



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

April 29, 2016

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

**Re: UE 294, PGE 2016 General Rate Case: North Fork Surface Collector**

In Portland General Electric's (PGE's) last general rate case (UE 294, Order No. 15-356) PGE agreed that if the December 31, 2015 actual project cost for the North Fork Surface Collector was less than the amount included in PGE's test year, PGE would return the difference to customers.<sup>1</sup>

PGE submitted the attestation for the commercial operation date on December 7, 2015. As indicated in the attestation, the North Fork Surface Collector was placed into service for full commercial operation as of September 30, 2015. Since the project costs were less than what was included in UE 294, a refund is in order. Attachment A is the calculation of the difference between actual project costs and what was included in UE 294 for the North Fork Surface Collector.

PGE expects the refund will be amortized in 2017 through Schedule 105, with interest.

Sincerely,

A handwritten signature in blue ink that reads "Jay Tinker for".

Jay Tinker  
Director, Rates and Regulatory Affairs

JT/sp

encl:

cc: UE 294 Service List

ue 294\_nfsc\_actuals\_cvrltr\_04.29.2016.docx

<sup>1</sup> Order No. 15-356, page 3, Section III (A)(1)(e).

**UE 294**

**Attachment A**

Calculation of North Fork Surface Collector  
Actuals for Year End 12/31/2016

**Portland General Electric Company**  
**North Fork Surface Collector Revenue Requirement**

	As Filed RevReq	Actual RevReq	Delta
1 Sales to Consumers	5,944,457	5,697,948	246,510
2 Sales for Resale			
3 Other Revenues			
4 Total Operating Revenues	<u>5,944,457</u>	<u>5,697,948</u>	<u>246,510</u>
5 Net Variable Power Costs			
6 Production O&M (excludes Trojan)			
7 Trojan O&M			
8 Transmission O&M			
9 Distribution O&M			
10 Customer & MBC O&M	-	-	
11 Uncollectibles Expense	23,968	22,974	994
12 OPUC Fees	22,292	21,367	924
13 A&G, Ins/Bene., & Gen. Plant			
14 Total Operating & Maintenance	<u>46,260</u>	<u>44,341</u>	<u>1,918</u>
15 Depreciation			
16 Amortization			
17 Property Tax			
18 Payroll Tax			
19 Other Taxes			
20 Franchise Fees	151,410	145,131	6,279
21 Utility Income Tax	1,701,502	1,630,943	70,559
22 Total Operating Expenses & Taxes	<u>1,899,172</u>	<u>1,820,416</u>	<u>78,756</u>
23 <b>Utility Operating Income</b>	<u>4,045,285</u>	<u>3,877,532</u>	<u>167,753</u>
24 <b>Rate Base</b>			
25 Gross Plant	53,800,000	51,568,978	2,231,022
26 Accum. Deprec. / Amort	-	-	-
27 Accum. Def Tax	-	-	-
28 Accum. Def ITC			
29 <b>Net Utility Plant</b>	<u>53,800,000</u>	<u>51,568,978</u>	<u>2,231,022</u>
30 Misc. Deferred Debits	-	-	-
31 Operating Materials & Fuel	-	-	-
32 Misc. Deferred Credits			
33 Working Cash	68,904	66,047	2,857
34 <b>Rate Base</b>	<u>53,868,904</u>	<u>51,635,025</u>	<u>2,233,879</u>
35 <b>Rate of Return</b>	7.510%	7.510%	

36 **Implied Return on Equity**

9.600%

9.600%

37 Effective Cost of Debt	5.419%	5.419%
38 Effective Cost of Preferred	0.000%	0.000%
39 Debt Share of Cap Structure	50.000%	50.000%
40 Preferred Share of Cap Structure	0.000%	0.000%
41 Weighted Cost of Debt	2.710%	2.710%
42 Weighted Cost of Preferred	0.000%	0.000%
43 Equity Share of Cap Structure	50.000%	50.000%
44 State Tax Rate	7.212%	7.212%
45 Federal Tax Rate	35.000%	35.000%
46 Composite Tax Rate	39.688%	39.688%
47 Bad Debt Rate	0.4032%	0.4032%
48 Franchise Fee Rate	2.547%	2.547%
49 Working Cash Factor	3.628%	3.628%
50 Gross-Up Factor	1.658	1.658
51 ROE Target	9.600%	9.600%
52 Grossed-Up COC	10.668%	10.668%
53 OPUC Fee Rate	0.375%	0.375%

Utility Income Taxes

54 Book Revenues	5,944,457	5,697,948	246,510
55 Book Expenses	197,670	189,473	8,197
56 Interest Deduction	1,459,578	1,399,051	60,527
57 Production Deduction	-	-	-
58 Permanent Ms			-
59 Deferred Ms			-
60 Taxable Income	<u>4,287,210</u>	<u>4,109,424</u>	<u>177,785</u>
			-
61 Current State Tax	309,198	296,376	12,822
62 State Tax Credits			-
63 Net State Taxes	<u>309,198</u>	<u>296,376</u>	<u>12,822</u>
			-
64 Federal Taxable Income	3,978,011	3,813,048	164,963
			-
65 Current Federal Tax	1,392,304	1,334,567	57,737
66 Federal Tax Credits			-
67 ITC Amort	-	-	-
68 Deferred Taxes	-	-	-
69 Total Income Tax Expense	<u>1,701,502</u>	<u>1,630,943</u>	<u>70,559</u>
70 Regulated Net Income	2,585,707	2,478,481	107,226
71 Check Regulated NI	2,585,707	2,478,481	107,226