



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

December 4, 2015

Email

puc.filingcenter@state.or.us

Public Utility Commission of Oregon

Attn: OPUC Filing Center

201 High Street, Ste. 100

P. O. Box 1088

Salem, OR 97308-1088

Attn: OPUC Filing Center

Re: UM 1679 PGE's Technical Update

OPUC Order No. 14-297 in this docket requires PGE to use the ASL depreciation procedure for new generating plants placed in service after December 31, 2012. Under the terms of the stipulation PGE is required to submit a depreciation technical update no later than one year after a new generating facility comes online.

Two new generating plants, meeting the criteria, have been placed in service since December 31, 2012. They are the Tucannon River Wind Farm (Tucannon) and the Port Westward 2 plant. Tucannon was declared in-service and commercially operable as of December 15, 2014. The Port Westward 2 plant became available for commercial operation on December 30, 2014.¹

Enclosed are (1) an Attestation of PGE Senior Vice-President of Finance, Chief Financial Officer and Treasurer, James Lobdell, attesting that PGE is using the Average Service Life (ASL) depreciation method for the new generating plants [Attachment A hereto], and (2) the depreciation technical update in a spreadsheet format [Attachment B hereto].

The accounting entries to record electric plant in service and monthly depreciation expenses for both plants are:


101 Plant In Service	xxx
107 Construction Work in Progress	xxx
To record the capitalized construction costs to electric plant in service	
403 Depreciation Expense	xxx
108 Accumulated Depreciation	xxx
To record the monthly depreciation expense	

¹ Eleven of twelve reciprocating engine-generators at Port Westward 2 were available to generate and dispatch power beginning December 30, 2014. The remaining reciprocating engine-generator was made available for full commercial operation as of January 23, 2015.

In addition, Attachment B demonstrates that the ASL depreciation method is in use.

PGE will work with Staff to provide any additional details needed to support the ASL calculations once the accounting records close for 2015. If you have any questions or require further information, please call me at (503) 464-8937 or Jay Tinker at (503) 464-7002. Please direct all formal correspondence, questions, or requests to the following e-mail address pge.opuc.filings@pgn.com.

Sincerely,



Stefan Brown
Manager, Regulatory Affairs

Encls.

cc: Patrick Hager, Preston Martin, Kelly Boag, Doug Tingey

UM 1679

Attachment A

Attestation

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1679

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY's

Detailed Depreciation Study of Electric Utility
Properties

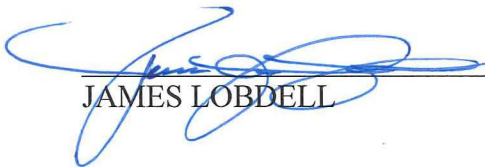
**ATTESTATION OF
JAMES LOBDELL**

I, Jim Lobdell, being first duly sworn on oath, depose and say:

1. My name is James Lobdell. I am Senior Vice President, Chief Financial Officer and Treasurer of Portland General Electric Company.

2. In accordance with paragraph 5 of the Joint Stipulation filed on June 30, 2014, in this docket, and adopted in Order No. 14-297, I attest that PGE is using the Average Service Life depreciation method for the Tucannon River Wind Farm project and the Port Westward 2 power plant.

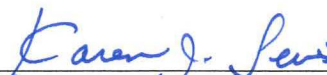
SIGNED this 4 day of December, 2015.



JAMES LOBDELL

SUBSCRIBED AND SWORN to before me this 4 day of December, 2015





Notary Public for Oregon
My Commission Expires: September 23, 2018

UM 1679

Attachment B

Depreciation Technical Update

PW2 - Technical Update 12/2015 -per Order 14-297:

actuals as of:

ACCT	LOC	Survivor Curve	SALVAGE	12/31/2014 PLANT BAL	1/31/2015 PLANT BAL	2/28/2015 PLANT BAL	3/31/2015 PLANT BAL	4/30/2015 PLANT BAL	5/31/2015 PLANT BAL	6/30/2015 PLANT BAL	7/31/2015 PLANT BAL	8/31/2015 PLANT BAL	9/30/2015 PLANT BAL	10/31/2015 PLANT BAL	2015 Additions	12/31/2014 RESERVE	Settle UM1679 ASL/VG	2015 Annual EXP
34100	PW2	70-R2	-0.07	28,387,889	28,452,112	28,590,617	28,687,072	28,823,254	28,842,110	28,774,943	28,827,451	28,819,081	28,840,787	28,841,815	453,927	1,959	2.360%	716,805
34200	PW2	50-R3	-0.07	6,485,411	6,500,084	6,531,726	6,553,762	6,584,873	6,587,181	6,573,836	6,585,832	6,583,920	6,588,879	6,589,114	103,703	455	2.400%	166,534
34400	PW2	45-R1	-0.07	223,673,482	238,497,743	239,589,049	240,349,030	241,422,036	241,570,605	241,041,385	241,455,104	241,389,156	241,560,181	241,568,285	17,894,803	17,886	2.740%	6,557,169
34500	PW2	40-R2.5	-0.06	9,308,483	9,329,543	9,374,959	9,406,587	9,451,241	9,457,424	9,435,400	9,452,617	9,449,873	9,456,990	9,457,328	148,844	721	2.680%	264,416
34600	PW2	55-R2	-0.02	3,082,443	3,089,416	3,104,455	3,114,929	3,129,716	3,131,763	3,124,470	3,130,172	3,129,263	3,131,620	3,131,731	49,289	210	2.450%	77,025
Settle UM1679 ELG																		
35300	PW2	55-R2	-0.15	3,402,949	3,404,165	3,404,928	3,405,281	3,405,281	3,405,281	3,405,281	3,405,281	3,405,281	3,405,281	3,405,281	2,332	68,465	2.890%	111,118
393	PW2	20-SQ	0.00	93,154	93,365	93,819	94,136	94,582	94,644	94,424	94,596	94,569	94,640	94,643	1,490	-	8.670%	8,076
394	PW2	20-SQ	0.00	120,258	120,530	121,116	121,525	122,102	122,182	121,897	122,120	122,084	122,176	122,181	1,923	-	12.150%	14,611
39703	PW2	15-SQ	0.00	2,117,962	2,122,754	2,133,087	2,140,284	2,150,444	2,151,851	2,146,840	2,150,757	2,150,133	2,151,752	2,151,829	33,867	-	15.620%	330,826
				276,672,030	291,609,711	292,943,757	293,872,604	295,183,529	295,363,040	294,718,476	295,223,930	295,143,359	295,352,306	295,362,206				

Settled under ASL/VG Rates for Production accounts, ELG for non-production accounts

January Depr Expense	1/31/2015 Reserve	February Depr Expense	2/28/2015 Reserve	March Depr Expense	3/31/2015 Reserve	April Depr Expense	4/30/2015 Reserve	May Depr Expense	5/31/2015 Reserve	June Depr Expense	6/30/2015 Reserve	July Depr Expense	7/31/2015 Reserve	August Dep Expense	8/31/2015 Reserve	Sept Depr Expense	9/30/2015 Reserve	Oct Depr Expense	10/31/2015 Reserve	YTD Oct 2015 Expense
59,733.73	61,692.73	59,751.40	121,444.13	59,925.35	181,369.48	60,010	241,380	60,179	301,559	60,100	361,659	59,841	421,500	59,834	481,334	59,698	541,032	59,627	600,659	598,700
13,877.87	14,332.87	13,881.51	28,214.38	13,921.46	42,135.85	13,941	56,077	13,979	70,056	13,956	84,013	13,900	97,913	13,898	111,810	13,866	125,676	13,849	139,525	139,070
546,430.75	564,316.75	581,401.21	1,145,717.97	582,739.92	1,728,457.89	583,266	2,311,724	584,556	2,896,280	583,584	3,479,864	580,959	4,060,822	580,643	4,641,465	579,156	5,220,621	578,251	5,798,873	5,780,987
22,035	22,756	22,035	44,791	22,094	66,885	22,119	89,004	22,175	111,179	22,141	133,320	22,039	155,359	22,031	177,389	21,975	199,364	21,943	221,307	220,586
6,419	6,629	6,420	13,049	6,438	19,487	6,447	25,934	6,465	32,399	6,456	38,855	6,427	45,282	6,426	51,708	6,411	58,119	6,403	64,522	64,312
9,260	77,725	9,241	86,966	9,221	96,187	9,200	105,386	9,177	114,564	9,155	123,719	9,133	132,852	9,111	141,964	9,089	151,053	9,067	160,120	91,655
673	673	670	1,343	668	2,011	666	2,676	664	3,340	660	4,000	653	4,653	650	5,303	645	5,948	641	6,589	6,589
1,218	1,218	1,208	2,426	1,202	3,627	1,194	4,821	1,187	6,009	1,176	7,185	1,161	8,346	1,152	9,498	1,140	10,638	1,129	11,767	11,767
27,569	27,569	27,272	54,841	27,052	81,893	26,793	108,686	26,577	135,263	26,249	161,512	25,842	187,355	25,557	212,912	25,216	238,128	24,909	263,037	263,037
<u>687,215</u>		<u>721,881</u>		<u>723,261</u>		<u>723,636</u>		<u>724,960</u>		<u>723,478</u>		<u>719,956</u>		<u>719,301</u>		<u>717,197</u>		<u>715,819</u>		<u>7,176,703</u>

Tucannon - Technical Update 12/2015 -per Order 14-297:															actuals as of:				
ACCT	LOC	Survivor Curve	SALVAGE	12/31/2014 PLANT BAL	1/31/2015 PLANT BAL	2/28/2015 PLANT BAL	3/31/2015 PLANT BAL	4/30/2015 PLANT BAL	5/31/2015 PLANT BAL	6/30/2015 PLANT BAL	7/31/2015 PLANT BAL	8/31/2015 PLANT BAL	9/30/2015 PLANT BAL	10/31/2015 PLANT BAL	2015 Additions	12/31/2014 RESERVE	Settle UM1679 ASL/VG	2015 Annual EXP	
34100	TRWF	40-R4	-0.12	16,962,291	16,888,087	17,490,268	17,661,397	18,074,270	18,256,281	18,361,695	16,865,032	16,977,924	17,282,636	17,281,151	318,860	25,757	2.520%	478,095	
34400	TRWF	30-R3	-0.12	421,660,163	421,206,578	436,978,855	438,518,646	449,333,843	452,440,063	452,358,520	446,376,074	445,768,715	444,887,647	445,115,296	23,455,133	667,144	3.340%	15,751,181	
34500	TRWF	30-R2.5	-0.06	15,888,849	15,875,691	16,333,214	16,386,577	16,700,305	16,812,972	16,848,041	15,694,260	15,708,704	15,738,954	15,746,804	(142,044)	23,786	3.340%	561,734	
34600	TRWF	35-R2.5	-0.02	497,278	496,736	515,596	517,421	530,354	534,025	533,857	485,211	484,488	484,887	485,135	(12,143)	619	2.880%	14,590	
30200	TRWF	5yr amort	0.00	24,141,091	24,130,122	24,859,240	24,929,783	25,429,745	25,571,683	25,565,167	23,684,572	23,656,638	24,946,244	24,956,502	815,411	-	Amort based on Transmission 20.000%	4,828,218	
35200	TRWF	60-R2.5	-0.15	557,778	559,962	560,588	564,728	564,729	565,115	572,630	574,118	576,072	581,276	581,311	23,534	872	Settle UM1679 ELG 2.680%	17,167	
35300	TRWF	55-R2	-0.15	13,760,655	13,814,558	13,829,986	13,932,129	13,932,143	13,941,670	14,127,061	14,163,789	14,211,994	14,340,382	14,341,243	580,588	20,292	2.890%	456,749	
35500	TRWF	50-R1.5	-0.50	1,015,854	1,015,854	1,015,854	1,018,270	1,018,270	1,024,536	1,034,934	1,041,918	1,050,407	1,055,872	1,056,356	40,501	2,867	3.150%	47,909	
35600	TRWF	60-R2.5	-0.30	1,015,854	1,015,854	1,015,854	1,018,270	1,018,270	1,024,536	1,034,934	1,041,918	1,050,407	1,055,872	1,056,356	40,501	2,046	2.390%	31,514	
39205	TRWF	15-S1.5	0.10	86,194	86,194	86,194	86,194	86,194	86,194	86,194	86,194	95,882	76,659	91,829	91,968	5,774	-	11.650%	9,037
39607	TRWF	20-L1	0.05	24,406	24,406	24,406	24,406	24,406	24,406	24,406	24,406	34,094	34,649	49,819	49,957	25,552	-	9.120%	2,115
39703	TRWF	15-SQ	0.00	3,334,421	3,357,775	3,385,463	3,417,082	3,420,223	3,433,373	3,439,732	3,441,219	3,457,085	3,481,661	3,481,375	146,954	11,685	15.620%	519,011	
				498,944,833	498,471,818	516,095,517	518,074,901	530,132,750	533,714,854	533,987,170	523,498,087	523,053,743	523,997,078	524,243,454					

Settled under ASL/VG Rates for Production accounts, ELG for non-production accounts

January Depr Expense	1/31/2015 Reserve	February Depr Expense	2/28/2015 Reserve	March Depr Expense	3/31/2015 Reserve	April Depr Expense	4/30/2015 Reserve	May Depr Expense	5/31/2015 Reserve	June Depr Expense	6/30/2015 Reserve	July Depr Expense	7/31/2015 Reserve	August Depr Expense	8/31/2015 Reserve	Sept Depr Expense	9/30/2015 Reserve	Oct Depr Expense
39,841.22	65,598.16	39,583.02	105,181.18	40,916.23	146,097.41	41,233	187,330	42,117	229,448	42,457	271,904	42,616	314,520	39,006	353,526	39,190	392,716	39,824
1,312,598.40	1,979,742.40	1,307,531.02	3,287,273.42	1,353,059.17	4,640,332.59	1,354,093	5,994,426	1,384,039	7,378,465	1,389,870	8,768,334	1,385,747	10,154,082	1,363,241	11,517,322	1,357,553	12,874,875	1,351,028
46,811	70,597	46,642	117,239	47,862	165,101	47,886	212,988	48,679	261,666	48,876	310,542	48,843	359,385	45,303	404,688	45,220	449,907	45,183
1,216	1,835	1,212	3,046	1,255	4,301	1,256	5,558	1,285	6,843	1,291	8,133	1,287	9,421	1,165	10,586	1,161	11,747	1,159
Agreement																		
402,352	402,352	402,169	804,520	414,321	1,218,841	415,496	1,634,337	423,829	2,058,166	426,195	2,484,361	426,086	2,910,447	394,743	3,305,190	394,277	3,699,467	415,771
1,431	2,303	1,433	3,736	1,431	5,167	1,439	6,606	1,436	8,042	1,433	9,475	1,450	10,925	1,450	12,375	1,452	13,827	1,462
38,062	58,354	38,120	96,474	38,071	134,545	38,262	172,808	38,170	210,978	38,105	249,082	38,526	287,608	38,535	326,143	38,576	364,719	38,839
3,992	6,859	3,982	10,841	3,971	14,813	3,971	18,783	3,960	22,743	3,974	26,718	4,005	30,723	4,022	34,745	4,045	38,789	4,056
2,626.14	4,672	2,621	7,293	2,616	9,909	2,617	12,525	2,612	15,137	2,623	17,760	2,644	20,404	2,657	23,061	2,674	25,735	2,683
753.12	753	746	1,499	739	2,237	731	2,969	724	3,693	717	4,410	710	5,121	788	5,909	612	6,521	739
176.21	176	175	351	174	525	172	697	171	868	170	1,037	168	1,206	237	1,443	239	1,682	347
43,250.94	54,936	42,992	97,928	42,793	140,721	42,647	183,368	42,133	225,501	41,756	267,257	41,295	308,552	40,777	349,329	40,453	389,781	40,246
<u>1,893,110</u>		<u>1,887,205</u>		<u>1,947,207</u>		<u>1,949,804</u>		<u>1,989,155</u>		<u>1,997,465</u>		<u>1,993,378</u>		<u>1,931,924</u>		<u>1,925,451</u>		<u>1,941,335</u>

10/31/2015 Reserve	YTD Oct 2015 Expense
432,540	406,783
14,225,904	13,558,760
495,090	471,304
12,905	12,286
4,115,238	4,115,238
15,289	14,417
403,558	383,266
42,845	39,978
28,417	26,371
7,260	7,260
2,029	2,029
430,027	418,342
	<u>19,456,035</u>