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February 14, 2018

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

Re: In the Matter of PORTLAND GENERAL ELECTRIC COMPANY,
Draft Storage Potential Evaluation
Docket Nos. UM 1856

Dear Filing Center:

Please find enclosed the Motion of the Industrial Customers of Northwest Utilities to Designate UM 1856 as an “Eligible Proceeding for Issue Funds.”

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Jesse O. Gorsuch
Jesse O. Gorsuch

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1856

In the Matter of)	MOTION OF THE INDUSTRIAL
)	CUSTOMERS OF NORTHWEST
PORTLAND GENERAL ELECTRIC)	UTILITIES TO DESIGNATE UM 1856
COMPANY)	AS AN “ELIGIBLE PROCEEDING FOR
)	ISSUE FUNDS”
Energy Storage Proposals and Revised Energy)	
<u>Storage Potential Evaluation.</u>)	

Pursuant OAR 860-001-0420 and the Administrative Law Judge’s February 12, 2018 Ruling in Docket UM 1909, the Industrial Customers of Northwest Utilities (“ICNU”) moves for a finding that the above-referenced docket qualifies as an “Eligible Proceeding For Issue Funds” under the Fourth Amended and Restated Intervenor Funding Agreement (“IFA”). Concurrently with this motion, ICNU is submitting a proposed budget for an issue fund grant.

As relevant here, the IFA defines an Eligible Proceeding for Issue Funds as:

[A]ny ... proceeding so designated by the Commission that directly affects one or more of the Participating Utilities and is anticipated to have a substantial impact on utility rates or service, a significant impact on utility customers or the operations of the utility, is likely to result in a significant change in regulatory policy, or raises novel questions of fact or law.^{1/}

Portland General Electric Company’s (“PGE” or “Company”) Draft Storage Potential Evaluation (“Energy Storage Program”) qualifies under this provision. First, PGE is a Participating Utility.^{2/} Second, PGE’s Energy Storage Program is anticipated to have a substantial impact on utility rates. The Company identifies a total cost for its Energy Storage Program of between \$105.5

^{1/} IFA, Art. I(c)(v).

^{2/} Id., Art. I(n).

million and \$189.8 million in net present value revenue requirement terms.^{3/} This translates into between \$11.7 million and \$16.4 million in first-year revenue requirement impacts, and total overnight capital costs of between \$55.8 million and \$97.8 million.^{4/} This first-year impact on rates is roughly equivalent to the final revenue requirement increase from PGE's most recent general rate case, and represents an approximate 1% increase.^{5/} Many of ICNU's members spend \$1 million or more on their electricity costs per month. Thus, for such a customer, PGE's proposed Energy Storage Program would increase their cost of doing business by \$120,000 or more per year. This represents a substantial impact on customer rates.

Additionally, PGE's Energy Storage Program raises novel questions of fact in that it requires evaluation of a variety of new technologies' impacts on the Company's generation, transmission, and distribution systems, the reliability impacts on these systems, and the ability of energy storage to enhance the benefits of these systems. The complex and novel nature of these issues will likely require a greater level of evaluation on the part of ICNU and other parties relative to more traditional investments PGE has made.

Accordingly, for the foregoing reasons, ICNU moves for a determination that PGE's Energy Storage Program qualifies as an Eligible Proceeding for Issue Funds under the IFA.

^{3/} Exh. PGE/101 at 12.

^{4/} Id.

^{5/} Docket UE 319, PGE Revenue Requirement Revision to Final Update (Dec. 4, 2017) (identifying a \$15.9 million rate increase).

Dated this 14th day of February, 2018.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Tyler C. Pepple

Tyler C. Pepple

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Of Attorneys for the Industrial Customers of
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