

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3 DR 10/UE 88/UM 989

4 In the Matters of

5 The Application of Portland General Electric  
6 Company for an Investigation into Least Cost  
Plan Plant Retirement (DR 10)

7 Revised Tariffs Schedules for Electric Service  
8 in Oregon Filed by Portland General Electric  
Company (UE 88)

9 Portland General Electric Company's  
10 Application for an Accounting Order and for  
Order Approving Tariff Sheets Implementing  
11 Rate Reduction (UM 989)

STAFF'S POST HEARING REPLY BRIEF  
(PHASE I)

12  
13 **INTRODUCTION**

14 Staff of the Public Commission of Oregon ("Staff") submits its Reply Brief regarding  
15 Phase I of this proceeding.

16 Staff supports Portland General Electric's (PGE) Approach II, with Staff's proposed  
17 adjustments, because it encourages economic resource decisions, ensures a high degree of  
18 intergenerational equity and preserves PGE's financial integrity. *See* Staff's Opening Brief at 7-  
19 12. Staff, however, disagrees with PGE's on the following issues: (1) the treatment of the steam  
20 generators under the net benefit test, *see* Staff's Opening Brief at 11-12; (2) an increase in ROE,  
21 *see id.* at 10-11; and (3) the recovery of debt costs for Trojan investment. *See Id.* at 17-18. Staff  
22 also believes it is uncertain whether the Commission would have allowed the deferral of first  
23 year power costs. *See Id.* at 10. Staff has addressed each of those issues in Staff's Opening  
24 Brief and will not repeat those arguments here.

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1 recommend the Commission accept Staff's alternate approach. The result in both scenarios  
2 would be the same, with \$158.9 million owed PGE and available for the UM 989 offset on  
3 September 30, 2000.

4 DATED this 30<sup>th</sup> day of November 2005.

5 Respectfully submitted,

6 HARDY MYERS  
7 Attorney General

8  
9 /s/David B. Hatton  
10 David B. Hatton, #75151  
11 Assistant Attorney General  
12 Of Attorneys for Staff of the Public Utility  
13 Commission of Oregon  
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1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on the 30<sup>th</sup> day of November 2005, I served the foregoing document  
3 upon the parties hereto by the methods indicated below:

4 J JEFFREY DUDLEY-- **CONFIDENTIAL**  
5 PORTLAND GENERAL ELECTRIC  
121 SW SALMON ST 1WTC1300  
6 PORTLAND OR 97204  
jay.dudley@pgn.com

\_\_\_\_\_ HAND DELIVER  
 X  U.S. MAIL  
\_\_\_\_\_ OVERNIGHT MAIL  
\_\_\_\_\_ FACSIMILE  
 X  ELECTRONIC MAIL

7 PAUL GRAHAM -- **CONFIDENTIAL**  
8 DEPARTMENT OF JUSTICE  
REGULATED UTILITY & BUSINESS SECTION  
9 1162 COURT ST NE  
SALEM OR 97301-4096  
10 paul.graham@state.or.us

X  HAND DELIVER  
\_\_\_\_\_ U.S. MAIL  
\_\_\_\_\_ OVERNIGHT MAIL  
\_\_\_\_\_ FACSIMILE  
 X  ELECTRONIC MAIL

11 PATRICK G HAGER -- **CONFIDENTIAL**  
PORTLAND GENERAL ELECTRIC  
12 121 SW SALMON ST 1WTC0702  
PORTLAND OR 97204  
13 patrick.hager@pgn.com

\_\_\_\_\_ HAND DELIVER  
 X  U.S. MAIL  
\_\_\_\_\_ OVERNIGHT MAIL  
\_\_\_\_\_ FACSIMILE  
 X  ELECTRONIC MAIL

14 DANIEL W MEEK -- **CONFIDENTIAL**  
DANIEL W MEEK ATTORNEY AT LAW  
10949 SW 4TH AVE  
15 PORTLAND OR 97219  
dan@meek.net

\_\_\_\_\_ HAND DELIVER  
 X  U.S. MAIL  
\_\_\_\_\_ OVERNIGHT MAIL  
\_\_\_\_\_ FACSIMILE  
 X  ELECTRONIC MAIL

16 LINDA K WILLIAMS  
17 KAFOURY & MCDUGAL  
10266 SW LANCASTER RD  
18 PORTLAND OR 97219-6305  
linda@lindawilliams.net

\_\_\_\_\_ HAND DELIVER  
 X  U.S. MAIL  
\_\_\_\_\_ OVERNIGHT MAIL  
\_\_\_\_\_ FACSIMILE  
 X  ELECTRONIC MAIL

21 Neoma A. Lane  
22 Legal Secretary  
23 Department of Justice  
24 Regulated Utility & Business Section