



Portland General Electric
121 SW Salmon Street • Portland, Ore. 97204
PortlandGeneral.com

August 10, 2018

via email

puc.filingcenter@state.or.us

Public Utility Commission of Oregon
201 High Street, Ste. 100
P. O. Box 1088
Salem, OR 97308-1088

Attn: OPUC Filing Center

Re: UM 1791 - Withdrawal of PGE's Application for Deferral of Incremental Revenue Requirement Associated with the Carty Generating Station

On July 29, 2016 Portland General Electric Company (PGE) filed an application for the deferral of incremental revenue requirement associated with the Carty Generating Station and delay of a Commission review until resolution of all legal actions. PGE sought re-authorization of the deferral on July 28, 2017. We are happy to inform the Commission that as of July 16, 2018 legal actions related to this matter have been resolved.

Therefore, PGE withdraws its deferral application as the steps PGE took to protect customers have achieved their goals. The results achieved in the resolution of the legal actions are directly attributed to:

- (1) PGE's power plant construction experience and knowledge of the electric generation business;
- (2) PGE negotiating contractual protections in the agreements for the construction of the Carty project (as in all of our contracts);
- (3) PGE closely evaluating the construction project using a combination of PGE employees and a third-party owner's engineer;
- (4) PGE diligently performing all of its obligations under the construction contract and related agreements;
- (5) PGE prudently enforcing all of our rights under the construction contract and related agreements;
- (6) PGE exercising its rights under the law when the contractor failed to perform in accordance with its obligations, and pursuit of all legal avenues to enforce our rights under the construction and related agreements.

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The aforementioned diligence culminated in a settlement to resolve all claims relating to Carty construction between PGE and each of the contractor, Abengoa S. A., and the Sureties as defined in PGE's June 30, 2018 SEC Form 10-Q. The proceeds from the settlement will fully offset the incremental construction costs above the \$514 million included in customer prices by the Commission in Order 15-356 (Docket No. UE 294) and partially offset PGE's other damages.

We have provided notification of this withdrawal to the UM 1791 service list.

If you have any questions or require further information, please call me at (503) 464-7002. Please direct all formal correspondence, questions, or requests to the following e-mail address pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in black ink that reads "Jay Tinker". The signature is written in a cursive, flowing style.

Jay Tinker
Director Regulatory Policy & Affairs

Enclosures
JT/np

cc: UM 1791 and UE 335 service lists