

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 21, 2013

REGULAR _____ CONSENT X EFFECTIVE DATE May 31, 2013

DATE: April 30, 2013

TO: Public Utility Commission

FROM: John Crider *JC*

THROUGH: Jason Eisdorfer, Maury Galbraith and Aster Adams *ME* *aa*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UE 268/Advice No. 2013-S1) Provides special contract arrangements between PGE and Upper Columbia Mill, LLC, for steam.

PORTLAND GENERAL ELECTRIC: (Docket No. UE 269/Advice No. 2013-S2) Provides special contract arrangements between PGE and Columbia River Processing, Inc., for steam.

PORTLAND GENERAL ELECTRIC: (Docket No. UE 270/Advice No. 2013-S4) Provides special contract arrangements between PGE and JSH Farms, Inc., for steam.

PORTLAND GENERAL ELECTRIC: (Docket No. UE 271/Advice No. 2013-S3) Provides special contract arrangements between PGE and Con Agra Foods Lamb Weston, Inc., for steam.

STAFF RECOMMENDATION:

I recommend that the Commission allow Portland General Electric Company's (PGE or Company) Advice Nos. 2013-S1, 2013-S2, 2013-S3 and 2013-S4 to go into effect for meter readings on or after May 31, 2013.

DISCUSSION:

The OPUC received PGE's Advice Nos. 2013-S1, 2013-S2, 2013-S3 and 2013-S4 on April 3, 2013. The filings request to amend the four steam contracts currently in place. The amendments have the effect of increasing steam production for two customers (ConAgra Foods and Columbia River Processing) and decreasing steam production for

two customers (JSH Farms and Upper Columbia Mill). The net effect of the changes is zero.

The filings state that the amendments should be approved for the following reasons:

1. The revenue from the steam sales covers relevant costs,
2. The contract is not discriminatory,
3. PGE customers will be held harmless, and
4. The contract incorporates opportunity-cost pricing where steam sales pricing is based on the market value of power that would otherwise be produced.

Review:

Since the four amendments taken as a whole have a zero net effect on steam production, the reasoning and basis for approving the original contracts are still valid. No other terms of the contracts have been changed, so the pricing of the contract remains non-discriminatory. Since the pricing in the contract remains unchanged, a waiver of OAR 860-022-0032 to allow the tariff revision into effect with the next meter reading is not necessary. The contracts continue to conform to Order No. 01-489 in Docket UE 125.

PROPOSED COMMISSION MOTION:

The Commission allow PGE's Advice Nos. 2013-S1, 2013-S2, 2013-S3 and 2013-S4 to go into effect for meter readings on or after May 31, 2013.