



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

January 31, 2013

E-Mail / US Mail

puc.filingcenter@state.or.us

Oregon Public Utility Commission
Attn: Filing Center
550 Capitol St NE Ste. 215
PO Box 2148
Salem, OR 97308-2148

RE: UM 1182 – Errata – Replacement Page to Dr. Jonathan Jacobs Direct Testimony

Enclosed for filing in Docket UM 1182 are an original and five copies of Portland General Electric's (PGE's) Errata to the Direct Testimony of Dr. Jonathan Jacob (PGE Exhibit 300), originally filed on January 14, 2013. The errata adds "combined-cycle" on page 36, line 16.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached Certificate of Service.

If you have any questions or require further information, please call Spenser Williams at (503) 464-7490. Please direct all formal correspondence and requests to the following email address: pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in purple ink that reads "Patrick G. Hager".

Patrick G. Hager
Manager, Regulatory Affairs

PGH:kr

encl.

cc: UM 1182 Service List

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **PORTLAND GENERAL ELECTRIC COMPANY'S REPLY TESTIMONY ERRATA (PGE / 300)** to be served by electronic mail to those parties whose email addresses appear on the attached service list from OPUC Docket No. UM 1182.

DATED at Portland, Oregon, this 31st day of January, 2013.



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OPUC DOCKET # UM 1182**

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1 p.337 of the FERC Form 1, and expressed the result as a percentage of the cost of the
2 plant in its first year of service, which I assume he got from p. 402, line 17 of that year's
3 FERC Form 1. He then computed the average percentage for each power plant, and
4 created a capacity-weighted average over all the plants.

5 **Q. Was he able to apply this method to all of the power plants whose construction costs**
6 **he had studied?**

7 A. No, he says he was unable to get good data for the Mountainview and Humboldt plants.

8 **Q. What does he say was his numerical result?**

9 A. He proposes an adder of 5.7% per year for the first five years of operation, which would
10 be a total of 28.5% of the initial cost. By comparison, the \$14 million expenditure he
11 used as his justification, which I would assume is an extreme case chosen to make a
12 point, is only 23% of that plant's \$60 million construction cost.

13 **Q. Is Mr. Monsen's five-year period justified?**

14 A. It appears to be chosen arbitrarily. I am not sure why one should assume that "deferred
15 construction expenditures" persist for five years. Furthermore, he has data for only one
16 combined-cycle plant, Palomar Energy Center, which came online before 2009. As the
17 latest FERC Form 1s currently available are for 2011, he can have no more than two
18 observations of capital expenditure for a plant that came online in 2009 or later.

19 **Q. Were you able to construct a dataset similar to the one used by Mr. Monsen?**

20 A. Yes. I was able to obtain copies of the utilities' FERC Form 1s and do the computations
21 Mr. Monsen describes, with one exception.

22 **Q. What was the exception?**

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