



Portland General Electric Company
Legal Department
121 SW Salmon Street • Portland, Oregon 97204
503-464-8926 • Facsimile 503- 464-2200

Douglas C. Tingey
Associate General Counsel

September 14, 2015

Via Electronic Filing

Oregon Public Utility Commission
Attention: Filing Center
201 High Street SE
P.O. Box 1088
Salem OR 97308-1088

Re: UE 297 and UM 1724 – PGE’s Renewable Resources Automatic Adjustment Clause

Attention Filing Center:

Enclosed for filing in Dockets UE 297 and UM 1724 simulataneously is a **Motion to Admit Stipulation and Joint Testimony in Support of Stipulation** between Portland General Electric Company, Staff of the Public Utility Commission of Oregon and the Citizens' Utility Board of Oregon, to be filed electronically with the OPUC.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Tingey", is written over the typed name.

DOUGLAS C. TINGEY
Associate General Counsel

DCT:jrb
Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 297 / UM 1724

In the Matter of Portland General Electric Company's Renewable Resources Automatic Adjustment Clause (Advice No. 15-07, Schedule 122) (UE 297)

In the Matter of Application of PORTLAND GENERAL ELECTRIC COMPANY for an Order Approving the Deferral of Incremental Costs Associated with the Portland Public Schools Solar Project (UM 1724)


MOTION TO ADMIT STIPULATION

Pursuant to OAR 860-001-0350(7), Portland General Electric Company ("PGE") moves to admit into the record in this proceeding the Stipulation, dated September 14, 2015. PGE also moves that the following Joint Testimony in support of the Stipulation be admitted into the record as evidence in this proceeding:

Testimony and Exhibits	Witnesses
Stipulating Parties/100-104	Judy Johnson Bob Jenks Rebecca Brown

DATED this 14th day of September, 2015.

Respectfully submitted,



Douglas C. Tingey, OSB No. 044366
Associate General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC1301
Portland, Oregon 97204
(503) 464-8926 (Telephone)
(503) 464-2200 (Facsimile)
doug.tingey@pgn.com



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Thank you in advance for your assistance.

Sincerely,

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DOUGLAS C. TINGEY
Associate General Counsel

DCT:jrb
Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 297/UM 1724

In the Matter of PORTLAND GENERAL)
ELECTRIC COMPANY’S Renewable Resources)
Automatic Adjustment Clause (Advice No. 15-07,)
Schedule 122) (UE 297))
)
)
In the Matter of Application of PORTLAND)
GENERAL ELECTRIC COMPANY for an Order)
Approving the Deferral of Incremental Costs)
Associated with the Portland Public Schools Solar)
Project)
(UM 1724))

**STIPULATION REGARDING ALL
ISSUES**

This Stipulation (“Stipulation”) is between Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon (“Staff”), and the Citizens’ Utility Board of Oregon (“CUB”) (collectively, the “Parties”).

On April 1, 2015, PGE filed its annual Renewable Resources Automatic Adjustment Clause update pursuant to PGE tariff Schedule 122. That filing was docketed as UE 297. PGE’s filing included one renewable generating project: the Portland Public Schools Solar Project (PPS Solar). The filing included revised tariff sheets, testimony and work papers explaining the renewable resource costs included in the update. On May 28, 2015, a Prehearing Conference was held during which a schedule was adopted for this docket.

PGE had previously sought, in Docket UP 324, Commission authorization to sell the PPS Solar project as part of a sale/lease-back financing structure. PGE proposed to amortize in rates the proceeds of the sale in one year beginning on January 1, 2016. On August 11, 2015, the Commission approved that sale in Order No. 15-237.

Consistent with Schedule 122, on April 1, 2015, PGE also filed its Application for Deferral of Revenue Requirement of Incremental Costs Associated with the PPS Solar project (UM 1724). That application sought a deferral, pursuant to ORS 469A.120, of the revenue requirement associated with the 2015 incremental costs of the PPS Solar project as well as the estimated gain on the sale transaction.

PGE's application in the current docket presented the estimated 2015 and 2016 revenue requirements and the gain on the sale transaction for the PPS Solar project, which results in a net credit to customers of approximately \$2.1 million in 2016. Pursuant to Tariff Schedule 122, PGE will file an update reflecting the then-current costs of this renewable resource by December 1, 2015. PGE does not expect the updates to be significant.

On July 1, 2015, the Parties held a Settlement Conference. Additional settlement talks followed, and the Parties reached agreement settling all issues in this docket. The Parties agree as follows:

TERMS OF STIPULATION

1. This Stipulation is entered to settle all issues in these dockets.
2. The deferral sought in Docket UM 1724 should be granted. PGE will update its 2015 deferred costs and benefits for the PPS Solar project by December 1, 2015, with known actual deferred revenue requirement consistent with tariff Schedule 122. The update will include projected power cost and other benefits for 2015 and the actual recorded gain on the sale of the facility. However, any variances between the actual benefits received in 2015, and the estimate in the December 1 update, will be the basis of a deferred amount. Such differences will be refunded/collected in a future period.
3. These updated 2015 deferred costs and estimated 2015 and 2016 costs, plus the

amortized gain from the sale of the PPS Solar project, will form the basis of Schedule 122 prices for 2016. PGE's application in this docket estimates that the net of these costs and sale proceeds will result in a credit to customers in 2016 of approximately \$2.1 million.

4. The Parties recommend and request that the Commission approve the terms of this Stipulation as appropriate and reasonable resolutions of the issues in these dockets.

5. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just, and reasonable.

6. 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.

7. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order which is not contemplated by this Stipulation, each Party disadvantaged by such action shall have the rights provided in OAR 860-001-0350 and OAR 860-001-0720, including the right to withdraw from the stipulation and to seek reconsideration of the Commission's 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.

8. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR § 860-001-0350. The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to sponsor this Stipulation at the hearing (if necessary), and recommend that the Commission issue an order adopting the settlements contained herein. The

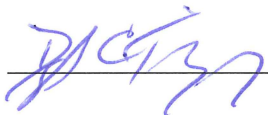
Parties also agree to cooperate in drafting and submitting written testimony required by OAR § 860-001-0350(7).

9. 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, other than those specifically identified in the 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.

10. 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 17th day of September, 2015.

PORTLAND GENERAL ELECTRIC
COMPANY



STAFF OF THE OREGON PUBLIC
UTILITY COMMISSION

CITIZENS' UTILITY BOARD OF
OREGON

Parties also agree to cooperate in drafting and submitting written testimony required by OAR § 860-001-0350(7).

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

**UE 297 / UM 1724
Renewable Resources Automatic Adjustment
Clause**

Joint Testimony in Support of Stipulation

PORTLAND GENERAL ELECTRIC COMPANY

September 14, 2015

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I. Introduction

1 **Q. Please state your names and positions.**

2 A. My name is Judy Johnson. I am a Senior Economist for the Public Utility Commission of
3 Oregon (OPUC). My qualifications appear in Exhibit 101.

4 My name is Bob Jenks. I am the Executive Director of the Citizens' Utility Board of
5 Oregon (CUB). My qualifications appear in Exhibit 102.

6 My name is Rebecca Brown. I am a senior analyst for Portland General Electric
7 Company (PGE). My qualifications appear in PGE Exhibit 100.

8 **Q. What is the purpose of your testimony?**

9 A. Our purpose is to describe the stipulation reached regarding PGE's Renewable Adjustment
10 Clause (RAC) filings in UE 297 and UM 1724 among the OPUC Staff (Staff), CUB, and
11 PGE (the "Stipulating Parties").

12 **Q. What is the basis for the Stipulation?**

13 A. PGE filed its initial deferral request (UM 1724) and 2015 revenue requirement (UE 297) on
14 April 1, 2015. The deferral contemplates Portland Public Schools Solar Project (PPS Solar)
15 for costs accrued between its expected in-service date and December 31, 2015. On July 1,
16 the Parties held settlement discussions, which resulted in a settlement agreement.

17 **Q. Please summarize the agreement contained in this Stipulation.**

18 A. Exhibit 103 is a copy of the stipulation. This stipulation resolves all issues in these dockets.
19 This stipulation results in the agreement that PGE will update its 2015 deferred costs and
20 benefits with any known actual deferred revenue requirement by December 1, 2015. The
21 update will also include the 2016 forecasted revenue requirement, which includes O&M
22 costs only. The 2016 net variable dispatch benefits are forecasted in PGE's NVPC as

1 developed in Docket No. UE 294, PGE's 2016 general rate case. This update will form the
2 basis of Schedule 122 prices for rate implementation January 1, 2016.

II. Resolved Issues

1 **Q. Please summarize the components of PGE’s request for costs to be collected through**
2 **Schedule 122.**

3 A. Table 1 below presents the three components to PGE’s calculation. First, PGE requested
4 approximately \$0.20 million, net of dispatch benefits of \$10,820 of avoided power cost.
5 Second, the 2016 revenue requirement for PPS Solar is currently expected to be
6 approximately \$0.6 million, without dispatch benefits which are included in PGE’s NVPC
7 as developed in Docket No. UE 294, PGE’s 2016 general rate case. The third component of
8 is the capital gain which will offset the costs for PPS Solar for both 2015 and 2016. The
9 gain is expected to be approximately \$2.875 million. The total impact for the customer is a
10 credit of approximately \$2.1 million.

Table 1

Estimated Revenue Requirement and Deferred Gain

Estimated Revenue Requirement:	
2015 Estimate	\$ 196,839
2016 Estimate	\$ 612,204
Total Estimated Revenue Requirement	<u>\$ 809,043</u>
Estimated Gain/Loss	<u>\$ (2,875,000)</u>
Total 2016 Effect	<u><u>\$ (2,065,957)</u></u>

11 **Q. Please describe the basis for Schedule 122 prices in 2016.**

12 A. Schedule 122 prices will be based on the December 1 revenue requirement update, including
13 the credit to customers for the sale of PPS Solar to Banc of America Leasing and Capital,
14 Inc. The \$2.1 million customer credit will be amortized to customers from January 1, 2016
15 through December 31, 2016.

1 **Q. What is your recommendation to the Commission regarding this Stipulation?**

2 A. The Stipulating Parties recommend and request that the Commission approve these
3 adjustments. Based on careful review of PGE’s filings, data responses, and thorough
4 analysis of the issues, we believe the proposed Stipulation represents appropriate and
5 reasonable resolutions of the respective issues in these dockets. Rates reflecting these
6 adjustments will be fair, just, and reasonable.

7 **Q. Does this conclude your testimony?**

8 A. Yes.

List of Exhibits

<u>PGE Exhibit</u>	<u>Description</u>
101	Qualifications of Judy Johnson – OPUC Staff
102	Qualifications of Bob Jenks – CUB
103	UE 297 / UM 1724 Stipulation
104	Summary of Components of Revenue Requirement for PPS Solar

WITNESS QUALIFICATION STATEMENT

NAME: Judy A. Johnson

EMPLOYER: Public Utility Commission of Oregon

TITLE: Senior Economist in Energy, Rates, Finance and Audit

ADDRESS: 201 High St. SE, Salem, OR, 97301

EDUCATION: MBA with emphasis in Statistics from
East Washington University
Cheney, Washington

BA in Accounting from
Eastern Washington University
Cheney, Washington

EXPERIENCE:

3/95-Present I have been employed by the Public Utility Commission of Oregon since March of 1995. My current position being a Senior Economist in the Utility Program's Energy - Rates, Finance, and Audit Division.

6/77-2/95 I was employed by Avista Corporation, an electric and natural gas utility located in Spokane, Washington. The majority of my employment was spent in the Rates and Regulatory Affairs Department as a Senior Rate Analyst. I have prepared testimony and exhibits in numerous electric and natural gas rate cases, primarily in the area of results of operations and revenue requirement.

WITNESS QUALIFICATION STATEMENT

NAME: Bob Jenks

EMPLOYER: Citizens' Utility Board of Oregon

TITLE: Executive Director

ADDRESS: 610 SW Broadway, Suite 400 Portland, OR 97205

EDUCATION: Bachelor of Science, Economics Willamette University, Salem, OR

EXPERIENCE: Provided testimony or comments in a variety of OPUC dockets, including UE 88, UE 92, UM 903, UM 918, UE 102, UP 168, UT 125, UT 141, UE 115, UE 116, UE 137, UE 139, UE 161, UE 165, UE 167, UE 170, UE 172, UE 173, UE 207, UE 208, UE 210, UG 152, UM 995, UM 1050, UM 1071, UM 1147, UM 1121, UM 1206, UM 1209, UM 1355, UM 1635, UE 233, UE 246, UM 1633, and UM 1654. Participated in the development of a variety of Least Cost Plans and PUC Settlement Conferences. Provided testimony to Oregon Legislative Committees on consumer issues relating to energy and telecommunications. Lobbied the Oregon Congressional delegation on behalf of CUB and the National Association of State Utility Consumer Advocates. Between 1982 and 1991, worked for the Oregon State Public Interest Research Group, the Massachusetts Public Interest Research Group, and the Fund for Public Interest Research on a variety of public policy issues.

MEMBERSHIP: National Association of State Utility Consumer Advocates
Board of Directors, OSPIRG Citizen Lobby
Telecommunications Policy Committee, Consumer Federation of America
Electricity Policy Committee, Consumer Federation of America
Board of Directors (Public Interest Representative), NEEA

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 297/UM 1724

In the Matter of Portland General Electric)
Company’s Renewable Resources Automatic)
Adjustment Clause (Advice No. 15-07, Schedule)
122) (UE 297))
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**PPS Solar Revenue Requirement Estimates
Summary and Assumptions**

Estimated 2015 Revenue Requirement	196,839
Estimated 2016 Revenue Requirement	612,204
Estimated Gain	(2,875,000)
Estimated Revenue Requirement (Credit)	<u>(2,065,957)</u>

Project Costs (January)	\$ 4,574,824
Less: ETO and CWF Funding	\$ 2,875,000
Equals: Estimated Project Basis	\$ <u>1,699,824</u>

Sale Price	\$ 4,574,824
Estimated Gain / (Loss)	\$ <u>2,875,000</u>

	<u>annual</u>	<u>monthly</u>
Monthly Lease Expense	\$ 477,983	\$ 39,832
O&M Rate (\$/kWh)	\$ 0.0092	
Fixed O&M	\$ 18,000	\$ 1,500
Insurance	\$ 3,591	\$ 299
2015 Prop Tax	\$ 66,335	\$ 5,528
2016 Prop Tax	\$ 62,844	\$ 5,237
Integration Costs/MW	\$ 3,024	
Gross-Up for Transmission	4.74%	
Rooftop Lease	\$ 12,000	
PGE Long-Term Inflation Rate	1.93%	
Permanent Tax Gain	\$ 5,857	