

A. In direct testimony, PGE proposed that decoupling as specified in Schedule 123 continue indefinitely in the same manner as it is currently, with provision for updates to the fixed costs recovered volumetrically during general rate proceedings. PGE also proposed changes to the time and manner of its Schedule 123 filings such that the effective dates will be moved back seven months from June 1 of the succeeding year, to the following January 1.

Q. What changes to PGE's decoupling mechanism did Staff propose in its Opening Testimony?

A. Staff proposed that PGE's decoupling mechanism be extended for three years, to 2016, and that Schedule 123 contain an additional Secondary Fixed Monthly Charge applicable to Schedule 7 Residential customers. This Secondary Fixed Monthly Charge would only be applicable when residential customer counts exceed the monthly customer count contained in the load forecast used to set rates in a general rate case. Staff also recommended a change to the Nonresidential Lost Revenue Recovery Adjustment (LRRA). This change was incorporated into the First Partial Stipulation dated July 10.

Q. Why does Staff propose a Secondary Monthly Fixed Charge and how does Staff propose to calculate it?

A. Staff proposed that the Secondary Monthly Fixed Charge be calculated by dividing the Base Monthly Fixed Charge (the monthly fixed costs recovered through volumetric charges), by the average annual residential energy use and multiplying by average annual energy use for customers connected within the previous year. Staff makes this proposal because they believe that the current decoupling mechanism allows PGE to recover more than its fixed costs when the Schedule 7 customer count exceeds that contained in the load forecast used to set the Base Monthly Fixed Charge. The Secondary Monthly Fixed Charge would apply only to monthly customer counts that exceed those contained in the final UE 262 load forecast. Staff supports their belief by citing PGE's declining use-per-customer for new connections. For the specific calculation, Staff used recent annualized consumption of customers connected during 2012 as the basis for calculating the Secondary Monthly Fixed Charge.

Q. How did the Parties resolve decoupling?

A. The Parties agree to modify the time and manner of filing Schedule 123 as proposed by PGE and to extend Schedule 123 for three years as proposed by Staff. In the interest of settlement, the Parties also agree to implement a Secondary Monthly Fixed Charge as recommended by Staff when reconciling Schedule 7 monthly revenues through Schedule 123. However, instead of using the annualized consumption for residential customers connected in 2012, the Parties agree to use a two-year average of weather-adjusted annualized consumption (for the twelve months ending February 2013) for customers connected during 2010 and 2011. This annualized weather-adjusted consumption is equal to 76% of the average annual residential consumption contained in PGE's initial load forecast. Hence, the Secondary Monthly Fixed Charge will be 76% of the Base Monthly Fixed Charge.

Q. Please describe how the Secondary Fixed Monthly Charge will be updated in the event PGE files a general rate case with either a 2015 or 2016 test period.

A. The Parties agree that both the Base Fixed Monthly Charge and the Secondary Fixed Monthly Charge will be updated during general rate cases. The Secondary Fixed Monthly Charge will be a percentage of the Base Fixed Monthly Charge. The percentage factor will be the average of the annualized consumption for new (connecting) residential customers during a two-year period, compared to the final Schedule 7 use per customer in the rate case test period. The two-year period shall begin three years prior to the initial filing date and end one year prior to the filing date.

To exemplify, should PGE file a 2015 test period general rate case in early 2014, PGE would calculate the Secondary Monthly Fixed Charge percentage rate by annualizing the 2013 consumption of residential customers who newly connected during 2011 and 2012.

IV. Resolved Streetlighting Issues

Q. Please describe the Partial Stipulation regarding application of the stipulated overall rate of return to lighting and pole prices.

A. The Stipulating Parties agree to apply the stipulated cost of capital to determine the prices for street and area light luminaire and pole investment prices rather than applying the cost of capital used in PGE's initial filing. The application of the stipulated cost of capital provides consistency with PGE's returns among its rate base assets.

Q. Please describe the partial stipulation regarding the reassignment of the cost of maintenance of associated circuits from distribution to the maintenance prices for Schedule 91 Options A and B, Schedule 95 Option A, and Schedule 15 prices.

A. The stipulating parties agree to directly assign the maintenance of associated circuits rather than recover the costs through distribution. PGE had proposed, with its initial filing, to change the way circuit maintenance is recovered by including it in general distribution O&M.

Q. How does PGE currently recover the maintenance of associated circuits?

PGE currently directly assigns the maintenance costs of associated circuits. The stipulating parties agree to disregard PGE's proposal to change the method used to recover the cost of maintaining associated circuits.

Q. Please describe the Partial Stipulation regarding the Option B pole price calculation.

A. The Stipulating Parties agree to use a replacement rate of 0.2% for calculating the Option B pole price for the purposes of settlement. The price for Option B poles is calculated by multiplying the Option A pole price by the 0.2% pole replacement rate.

Q. Please describe the Partial Stipulation regarding the resolution of the demarcation of the point of delivery for Option C circuits.

A. PGE and the COP commit to resolve the demarcation of the point of delivery on the circuit for Option C streetlights that are converted from existing Option B streetlights. Some Option B installations were done before the current standards. PGE and the COP commit to resolving the appropriate location on the circuit to demarcate the change in ownership and concerns including but not limited to code compliance, accessibility, and safety. The resolution will take place outside of the UE 262 proceeding.

Q. What is the significance of the demarcation of the point of delivery for Option C circuits?

A. The point of delivery determines the location on the circuit that ownership changes between PGE and the customer. PGE maintains the circuit on their side of the point of delivery and the customer maintains the circuit on their side of the point of delivery.

Q. Will this partial stipulation cause changes to the UE 262 revenue requirements?

A. No.

Q. Does this conclude your testimony?

A. Yes.

EXHIBIT 201

QUALIFICATIONS OF CHRIS W. HENDRIX

Chris W. Hendrix

Director of Markets & Compliance
Wal-Mart Stores, Inc.
Business Address: 2001 SE 10th Street, Bentonville, AR, 72716-5530
Business Phone: (479) 204-0845
Email: chris.hendrix@wal-mart.com

EXPERIENCE

2003 – Present
Wal-Mart Stores, Inc., Bentonville, AR
Director of Markets & Compliance (2009 – Present)
General Manager (2003 – 2009)

2002 –2003
TXU Energy, Dallas, TX
Manager – Retail Pricing (2002 –2003)

1997 - 2001
Enron Energy Services, Houston, TX
Manager – Target Markets (2002 –2003)
Manager – Product Development/Structuring (1999 – 2001)
Senior Specialist (1997 – 1999)

1990 - 1997
Tenneco Energy, Houston, TX
Senior Rate Analyst (1994 – 1997)
Accounting Analyst (1992 – 1994)
Accountant (1991 – 1992)

EDUCATION

1994	**University of Houston**	M.B.A, Finance & International Business
1991	**University of Houston**	B.B.A, Accounting (Magna Cum Laude)

INDUSTRY ORGANIZATIONS

COMPETE Coalition
Board Member (2008 – present)

National Energy Marketers Association
Executive Committee and Policy Chair (2006 – present)

NEPOOL (ISO New England)
Participants Committee (2011 – present)
Markets Committee (2011 – present)
Consumer Liaison Group (2011 – present)

PJM Interconnection
Members Committee (2011 – present)

Electric Reliability Council of Texas (ERCOT)
Technical Advisory Committee - TAC (2004 – 2006)

TESTIMONY

1998

Oklahoma Corporation Commission Cause No. PUD 980000177: Joint Application of Oklahoma Natural Gas Company, A Division of Oneok, Inc., Oneok Gas Transportation, a Division of Oneok, Inc., and Kansas Gas Service Company, a Division of Oneok, Inc., for Approval of Their Unbundling Plan for Natural Gas Services Upstream of the Citygates or Aggregation Points.

2012

Arizona Docket No. E-01345A-11-0224: Settlement Testimony in the Matter of the Application of Arizona Public Service Company for a Hearing to Determine the Fair Value of the Utility Property of the Company for Ratemaking Purposes, to Fix a Just and Reasonable Rate of Return Thereon, and to Approve Rate Schedules Designed to Develop Such Return.

CERTIFICATE OF SERVICE

I hereby certify that I served the **Joint Testimony in Support of Second Partial Stipulation** by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UE 262.

DATED at Portland, Oregon, this 20th day of August, 2013.

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