



DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

March 30, 2015

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
P.O. Box 1088
Salem OR 97308-1088

Re: *In the Matter of PORTLAND GENERAL ELECTRIC COMPANY,*
Request for a General Rate Revision
PUC Docket No.: UE 283
DOJ File No.: 860115-GB0259-14

On February 2, 2015, Portland General Electric Co. (PGE) filed in this docket a lead/lag study prepared by an independent third party consultant. That filing was made pursuant to the terms of the partial stipulation adopted by the Commission in Order No. 14-422.¹ The Company filed a supplement to the lead/lag study on February 13, 2015 that reports the result of the third-party study is a working cash average balance that is higher than the final Docket UE 283 settled amount, and under the terms of the partial stipulation, no change to working capital for the 2015 test year is required.

Staff has reviewed the lead/lag study filed by PGE and agrees that the evaluation for double-counting issues does not require any change to working capital for the 2015 Test Year. Staff does not agree with all of the components included in this study. However, based on Staff's understanding of PGE's intended use of this study in other general rate cases, such as Docket No. UE 294, Staff does not oppose the use of this study for the purpose of compliance with Order No. 14-422. Staff understands that while PGE will use the lead/lag days developed from this study in the pending general rate case, it will continue to apply its standard methodology to calculate working cash. *See, e.g.,* UE 294/PGE/200, Tooman – Brown/25. On

¹ Specifically, in Order No. 14-422, the Commission finds, "The stipulating parties agree to a working cash factor of 3.70 percent and that an independent third party would be hired to perform a lead/lag study to evaluate whether there are any double counting issues. If the evaluation finds that the 2015 rate base should have been reduced relative to the amounts otherwise included in the 2015 revenue, the net effect will be subject to a deferral and refund as a reasonable outcome for settlement purposes." Order No. 14-422 at 5-6 (December 4, 2014).

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that basis, Staff does not object to nor does it oppose use of the filed study for the purpose of meeting the terms of the partial stipulation.

Sincerely,



Johanna M. Riemenschneider
Assistant Attorney General
Of Attorneys for Staff of the Public Utility
Commission of Oregon

JMR:krt/6376499

c: UE 283 service list