



**Portland General Electric Company**  
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June 19, 2013

***VIA E-MAIL  
AND FIRST CLASS MAIL***

Commission Chair Susan Ackerman  
Commissioner John Savage  
Commissioner Steve Bloom  
Public Utility Commission of Oregon  
550 Capitol Street NE  
Salem, OR 97308

**Re: Request for Generic Power Cost Adjustment Mechanism Investigation**

Dear Commissioners,

Portland General Electric Company (PGE) and PacifiCorp d/b/a Pacific Power (PacifiCorp) respectfully request that the Commission open a generic docket to investigate the policies and design of the power cost adjustment mechanism (PCAM) now in place for the two companies. The Commission adopted PGE's PCAM six years ago in Order No. 07-015. Aside from a stipulated change to the calculation of the dead band, PGE's PCAM has remained unchanged since its adoption. In Order No. 12-493, the Commission adopted a PCAM for PacifiCorp identical to PGE's, citing the policies the Commission first articulated in 2007.

The environment for electric utilities in Oregon has changed significantly since 2007. Most notably, Oregon has enacted a renewable portfolio standard (RPS) and an emissions performance standard (EPS), both of which increase the normal business risk PGE and PacifiCorp face in serving their customers.

In 2006, the Commission opened a similar generic investigation, docket UM 1286, to review the purchase gas adjustment mechanism (PGA) for Oregon's natural gas utilities. The Commission opened this investigation because the PGA had been in place for seven years, natural gas markets had changed dramatically and natural gas supply risk had increased. *In re Purchased Gas Adjustment Mechanisms*, Docket UM 1286, Order No. 08-504 at 2, 18 (Oct. 21, 2008). In that docket, the Commission revised the PGA and adopted guidelines to improve its operation.

PGE and PacifiCorp believe that the Commission should conduct a similar investigation of the companies' PCAMs. PGE now has a six-year track record under its PCAM and a review of its operation is appropriate. A review is especially timely given the fact that the Commission recently adopted the same PCAM for PacifiCorp. Additionally, just as changing market

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dynamics precipitated the PGA investigation, so too should major changes in electric utility regulation in Oregon cause the Commission to investigate the PCAM.<sup>1</sup>

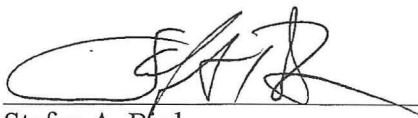
PGE and PacifiCorp recognize that the Commission has a heavy workload and limited resources. The companies therefore understand that the Commission may need to conduct the PCAM investigation on a schedule that extends into 2014.

For these reasons, PGE and PacifiCorp request commencement of a generic PCAM investigation. We appreciate the Commission's consideration of this request.

Respectfully submitted,



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cc: Jason Eisdorfer/Oregon Public Utility Commission  
Maury Galbraith/Oregon Public Utility Commission  
Bob Jenks/Citizens' Utility Board of Oregon  
Irion Sanger/Industrial Customers of Northwest Utilities  
Jay Tinker/Portland General Electric Company  
William R. Griffith/PacifiCorp

<sup>1</sup> PGE and PacifiCorp do not propose to include Idaho Power in this generic investigation because Idaho Power has a different PCAM than PGE and PacifiCorp, and Idaho Power is not subject to Oregon's RPS.