



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

February 19, 2013

***Email / US Mail***

puc.filingcenter@state.or.us

Oregon Public Utility Commission  
Attention: Filing Center  
550 Capitol Street NE, #215  
PO Box 2148  
Salem OR 97308-2148

**Re: UM 1565 Investigation of Fuel Switching and Cross Fuel Energy Efficiency Issues  
In the Matter of PORTLAND GENERAL ELECTRIC COMPANY'S AND  
PACIFICORP'S JOINT CROSS-ANSWERING TESTIMONY**

Attention Filing Center:

Enclosed for filing in the above-captioned docket please find the following:

Original and five copies of Joint Cross-Answering Testimony of:

- **Lauren Shapton and R. Bryce Dalley (PGE / PacifiCorp / 200)**

These documents are being filed electronically with the Filing Center. Hard copies will be sent via US Mail. An extra copy of this cover letter is enclosed. Please date stamp the extra copy and return it to me in the envelope provided.

Sincerely,

A handwritten signature in black ink, appearing to read "R. J. Dahlgren", written over a white background.

Randall J. Dahlgren  
Director, Regulatory Policy & Affairs

RJD:jlt

*encl.*

cc: UM 1565 Service List

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **PORTLAND GENERAL ELECTRIC COMPANY'S & PACIFICORP'S JOINT CROSS-ANSWERING TESTIMONY** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UM 1565.

DATED at Portland, Oregon, this 19<sup>th</sup> day of February, 2013.



---

Randall J. Dahlgren  
Director, Regulatory Policy & Affairs  
Portland General Electric Company  
121 SW Salmon St., 1WTC0702  
Portland, OR 97204  
Telephone: 503-464-7021  
Fax: 503-464-7651  
Email : randy.dahlgren@pgn.com

**SERVICE LIST –**  
**OPUC DOCKET # UM 1565**  
2/19/13

Maureen P. Bock OREGON DEPARTMENT OF ENERGY <a href="mailto:maureen.p.bock@state.or.us">maureen.p.bock@state.or.us</a>	Vijay A. Satyal OREGON DEPARTMENT OF ENERGY <a href="mailto:vijay.a.satyal@state.or.us">vijay.a.satyal@state.or.us</a>
Janet L. Prewitt OREGON DEPARTMENT OF JUSTICE <a href="mailto:Janet.prewitt@doj.state.or.us">Janet.prewitt@doj.state.or.us</a>	David J. Meyer AVISTA CORPORATION <a href="mailto:david.meyer@avistacorp.com">david.meyer@avistacorp.com</a>
Shawn Bonfield AVISTA UTILITIES <a href="mailto:shawn.bonfield@avistacorp.com">shawn.bonfield@avistacorp.com</a>	Linda Gervais AVISTA UTILITIES <a href="mailto:linda.gervais@avistacorp.com">linda.gervais@avistacorp.com</a>
Allison Spector CASCADE NATURAL GAS <a href="mailto:Allison.spector@cngc.com">Allison.spector@cngc.com</a>	Jim Abrahamson CASCADE NATURAL GAS <a href="mailto:jim.abrahamson@cngc.com">jim.abrahamson@cngc.com</a>
Oregon Dockets CITIZENS' UTILITY BOARD <a href="mailto:dockets@oregoncub.org">dockets@oregoncub.org</a>	Gordon Feighner CITIZENS' UTILITY BOARD <a href="mailto:gordon@oregoncub.org">gordon@oregoncub.org</a>
G. Catriona McCracken CITIZENS' UTILITY BOARD <a href="mailto:catriona@oregoncub.org">catriona@oregoncub.org</a>	Benjamin Walters CITY OF PORTLAND – CITY ATTORNEY'S OFFICE <a href="mailto:ben.walters@portlandoregon.gov">ben.walters@portlandoregon.gov</a>
David Tooze CITY OF PORTLAND – PLANNING & SUSTAINABILITY <a href="mailto:David.tooze@portlandoregon.gov">David.tooze@portlandoregon.gov</a>	Steve Lacey ENERGY TRUST OF OREGON <a href="mailto:steve.lacey@energytrust.org">steve.lacey@energytrust.org</a>
John Volkman ENERGY TRUST OF OREGON <a href="mailto:john.volkman@energytrust.org">john.volkman@energytrust.org</a>	Renee M France OREGON DEPARTMENT OF ENERGY <a href="mailto:renee.m.france@doj.state.or.us">renee.m.france@doj.state.or.us</a>
E-Filing NW NATURAL <a href="mailto:efiling@nwnatural.com">efiling@nwnatural.com</a>	Jennifer Gross NW NATURAL <a href="mailto:Jennifer.gross@nwnatural.com">Jennifer.gross@nwnatural.com</a>
Wendy Gerlitz NW ENERGY COALITION <a href="mailto:wendy@nwenergy.org">wendy@nwenergy.org</a>	Sarah Wallace PACIFIC POWER <a href="mailto:Sarah.Wallace@pacificcorp.com">Sarah.Wallace@pacificcorp.com</a>
Mary Wiencke PACIFIC POWER <a href="mailto:Mary.wiencke@pacificcorp.com">Mary.wiencke@pacificcorp.com</a>	Oregon Dockets PACIFICORP dba PACIFIC POWER <a href="mailto:Oregondockets@pacificcorp.com">Oregondockets@pacificcorp.com</a>
Juliet Johnson PUBLIC UTILITY COMMISSION OF OREGON <a href="mailto:juliet.johnson@state.or.us">juliet.johnson@state.or.us</a>	Johanna Riemenschneider PUC STAFF - DEPARTMENT OF JUSTICE <a href="mailto:johanna.riemenschneider@state.or.us">johanna.riemenschneider@state.or.us</a>
John W. Stephens ESLER, STEPHENS & BUCKLEY <a href="mailto:stephens@eslerstephens.com">stephens@eslerstephens.com</a> <a href="mailto:mec@eslerstephens.com">mec@eslerstephens.com</a>	

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF THE STATE OF OREGON**

**UM 1565  
Investigation of Fuel Switching and  
Cross Fuel Energy Efficiency Issues**

**PORTLAND GENERAL ELECTRIC COMPANY  
PACIFICORP**

Joint Cross-Answering Testimony of  
*Lauren Shapton*  
*R. Bryce Dalley*



Portland General Electric

February 19, 2013

**Table of Contents**

**Table of Contents ..... i**

**I. Joint Cross-Answering Testimony of Lauren Shapton..... 1**  
**and R. Bryce Dalley**

**II. Cross-Answering Testimony of Lauren Shapton..... 3**

**I. Joint Cross-Answering Testimony of Lauren Shapton  
and R. Bryce Dalley**

1 **Q. Please state your names and positions.**

2 A. My name is Lauren Shapton. I serve as the Manager, in Customer Mass Programs,  
3 at Portland General Electric (PGE). In this position, I am responsible for the  
4 marketing and promotions activities undertaken by PGE in support of Energy Trust  
5 of Oregon (Energy Trust or ETO) to help the ETO meet PGE's Integrated Resource  
6 Plan goals for energy efficiency. From 2005-2008, and again in 2011, I was in  
7 charge of PGE's Heat Pump program. My qualifications appear at the end of PGE  
8 Exhibit 100.

9 My name is R. Bryce Dalley. I am currently employed as Director, Regulatory  
10 Affairs and Revenue Requirement at PacifiCorp d/b/a Pacific Power (PacifiCorp).  
11 My primary responsibilities include oversight of regulatory proceedings and filings  
12 in Oregon, Washington, and California. My qualifications appear at the end of  
13 PacifiCorp Exhibit 100.

14 **Q. What is the purpose of your testimony?**

15 A. Part I of this testimony briefly responds to the testimony filed by Staff and the ETO  
16 recommending the ETO clarify its policy on fuel switching and supports the closure  
17 of this docket after this round of testimony. Part II of this testimony presents PGE's  
18 response to Staff's recommendation that utilities be required to scrub  
19 communications to customers.

20 **Q. Please provide a summary of your testimony.**

1 A. PGE and PacifiCorp endorse the ETO's cross-answering testimony and request the  
2 docket be closed now, given Northwest Natural Gas Company's (NWN) lack of  
3 proof of significant fuel-switching or that the ETO incentives are causing fuel  
4 switching.

5 In addition, PGE raises concerns about interpretation of the Staff of the Public  
6 Utility Commission of Oregon (Staff) proposal in its testimony.

7 **Q. Staff and parties have suggested that the ETO clarify its fuel switching policy.  
8 The ETO in its cross answering Testimony agrees to clarify its policy. Do PGE  
9 and PacifiCorp support the ETO clarification?**

10 A. Yes. The ETO's clarification respects the customer making the choice with regard to  
11 a fuel source. The ETO is fuel neutral in its approach; whenever a customer is  
12 making a selection, the ETO incentive, if there is one, is designed to push the  
13 customer to choose the more efficient option within the fuel source selected. If a  
14 given market for that appliance technology is deemed to have been transformed, that  
15 is, the customer will select that more efficient option without an incentive, then no  
16 incentive is offered. The customer is and should remain at the center of the decision  
17 on fuel source and the ETO should remain fuel neutral in its approach. PGE and  
18 PacifiCorp believe the additional vigilance the ETO promises in its testimony will  
19 ensure that ETO remains fuel neutral in its actions.

20 **Q. Do PGE and PacifiCorp support a second phase of this docket, inquiring into  
21 the issue of the economics of fuel switching?**

22 A. No. This docket was opened in response to NWN's claims that the ETO incentives  
23 are causing fuel switching. The scope of the initial proceeding was limited to having

1 NWN present evidence to prove its contentions that 1) fuel switching was occurring  
2 in significant enough numbers to warrant Commission intervention and guidance,  
3 and 2) the ETO incentives were causing the fuel switching. The issues in the initial  
4 phase were aimed at understanding what the ETO policies and practices are with  
5 regard to fuel switching in space conditioning; the ETO's outreach and messaging  
6 around fuel switching; actual occurrence of fuel switching and whether the answers  
7 to any of the previous issues suggests action from the Commission. Notwithstanding  
8 many opportunities, NWN has not met its burden of proof. There is evidence  
9 showing some small amount of fuel switching has occurred in both directions: gas to  
10 electric and electric to gas (as well as other fuels). NWN has not demonstrated that  
11 the ETO policies, practices and incentives caused the limited amount of fuel  
12 switching shown. Without proof that fuel switching is happening in a significant  
13 amount, and that the ETO incentives are causing the fuel switching, there is no  
14 reason to go to a second phase of this docket and open an inquiry into cost-  
15 effectiveness of any fuel switching that is happening.

## II. Cross-Answering Testimony of Lauren Shapton

16 **Q. Staff suggested utilities scrub their mailing lists and take other measures to**  
17 **ensure ratepayer funds are not used to market heat pumps to gas heat**  
18 **customers. Does PGE agree with this recommendation?**

19 A. Staff's suggestion could be interpreted broadly or narrowly, and the broad  
20 interpretation could have unintended effects. Interpreted broadly, the  
21 recommendation could mean that PGE could not discuss heat pumps in its  
22 newsletters or on its website, because these communications are not targeted to a



1 specific customer group and could be seen by any customer, including those whose  
2 main heat source is gas. In this case, a potential result is that far less high-efficiency  
3 heat pump outreach occurs, which then impacts energy efficiency savings that might  
4 otherwise be achieved by PGE's customers. Thus, we do not support this  
5 interpretation.

6 In communications that could reach electric and gas heat customers, PGE notes in  
7 the marketing material itself that the high-efficiency heat pump information is  
8 directed at electric-heat customers and all comparisons are electric to electric.

9 If the Staff recommendation were interpreted narrowly to cover targeted  
10 communications, such as direct mail, we do not have an issue since PGE already  
11 makes efforts to scrub mailing lists and target its heat pump marketing mailings to  
12 electric-heat customers, and we intend to continue this practice. Narrowly targeting  
13 a group of customers is easier with direct mail.

14 **Q. Will targeting prevent gas-heat customers from receiving heat pump mailings?**

15 A. No, but we do believe the impact will be minimal. As parties have seen, PGE has  
16 made mistakes in developing and running the lists in early 2012. As a result, we  
17 have instituted practices and double-checks to prevent future mistakes, and we intend  
18 to keep these processes robust. We will continue to be clear in our communication  
19 that these messages are meant for customers who heat with electricity and make all  
20 comparisons electric to electric.

21 **Q. Does this conclude your testimony?**

22 A. Yes.