



1 matter with parties, and assess the status of the Selective Water Withdrawal project and its  
2 construction schedule prior to a prehearing conference.” PGE noted that by July 7, 2009, PGE  
3 would file with the Commission either an agreed upon schedule for the remainder of the docket,  
4 or a request that the date for the prehearing conference be set. (PGE June 24, 2009 Motion for  
5 Postponement of Prehearing Conference.)

6 **PGE’s request.**

7 During a phone conference held on June 24, 2009, PGE told staff and other parties that  
8 three independent root cause analyses of the SWW project construction delay are being prepared.  
9 According to PGE, the first two root cause analysis will not be complete until mid-to-late July  
10 and the third will not be complete until mid-to-late August. Because there is no determination  
11 of the cause of the construction delay, there is no timeline of when costs associated with the  
12 incident will be established. Furthermore, it is staff’s understanding that PGE currently has only  
13 an estimated timeline for the completion of the project; due to complications created by the  
14 mishap.

15 Staff has already recommended adjusting PGE’s proposed cost recovery of the SWW  
16 project due to premature design, prolonged construction schedules, and construction cost  
17 overruns. Staff made these recommendations prior to the current construction delay precipitating  
18 the most recent suspension in the schedule. Now Staff will be required to investigate this new  
19 construction delay, and how costs associated with the delay should be treated for ratemaking  
20 purposes. Staff must have meaningful information to base this analysis on and an opportunity to  
21 file testimony in this docket on these issues.

22 Because all analysis of the cause of the costs will not be complete until mid-to-late  
23 August 2009, at the earliest, it is premature to set the remainder of the schedule in this docket.  
24 Any procedural schedule that is set now will not be based on an informed decision as to when  
25 necessary information will be available to parties, but on estimates. Such a schedule will not  
26

1 ensure that staff and intervenors have sufficient time to review information related to  
2 construction delay at the SWW prior to any deadline for submitting testimony.

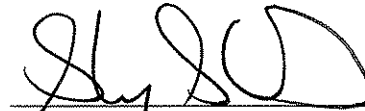
3 **CONCLUSION**

4 Staff asks the Commission to deny PGE's request to schedule a prehearing conference in  
5 this docket. Staff asks that the Commission wait to schedule a prehearing conference until  
6 information regarding the construction delay of the SWW project is made available and  
7 associated costs are known so that the Commission may make an informed decision as to the  
8 appropriate deadlines for staff and intervenor testimony as opposed to a guess.

9 DATED this 9<sup>th</sup> day of July 2009.

10 Respectfully submitted,

11 JOHN R. KROGER  
12 Attorney General

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14 \_\_\_\_\_  
15 Stephanie S. Andrus, #92512  
16 Senior Assistant Attorney General  
17 Of Attorneys for the Public Utility Commission  
18 of Oregon Staff  
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1 **CERTIFICATE OF SERVICE**

2 I certify that on July 9, 2009, I served the foregoing Staff Response upon all parties of  
3 record in this proceeding by delivering a copy by electronic mail and by postage prepaid first  
4 class mail or by hand delivery/shuttle mail to the parties accepting paper.

5 **W**  
6 **CITIZEN'S UTILITY BOARD OF OREGON**  
7 G. CATRIONA MCCRACKEN -  
8 **CONFIDENTIAL**  
9 LEGAL COUNSEL/STAFF ATTY  
10 610 SW BROADWAY - STE 308  
11 PORTLAND OR 97205  
12 catriona@oregoncub.org

**OREGON PUBLIC UTILITY COMMISSION**  
CARLA OWINGS - **CONFIDENTIAL**  
REVENUE REQUIREMENTS ANALYST  
PO BOX 2148  
SALEM OR 97308-2148  
carla.m.owings@state.or.us

9 **W**  
10 **CITIZENS' UTILITY BOARD OF OREGON**  
11 GORDON FEIGHNER  
12 ENERGY ANALYST  
13 610 SW BROADWAY, SUITE 308  
14 PORTLAND OR 97205  
15 gordon@oregoncub.org

**PORTLAND GENERAL ELECTRIC**  
RANDALL DAHLGREN - **CONFIDENTIAL**  
RATES & REGULATORY AFFAIRS  
121 SW SALMON ST 1WTC 0702  
PORTLAND OR 97204  
pge.opuc.filings@pgn.com

12 ROBERT JENKS - **CONFIDENTIAL**  
13 610 SW BROADWAY STE 308  
14 PORTLAND OR 97205  
15 bob@oregoncub.org

**PORTLAND GENERAL ELECTRIC**  
DOUGLAS C TINGEY - **CONFIDENTIAL**  
ASST GENERAL COUNSEL  
121 SW SALMON 1WTC13  
PORTLAND OR 97204  
doug.tingey@pgn.com

15 **DAVISON VAN CLEVE PC**  
16 S BRADLEY VAN CLEVE - **CONFIDENTIAL**  
17 333 SW TAYLOR - STE 400  
18 PORTLAND OR 97204  
19 mail@dvclaw.com



Neoma Lane  
Legal Secretary  
Department of Justice  
Regulated Utility & Business Section