

ORDER NO. 15 129

ENTERED: APR 15 2015

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 288

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

Renewable Resources Automatic  
Adjustment Clause, Revises Schedule 122.

ORDER

DISPOSITION: STIPULATION ADOPTED

**I. SUMMARY**

In this order, we adopt a stipulation of all of the parties and authorize Portland General Electric Company to recover \$1.44 million in costs associated with the Tucannon River Wind Farm (Tucannon). PGE will recover these amounts through Schedule 122, to reflect the December 2014 revenue requirement for the Tucannon. Revised Schedule 122 rates are to go into effect July 1, 2015, to collect the \$1.44 million between July 1 and December 31, 2015.

**II. BACKGROUND**

ORS 469A.050 establishes a Renewable Portfolio Standard that requires electric utilities to meet specified percentages of their Oregon load with electricity generated by eligible renewable resources by specified dates. ORS 469A.120 provides that "all prudently incurred costs associated with compliance with a renewable portfolio standard are recoverable in the rates of an electric company." Utilities recover these costs through a renewable adjustment clause, which allows for the deferral and collection of the revenue requirement associated with renewable resources.

On March 31, 2014, PGE filed its annual Renewable Resources Automatic Adjustment Clause update pursuant to Schedule 122, and included only one renewable generating project: Tucannon. We docketed the filing as UE 288 and held it in abeyance pending resolution of PGE's pending general rate case (docket UE 283).

Following our resolution of the general rate case, where we concluded that PGE's investment in Tucannon was prudent, the parties commenced settlement discussions in this docket. The parties ultimately reached settlement and, on April 3, 2015, PGE, the

Citizens' Utility Board of Oregon, the Industrial Customers of Northwest Utilities, and Commission Staff filed a stipulation intended to resolve all issues in this docket. The stipulation, attached as Appendix A, is supported by the unanimous joint testimony of the stipulating parties.

### III. DISCUSSION

#### A. Tucannon River Wind Farm

Tucannon is a wind generation facility located in Columbia County, south of the Tucannon River in eastern Washington. The project has a nameplate capacity of 266.8 MW, and consists of 116 turbines.

PGE built Tucannon to meet the need for renewable energy identified in its 2009 Integrated Resource Plan (IRP) and its 2011 IRP Update. PGE will serve as the owner operator of the facility.

#### B. Stipulation

The parties agree that the 2014 revenue requirement associated with Tucannon is \$1.44 million, and that PGE should be allowed to recover that amount through tariff Schedule 122, effective July 1, 2015, with rates designed to collect that amount between July 1 and December 31, 2015.<sup>1</sup> The components comprising the calculation of the revenue requirement impact included an average rate base of \$20.8 million, depreciation expense of \$0.7 million, operations and maintenance and property tax expense of \$0.3 million, dispatch benefits of \$0.7 million and production tax credits of \$0.7 million. The parties applied the Company's 2014 authorized Rate of Return of approximately 7.62 percent.<sup>2</sup>

#### C. Resolution

We have reviewed the stipulation, and supporting joint testimony. We find the terms of the stipulation are supported by good and sufficient evidence to conclude that the recommendations contained in the stipulation are in compliance with our prior orders and will provide the public with reliable service at just and reasonable rates. The stipulation should be adopted in its entirety.

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<sup>1</sup> Stipulation at 2.

<sup>2</sup> Stipulating Parties/100, Crider-Jenks-Mullins-Brown/4.

## IV. ORDER

IT IS ORDERED that:

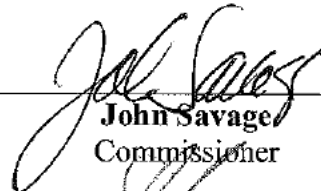
1. The stipulation submitted by Portland General Electric Company, the Staff of the Public Utility Commission of Oregon, the Citizens' Utility Board of Oregon and the Industrial Customers of Northwest Utilities, attached as Appendix A, is adopted.
2. Advice No. 14-06 filed by Portland General Electric Company is permanently suspended.
3. Portland General Electric Company must file revised tariff sheets consistent with this order by June 1, 2015 to be effective July 1, 2015.

Made, entered, and effective APR 15 2015



**Susan K. Ackerman**  
Chair





**John Savage**  
Commissioner



**Stephen M. Bloom**  
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 288

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY'SRenewable Resources Automatic Adjustment  
Clause, Revises Schedule 122**STIPULATION  
REGARDING ALL ISSUES**

This Stipulation ("Stipulation") is between Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board of Oregon ("CUB"), and the Industrial Customers of Northwest Utilities ("ICNU") (collectively, the "Parties").

On March 31, 2014, PGE filed its annual Renewable Resources Automatic Adjustment Clause update pursuant to PGE tariff Schedule 122. That filing was docketed as UE 288. PGE's filing included one renewable generating project: the Tucannon River Wind Farm. The filing included revised tariff sheets, testimony, and work papers explaining the renewable resource costs included in the update. On May 1, 2014, a Prehearing Conference was held during which all parties requested that the docket be held in abeyance pending the resolution of Docket UE 283, PGE's pending rate case that also included examination of the Tucannon River Wind Farm. The Administrative Law Judge granted the request. On December 4, 2014, the Commission issued a final order in Docket UE 283 (Order No. 14-422). In that Order, the Commission adopted the Second Partial Stipulation between Staff, PGE, ICNU, CUB, Fred Meyer Stores and Quality Food Centers, Division of Kroger Co. ("Kroger"), in which these

stipulating parties agreed that PGE's decision to construct Tucannon River Wind Farm was prudent. An additional Prehearing Conference was held in this docket on January 21, 2015, and a schedule for the remainder of the docket was adopted by the Administrative Law Judge.

Consistent with Schedule 122, on November 25, 2014, PGE filed its Application for Deferral of Costs Associated with the Tucannon River Wind Farm (UM 1711). That application sought a deferral, pursuant to ORS 469A.120, of the revenue requirement associated with the Tucannon River Wind Farm for the period of December 15 through December 31, 2014. The Tucannon River Wind Farm went into service to customers on December 15, 2014. PGE's deferral application was granted on January 13, 2015, in Order No. 15-011. In PGE's application the estimated 2014 revenue requirement for Tucannon River Wind Farm was approximately \$2 million. On February 13, 2015, PGE filed supplemental testimony showing that the 2014 revenue requirement for the Tucannon River Wind Farm was \$1.44 million.

On March 5, 2015, the Parties held a Settlement Conference. The Parties reached agreement settling all issues in this docket. The Parties agree as follows:

#### **TERMS OF STIPULATION**

1. This Stipulation is entered to settle all issues in this docket.
2. The revenue requirement for December 2014 for the Tucannon River Wind Farm calculated consistent with tariff Schedule 122 is \$1.44 million. PGE's request in this docket to include that amount in Schedule 122 should be approved. The parties further agree the revised Schedule 122 rates should be effective July 1, 2015, with rates designed to collect the \$1.44 million between July 1 and December 31, 2015.
3. The Parties recommend and request that the Commission approve the terms of this Stipulation as appropriate and reasonable resolutions of the issues in these dockets.

4. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just, and reasonable.

5. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. Without the written consent of all parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

6. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order which is not contemplated by this Stipulation, each Party disadvantaged by such action shall have the rights provided in OAR 860-001-0350 and OAR 860-001-0720, including the right to withdraw from the stipulation and to seek reconsideration of the Commission's order. Nothing in this paragraph provides any Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

7. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR § 860-001-0350. The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to sponsor this Stipulation at the hearing (if necessary), and recommend that the Commission issue an order adopting the settlements contained herein. The Parties also agree to cooperate in drafting and submitting written testimony required by OAR § 860-001-0350(7).

8. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation, other than those specifically identified in the Stipulation. Except as

provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

9. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 7 day of March, 2015.

  
PORTLAND GENERAL ELECTRIC  
COMPANY

STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD  
OF OREGON

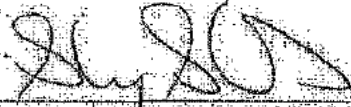
INDUSTRIAL CUSTOMERS OF  
NORTHWEST UTILITIES

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9. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 2nd day of April, 2015.

PORTLAND GENERAL ELECTRIC  
COMPANY



STATE OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD  
OF OREGON

INDUSTRIAL CUSTOMERS OF  
NORTHWEST UTILITIES



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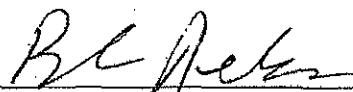
DATED this 18 day of April ~~March~~, 2015.

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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON



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CITIZENS' UTILITY BOARD  
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DATED this 18 day of April, 2015.

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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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CITIZENS' UTILITY BOARD  
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