



**EXHIBIT LIST**

WFalls/101 Conf	Creditor's Trust Agreement
WFalls/102 Conf	Bill of Sale and Deed in Lieu of Foreclosure
WFalls/103 Conf	February 13, 2019 Purchase Agreement
WFalls/104 Conf	Lease Termination Agreement
WFalls/105 Conf	PGE draft Lease Term Sheet
WFalls/106	April 15, 2019 B. Konen E-mail NLDA Notice
WFalls/107	June 3, 2019 Letter from PGE regarding NLDA Queue Notice
WFalls/108	January 14, 2020 Email from PGE Confirming NLDA queue
WFalls/109	January 17, 2020 NLDA Email and Letter from PGE
WFalls/110 Conf	June 18, 2019 Sale and Purchase Agreement
WFalls/111 Conf	Fully Executed Willamette Falls Real Estate Industrial Lease
WFalls/112 Conf	Sublease Agreement

1 **I. INTRODUCTION AND SUMMARY**

2 **Q. PLEASE STATE YOUR NAME AND OCCUPATION.**

3 A. My name is Brian Konen. I am the President of Willamette Falls Paper Company (“WFalls”).  
4 I am also the President of West Linn Paper Company (“WLP”). I have been working in the paper  
5 industry for approximately 30 years.

6 **Q. PLEASE IDENTIFY THE PARTIES ON WHOSE BEHALF YOU ARE TESTIFYING.**

7 A. I am testifying on behalf of both WFalls and WLP.

8 **Q. WHAT IS WFALLS?**

9 A. WFalls is a domestic business corporation organized under the laws of the state of Oregon.  
10 WFalls operates the historic paper mill (“Paper Mill”) located on the northern side of the Willamette  
11 Falls in West Linn, Oregon. The Paper Mill has been operated by different owners for approximately  
12 130 years. WFalls acquired all the assets of WLP in 2019 and currently employs 130 employees.

13 **Q. WHAT IS WLP?**

14 A. WLP is a domestic business corporation organized under the laws of the state of Oregon. WLP  
15 operated the Paper Mill from 1997 to 2017. As described below, WLP successfully transitioned  
16 electric service at the Paper Mill to Portland General Electric’s (“PGE”) long-term direct access  
17 program pursuant to PGE Schedule 489. Although WLP no longer operates the Paper Mill, WLP is  
18 still an existing Oregon corporation.

19 **Q. IS WFALLS THE SUCCESSOR IN INTEREST TO WLP?**

20 A. Yes. WLP and WFalls have the same executive management. I serve as President of both  
21 companies. WFalls has rehired more than one hundred employees that formerly worked for WLP.  
22 WFalls operates the same machines in the same buildings on the same site as WLP. WFalls makes  
23 essentially the same products as WLP, with the only exception being WFalls’ focus on using  
24 environmentally friendly inputs to make sustainable paper products. Specifically, WFalls produces  
25 sustainable non-wood grade paper sourced with local agricultural waste and also uses post-consumer  
26 recycled fiber that would otherwise go into the waste stream. WFalls also intends to use the Paper

1 Mill to recycle wastepaper into secondary fiber to create a closed-loop system with significant energy  
2 and environmental savings—consistent with state environmental goals under an agreement with the  
3 State of Oregon.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A. The purpose of my testimony is to describe the long-term direct access service to the Paper  
6 Mill. Specifically, I will testify that neither WLP nor WFalls ever gave PGE notice of intent to  
7 terminate such long-term direct access service. I will also discuss the transition of ownership of the  
8 Paper Mill assets from WLP to WFalls. My testimony will include the shared understanding of both  
9 WLP and WFalls that long-term direct access service was an “asset” of the Paper Mill that passed  
10 from WLP to its successor--WFalls. I will discuss my interactions with PGE representatives, both in  
11 their capacity as the power supplier for the Paper Mill and in their capacity as a landlord for the site on  
12 which the Paper Mill is located. Through these interactions, PGE clearly understood that WLP and  
13 WFalls intended to continue long-term direct access service to the Paper Mill. Finally, I will testify  
14 that WFalls never intended to take Schedule 89 (cost of service) electric service at the Paper Mill.  
15 PGE forced WFalls to take service under Schedule 89 (pending the outcome of this proceeding) by  
16 refusing to honor its obligations to the Paper Mill under Schedule 489 and the corresponding Long-  
17 Term Direct Access Agreement.

18 **Q. WHY DO YOU SAY THAT YOU INTERACTED WITH PGE IN ITS CAPACITY AS A**  
19 **LANDLORD?**

20 A. One of the unusual facts of this case is that PGE is both the power supplier to the Paper Mill  
21 and the owner of much of the real property on which the Paper Mill is located. WLP therefore  
22 executed a lease agreement with PGE dated April 4, 1997 (“WLP Lease”) with respect to that portion  
23 of the Paper Mill site owned by PGE. Similarly, WFalls is the subtenant of a lease between Willamette  
24 Falls Real Estate and PGE (“WFalls Lease”).

1 **Q. WHY DOES PGE OWN THE PAPER MILL PROPERTY?**

2 A. PGE owns the property on which the Paper Mill is located and the associated buildings  
3 because it is connected with the site of PGE's T.W. Sullivan Hydroelectric Plant ("Sullivan Plant").  
4 The Sullivan Plant was first opened in approximately 1889.

5 **Q. WHAT IS THE RELATIONSHIP BETWEEN PAPER MILL OPERATIONS AND THE**  
6 **OPERATION OF THE SULLIVAN PLANT?**

7 A. PGE's Sullivan Plant has a close working relationship with the Paper Mill because the Sullivan  
8 Plant requires that the Paper Mill operate to provide certain critical functions. These functions include  
9 providing essential bearing and cooling water for PGE's turbines, providing fire protection, and operating  
10 sewer systems. My understanding is that if the Paper Mill did not provide these functions, PGE would not  
11 be able to operate the Sullivan Plant which is why PGE never disconnected electric service to the Paper  
12 Mill. I also understand that, if the Paper Mill were to close, PGE's ratepayers could incur significant costs  
13 to decommission or remediate the Paper Mill site and increased cost to provide certain services to the  
14 Sullivan Plant which are now provided from WFalls.

15 **Q. WHEN DID WLP ENROLL IN PGE'S LONG-TERM DIRECT ACCESS PROGRAM?**

16 A. Two of the critical inputs for a successful paper making process are pulp and low-cost  
17 electricity. Without a ready supply of affordable pulp and low-cost electricity, the Paper Mill is not  
18 economically viable. Because energy has always been a major cost for the Paper Mill, WLP first  
19 enrolled the Paper Mill in PGE's long-term direct access program back in 2006. WLP fully complied  
20 with all Commission rules and PGE tariff requirements to transition the Paper Mill to long-term direct  
21 access. For more than ten (10) years, WLP purchased electricity for the Paper Mill from one or more  
22 electric service suppliers, and the electricity was delivered to the Paper Mill by PGE under Schedule  
23 489.

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1 **Q. DID WLP CONSIDER LONG-TERM DIRECT ACCESS SERVICE TO BE AN**  
2 **“ASSET” OF THE FACILITY?**

3 A. Yes. WLP understood that the right and the obligation to purchase long-term direct access  
4 electricity under Schedule 489 would automatically transfer to, and be binding upon, any successors to  
5 ownership of the Paper Mill. In other words, if direct access commodity prices had spiked, then WLP  
6 could not escape Schedule 489 simply by transferring ownership of the Paper Mill. Thus, WLP  
7 viewed long-term direct access service as both an “asset” and a “liability” of the Paper Mill.

8 **Q. WHEN DID WLP BEGIN HAVING DIFFICULTIES OPERATING THE FACILITY?**

9 A. Through no fault of its own, WLP began having supply-chain difficulties and was ultimately  
10 forced to suspend Paper Mill operations in October of 2017. These difficulties were caused when a  
11 pulp supplier’s boiler exploded, setting off a shortage of pulp and significantly spiking pulp prices in  
12 the market. When WLP ran out of pulp to make paper, it was forced to suspend operations. WLP did  
13 not anticipate the sudden spike in pulp prices, which was outside of its reasonable control.

14 **Q. WHAT HAPPENED WHEN WLP SUSPENDED MANUFACTURING OPERATIONS?**

15 A. Because of the pulp price spike and supply shortage, on or about October 16, 2017, the  
16 decision was made to wind down the Paper Mill. During the wind down, over two hundred and fifty  
17 (250) living-wage jobs at the Paper Mill were lost over the course of 90 days. On October 25, 2017,  
18 several unsecured creditors of WLP filed a petition to initiate an involuntary Chapter 7  
19 bankruptcy proceeding. The unsecured creditors’ involuntary bankruptcy petition was unsuccessful,  
20 and the case was dismissed by the United States Bankruptcy Court in early 2018. WLP and its  
21 creditors ultimately agreed to cooperatively wind down WLP and sell its assets for the benefit of  
22 creditors under a Creditor Trust Agreement.<sup>1</sup>

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<sup>1</sup> WFalls/101 (Conf) Creditors Trust Agreement

1 **Q. DID WLP INTEND FOR THE FACILITY TO BE SOLD AND RESTARTED?**

2 A. Yes. In executing the Creditor Trust Agreement, WLP anticipated that the Paper Mill assets  
3 would be sold to a new operator and that the Paper Mill would be restarted. I stayed on as President of  
4 WLP to specifically market and restart the Paper Mill. In my opinion, restarting manufacturing  
5 operations was in the best interest of all WLP creditors, PGE, former Paper Mill employees, and other  
6 stakeholders. WLP's expectation of restarting the Paper Mill was communicated to, and clearly  
7 understood by, PGE both as the lessor and the power supplier. WLP understood that the Paper Mill's  
8 long-term direct access rights would be integral to selling the operating assets and restarting the Paper  
9 Mill.

10 **Q. WERE WLP ASSETS TRANSFERRED AND SOLD?**

11 A. Yes. As part of the cooperative wind down of WLP, which occurred after the bankruptcy was  
12 dismissed, all tangible *and intangible* assets of WLP were transferred and sold other than the WLP  
13 Lease with PGE. On June 28, 2018, WLP voluntarily transferred all of its assets to Belgravia Pulp  
14 Holdings ("BPH").<sup>2</sup> BPH was a secured lender and an affiliate of WLP's parent company Belgravia  
15 Investments. This was intended to be an "all asset" transfer including contracts and permits.<sup>3</sup> As  
16 described below, BPH, PGE, and WLP engaged in negotiations about restarting the Paper Mill or  
17 otherwise redeveloping the site. On February 13, 2019, BPH transferred all WLP assets to Maynards  
18 Industries USA LLC ("Maynards"), an auctioneer that specializes in industrial auctions.<sup>4</sup> Maynards  
19 intended to either operate the Paper Mill or auction the Paper Mill assets to the highest bidder.

20 **Q. WHEN YOU SAY "ALL" OPERATING ASSETS, WHAT DOES THAT INCLUDE?**

21 A. As president of WLP, it was important that literally all of the operating assets needed to operate  
22 the Paper Mill were being transferred. No buyer would want to operate a Paper Mill that it could not  
23 operate economically. To me, all operating assets included the long-term direct access rights.

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<sup>2</sup> WFalls/102 (Conf) Bill of Sale and Deed in Lieu of Foreclosure

<sup>3</sup> *Id.*

<sup>4</sup> WFalls/103 (Conf) Purchase Agreement

1 **Q. DID YOU SPECIFICALLY STATE THAT LONG TERM DIRECT ACCESS RIGHTS**  
2 **WERE BEING TRANSFERRED OR ASSIGNED IN THE ASSET PURCHASE**  
3 **AGREEMENT?**

4 A. No, I did not think this was necessary because I thought it was obviously included in the  
5 operating assets of the Paper Mill. I did not think that there was any risk of losing long term direct  
6 access rights for the Paper Mill because we had never given PGE notice of intent to return to cost of  
7 service rates. Every year after 2006 I was asked by my energy manager whether we wanted to provide  
8 PGE notice of intent to return to cost of service rates with the required two years notice. I understood  
9 that providing such notice was the only way to discontinue direct access. Having never elected to  
10 discontinue direct access service, I considered it to be an ongoing asset (and liability) of the Paper  
11 Mill. I understood in layman terms that “all assets” needed to operate the Paper Mill would clearly  
12 include its power supply rights. This is particularly true for a paper mill, for which electricity is not  
13 merely an incidental utility service but one of the three critical inputs and cost-drivers (electricity,  
14 labor, and pulp). I did not think it was necessary to specifically itemize each and every operating asset  
15 that was being transferred.

16 **Q. WHAT WAS YOUR POSITION AT WLP?**

17 A. I was the Chief Operating Officer of WLP in 2017 and was appointed President of WLP in  
18 October 2018. I am President of WLP today.

19 **Q. IN YOUR ROLE AS PRESIDENT AND CHIEF OPERATING OFFICER OF WLP,**  
20 **WHAT WERE YOUR DUTIES?**

21 A. From the fall of 2018 to early 2019 I was responsible for supervising the Paper Mill and the  
22 few remaining employees of WLP. I was also in discussions with BPH and PGE over either restarting  
23 the Paper Mill or redeveloping the site. It was my belief that resuming Paper Mill operations would  
24 maximize the value of WLP’s assets and PGE’s land. This was the only reason I continued in my role  
25 as President of WLP. I engaged in multiple discussions with PGE representatives and other interested



1 parties. I was also in discussions with various investors to purchase the assets so that the Paper Mill  
2 could resume operations.

3 **Q. WHEN DID YOU BEGIN TAKING TO PGE ABOUT RESTARTING THE PAPER**  
4 **MILL?**

5 A. Beginning in approximately November of 2017, I had many discussions with PGE about  
6 restarting the Paper Mill and the conditions required for a successful restart. I was also actively  
7 seeking investors to purchase the Paper Mill and arranged various meetings between me, PGE,  
8 potential investors, and other stakeholders. I deliberately included PGE in some of these discussions  
9 because of the close working relationship between the Paper Mill and its Sullivan Plant and its dual  
10 role as electricity provider and landlord. I viewed PGE not just as a utility supplier to the Paper Mill,  
11 but as more of a “business partner” in restarting the Paper Mill.

12 **Q. IN THESE NEGOTIATIONS, DID THE PARTIES CONTEMPLATE THAT THE**  
13 **PAPER MILL WOULD CONTINUE TO HAVE LONG-TERM DIRECT ACCESS**  
14 **SERVICE?**

15 A. I certainly contemplated that the Paper Mill would continue to have long-term direct access  
16 service after the Paper Mill operating assets were purchased. It is absolutely essential for the Paper  
17 Mill’s success. Restarting the Paper Mill without direct access electric service would be like restarting  
18 the Paper Mill without a lease or a pulp supply agreement. Nobody would even contemplate it. In the  
19 course of these discussions with potential new owners, PGE never questioned the continued  
20 availability of long-term direct access service to the Paper Mill until March of 2019.

21 **Q. IN THE COURSE OF NEGOTIATING WITH POTENTIAL FACILITY**  
22 **PURCHASERS, DID WLP EVER ASK PGE FOR AN ESTIMATE OF ENERGY**  
23 **COSTS TO SERVE THE FACILITY?**

24 A. In November 2018, I was talking to a potential investor about purchasing the WLP operating  
25 assets and restarting the Paper Mill. Since PGE had supported a restart of the Paper Mill, and I viewed  
26 them as a business partner, former WLP employee John Otnes (who was working through a temp

1 agency for the benefit of PGE at the time) contacted Andrew Schafer at PGE about potential electricity  
2 costs at the Paper Mill. Mr. Otnes was attempting to calculate the per unit cost of production for paper  
3 if the Paper Mill were to receive cost-of-service rates. The analysis confirmed that cost-of-service  
4 rates would not be economically viable for the Paper Mill. This exchange between Mr. Otnes and Mr.  
5 Schafer was not notice of, and did not reflect any intent by, WLP to return the Paper Mill to cost-of-  
6 service rates.

7 **Q. WHAT DID YOU DO WITH THOSE COST ESTIMATES?**

8 A. Nothing. The cost estimate confirmed that operating the Paper Mill using cost of service rates  
9 would be economically unsustainable. Accordingly, I made it clear to PGE going forward that a  
10 restart of the Paper Mill would require the same operating parameters as WLP enjoyed, including  
11 direct access energy. It was my understanding that PGE agreed with this condition.

12 **Q. CAN YOU DESCRIBE SOME OF YOUR OTHER COMMUNICATIONS WITH PGE**  
13 **FOLLOWING THE SHUT-DOWN OF THE PAPER MILL?**

14 A. After WLP suspended manufacturing operations at the Paper Mill, I had meetings and  
15 exchanged correspondence and communicated with several different PGE representatives including:  
16 Brian Faist, Brian Clark, Maria Pope, Mark Lindley, Kristen Ingram and Nick Loos. These  
17 conversations happened from approximately November 20, 2017 until the eventual formation and  
18 lease negotiations involving WFalls in 2019. On May 17, 2018, for example, there was a meeting  
19 between WLP representatives and PGE to discuss working cooperatively to enhance the value of  
20 PGE's property and WLP's property and possible amendments to the WLP Lease. Throughout these  
21 discussions I remained confident that the Paper Mill could be successfully restarted because the short-  
22 term pulp shortage was over. I explained to PGE and other stakeholders that, with an efficient labor  
23 force and low cost energy, the Paper Mill would be successful. It is the last remaining producer of  
24 coated paper on the west coast. I was clear with PGE that a critical component of a successful restart  
25 was direct access electricity.

1 **Q. BEFORE WLP SUSPENDED MANUFACTURING OPERATIONS, DID WLP ELECT**  
2 **TO SWITCH TO THE DAILY MARKET PRICE OPTION?**

3 A. Yes, around the time WLP suspended manufacturing operations, WLP elected to switch its  
4 commodity price under Schedule 489 to the Company Supplied Energy rate which it was entitled to do  
5 under PGE's tariffs. It was and is my understanding that this change did not terminate long-term  
6 direct access service to the Paper Mill.

7 **Q. DID WLP EVER GIVE PGE NOTICE THAT IT WISHED TO TERMINATE LONG-**  
8 **TERM DIRECT ACCESS SERVICE?**

9 A. No. WLP never gave PGE notice of termination, or otherwise attempted to terminate, its long-  
10 term direct access service to the Paper Mill. Direct access electric service was a critical ingredient to  
11 restarting the Paper Mill. As discussed above, our cost analysis always showed that cost-of-service  
12 rates would not be viable for the Paper Mill. Terminating direct access service would be the  
13 equivalent of permanently dismantling the Paper Mill.

14 **Q. DID PGE EVER PROVIDE WLP NOTICE OF PGE'S INTENT TO TERMINATE**  
15 **LONG-TERM DIRECT ACCESS SERVICE TO THE PAPER MILL?**

16 A. No, PGE never gave WLP notice or otherwise terminated long-term direct access service to the  
17 Paper Mill. In fact, as described in the testimony of Brad Mullins, PGE does not even have the right to  
18 terminate long-term direct access service to the Paper Mill. Only WLP could do so—which never  
19 happened.

20 **Q. DID PGE EVER TERMINATE SERVICE TO THE PAPER MILL ALTOGETHER?**

21 A. No, as described in the testimony of Brad Mullins, PGE never terminated service to the Paper  
22 Mill. Instead, acting in its capacity as the landlord of the Paper Mill site, PGE apparently retroactively  
23 transferred electric service to its own name after the Lease Termination Agreement was signed.

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1 **Q. WAS ENERGY BEING USED AT THE FACILITY AFTER WLP CEASED**  
2 **OPERATIONS?**

3 A. Yes, but it was almost entirely to maintain Paper Mill functions that were needed for PGE to  
4 operate the Sullivan Plant. Upon suspending its manufacturing operations in October of 2017, the  
5 Paper Mill required only minimal electric service for WLP's benefit. But the Paper Mill continued to  
6 provide PGE with cooling water, fire protection, and sewer services. As described in the testimony of  
7 Brad Mullins, PGE has readily conceded that the majority of the power provided to the Paper Mill during  
8 this time was for PGE's benefit. In fact, PGE eventually hired or contracted with three key WLP  
9 employees to help oversee the Paper Mill site, including John Otnes.

10 **Q. DID WLP CONTINUE PAYING FOR ELECTRICITY DURING THIS TIME**  
11 **PERIOD?**

12 A. WLP ultimately stopped paying PGE for the power service to the Paper Mill site because these  
13 activities substantially benefited PGE rather than the Paper Mill. There were discussions with PGE about  
14 an abatement for lease and electricity payments by WLP while a cooperative redevelopment agreement  
15 was being negotiated. The reason for such rent and electricity abatement, in my opinion, was that the value  
16 of services being provided by WLP for the benefit of PGE far exceeded the lease and electricity payments.  
17 No redevelopment agreement was ever reached and therefore no agreement was ever finalized with respect  
18 to these outstanding power costs. Thus, when PGE talks about the Paper Mill's "unpaid power bills," the  
19 Commission must understand that these are bills that were associated with power consumed *for the benefit*  
20 *of PGE*. Notwithstanding the fact that the power benefitted PGE, PGE then to tried to get these power bills  
21 reimbursed through the Creditor Trust Agreement.

22 **Q. WHAT HAPPENED TO THE LEASE BETWEEN WLP AND PGE?**

23 A. After BPH, WLP, and PGE were unable to negotiate the terms of a redevelopment agreement, PGE  
24 and WLP entered into a Lease Termination Agreement. Although I signed the Lease Termination  
25 Agreement on January 23, 2019, the Lease Termination Agreement was back dated to November 26,

1 2018.<sup>5</sup> The Lease Termination Agreement allowed PGE, in its capacity as the landlord, to regain control  
2 of the Paper Mill site.

3 **Q. DID THE LEASE TERMINATION AGREEMENT TERMINATE LONG-TERM DIRECT**  
4 **ACCESS SERVICE TO THE FACILITY?**

5 A. No. Nothing in the Lease Termination Agreement purports to terminate long-term direct access  
6 service to the Paper Mill. Even if it did, I have been advised that it would violate the notice requirement of  
7 Schedule 489. Again, my understanding is that a long-term direct access customer cannot leave Schedule  
8 489 simply by terminating its lease with its landlord. As described by Mr. Mullins, in such a case the  
9 landlord simply steps into the shoes of the lessee as the Schedule 489 customer.

10 **Q. WHEN DID PGE TRANSFER THE FACILITY ELECTRIC ACCOUNT INTO ITS OWN**  
11 **NAME?**

12 A. I was actually not even aware at the time that PGE transferred electric service into its own name.  
13 The details of the account transfer are discussed in the testimony of Brad Mullins and PGE's response to  
14 WFalls Data Request 07.

15 **Q. DID PGE ASK FOR WLP'S AUTHORIZATION OR CONSENT TO TRANSFER**  
16 **ELECTRIC SERVICE INTO PGE'S NAME?**

17 A. No. Not that I can recall.

18 **Q. DID YOU UNDERSTAND THAT BY TRANSFERRING SERVICE TO ITS OWN**  
19 **NAME, PGE WAS TERMINATING THE FACILITY'S LONG-TERM DIRECT**  
20 **ACCESS RIGHTS?**

21 A. No, absolutely not. It was certainly never my intent or understanding that PGE would be  
22 terminating the long-term direct access service to the Paper Mill. If PGE had included this as an  
23 express provision of the Lease Termination Agreement, I never would have signed it because I still  
24 intended to restart the Paper Mill. I also expected that the long-term direct access rights would  
25 eventually be transferred to the new owner as an operating asset of the Paper Mill.

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<sup>5</sup> WFalls/104 (Conf) Lease Termination Agreement

1 **Q. WHAT DID YOU DO AROUND THE TIME THE LEASE TERMINATION**  
2 **AGREEMENT WAS BEING NEGOTIATED?**

3 A. When the Lease Termination Agreement was imminent, I again reached out to PGE to confirm  
4 that PGE supported restarting the Paper Mill. PGE confirmed that it supported restarting the Paper  
5 Mill. I also reached out to all necessary stakeholders for a successful restart, which included  
6 customers, suppliers, and Business Oregon. After confirmation that I had the support of these key  
7 stakeholders, I had the former WLP employees polled. Seventy five percent (75%) of the respondents  
8 indicated they wanted to return to work at the Paper Mill if a restart were possible. After that, I came  
9 to an agreement with Maynards, which held title to the operating assets, to market the Paper Mill to  
10 facilitate the restart. Maynards gave me until June of 2019 to find an investor to acquire the assets and  
11 restart the Paper Mill.

12 **Q. WAS DIRECT ACCESS ELECTRIC SERVICE A REQUIREMENT FOR**  
13 **MARKETING AND RESTARTING THE FACILITY?**

14 A. Yes. Everyone in the paper business knows that the margins are too thin to operate without  
15 some form of direct market access. For example, [REDACTED]

16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED].  
19 Accordingly, I would never have continued as president of WLP to market the Paper Mill if I thought  
20 that the Paper Mill's LTDA rights had been extinguished.

21 **Q. DID PGE UNDERSTAND THAT DIRECT ACCESS WAS A REQUIREMENT FOR A**  
22 **SUCCESSFUL RESTART OF THE FACILITY?**

23 A. Yes. In my discussions with PGE, I was perfectly clear that direct access was a critical  
24 component of successfully restarting the Paper Mill. I would not have even attempted to market the  
25 Paper Mill if PGE had indicated that the Paper Mill's long-term direct access service would not  
26 transfer to the new owner.

1 **Q. CAN YOU DESCRIBE SOME OF THE CONVERSATIONS WITH PGE?**

2 A. I had many conversations with PGE. In October 2018, I talked with Mr. Brian Faist of PGE to  
3 confirm that PGE would support restarting the Paper Mill. I explained and PGE understood that the  
4 new owner would need all the same operating parameters as WLP. To me, this included water rights,  
5 access rights, permits, direct access power, and PGE's assumption of liability for existing  
6 environmental issues on the site. Mr. Faist told me that PGE supported restarting the Paper Mill on  
7 that basis.

8 **Q. IN NEGOTIATING THE NEW LEASE, DID PGE PROPOSE TERMS IMPLICITLY**  
9 **ACKNOWLEDGING THE PAPER MILL'S LONG-TERM DIRECT ACCESS**  
10 **RIGHTS?**

11 A. Yes. After WLP ceased operations, I discussed with PGE a variety of business ideas, including  
12 subleasing a portion of the site to a bitcoin miner. I specifically discussed this idea on a site tour with  
13 BPH and PGE representatives Maria Pope, Brian Clark, and Nick Loos. PGE rejected the idea of  
14 WLP subleasing the Paper Mill to a server farm or a bit coin operator or any other sub-tenant that  
15 would be able benefit from the Paper Mill's long-term direct access rights. PGE's position is reflected  
16 in the June 2019 Lease Term Sheet from PGE. <sup>6</sup> [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]<sup>7</sup>

21 Because any sub-tenant's rights to establish new direct access service would be governed by the  
22 Commission's regulations and PGE's tariffs and not a lease agreement, I understood that the intent of  
23 this Term Sheet provision was to restrict assignment of the Paper Mill's existing long-term direct

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<sup>6</sup> WFalls/105 (Conf) Conf PGE draft Lease Term Sheet

<sup>7</sup> *Id.*

1 access rights. In other words, PGE understood that the Paper Mill would continue to have long-term  
2 direct access service and PGE did not want such service to be assigned to a sub-tenant.

3 **Q. WHEN DID PGE FIRST TELL YOU THAT LONG TERM DIRECT ACCESS MAY**  
4 **NOT BE AVAILABLE?**

5 A. Although we began discussing the transition of Paper Mill ownership and operations to a third  
6 party around the time the Paper Mill ceased operations, PGE did not even suggest that long-term direct  
7 access service might not be available until March of 2019.

8 **Q. WHAT HAPPENED IN MARCH 2019?**

9 A. In March of 2019, I was communicating with Brian Faist of PGE because I was in discussions  
10 with several potential investors about purchasing the Paper Mill's operating Assets. It was during  
11 these discussions that PGE first communicated to me that it *may* not recognize the Paper Mill's long-  
12 term direct access rights and that I had to deal with the electric side of PGE. Mr. Faist then  
13 represented that if PGE continued to recognize the Paper Mill's long-term direct access service, then  
14 PGE would require a higher lease rate. Mr. Faist also indicated that a lower lease rate may be  
15 available to the Paper Mill if it agreed to be served on cost of service rates.

16 **Q. IN MARCH OF 2019, DID PGE TELL YOU DEFINITELY THAT LONG-TERM**  
17 **DIRECT ACCESS WAS NOT AVAILABLE?**

18 A. No. Mr. Faist indicated only that PGE could not *commit* to continuing to serve the Paper Mill  
19 under long term direct access and that I needed to deal with the electric side of the business. Further,  
20 he explained that if long term direct access was recognized, a higher lease rate would be required.  
21 Under the circumstances, I understood that this was simply a negotiating tactic by PGE to extract  
22 higher rents from the Paper Mill. At some point in time during the lease negotiations with W Falls  
23 which began in April of 2019, Mr. Faist indicated that PGE could not commit to continuing to serve  
24 the Paper Mill under long term direct access without an Order from the Commission.

25



1 **Q. WHAT DID YOU DO WHEN PGE TOLD YOU THAT LONG TERM DIRECT**  
2 **ACCESS MAY NOT BE AVAILABLE?**

3 A. I was very disappointed that PGE was not supporting the restart along the terms we had  
4 discussed previously. I always believed I had a good working relationship with PGE and viewed them  
5 as my business partner since the operations of the Paper Mill and the Sullivan Plant were so  
6 intertwined. Because I was unable to locate a copy of WLP's Long-Term Direct Access Agreement  
7 with PGE ("LTDA Agreement"), I had my attorney request from PGE a copy of the LTDA Agreement  
8 so that I could verify WLP's legal rights with respect to its long-term direct access service. PGE  
9 refused to provide me with a copy of the LTDA Agreement. Notwithstanding the fact that PGE knew  
10 that I was President and Chief Operating Officer of WLP, and PGE was given proof of my then-  
11 current position with WLP, PGE said that I was not eligible to receive a copy of the LTDA  
12 Agreement. It was only after filing the Complaint in this docket that PGE provided a copy of the  
13 LTDA Agreement through the discovery process.

14 **Q. WHEN WLP ASKED PGE FOR A COPY OF THE LONG-TERM DIRECT ACCESS**  
15 **AGREEMENT, DID PGE TELL WLP THAT THE AGREEMENT HAD BEEN**  
16 **TERMINATED OR WAS OTHERWISE NO LONGER VALID?**

17 A. No. PGE's only reaction to my request for the LTDA Agreement was that it would not share it  
18 with me. PGE never stated that the LTDA Agreement had expired, or had been terminated, or was  
19 otherwise no longer effective. If the LTDA Agreement had been terminated, PGE would certainly  
20 have said so. To me, PGE's evasive reaction confirmed that the Paper Mill most likely still had a valid  
21 LTDA Agreement and also that, for whatever reason, PGE wished to conceal from WLP the contents  
22 of the Agreement.

23 **Q. IF YOU THOUGHT YOU STILL HAD A VALID LTDA AGREEMENT, WHY DID**  
24 **YOU ENROLL IN THE NEW LOAD DIRECT ACCESS PROGRAM?**

25 A. I enrolled the Paper Mill in PGE's New Load Direct Access ("NLDA") program because time  
26 was running out to restart the Paper Mill before the pending auction and securing some form of direct

1 access service was critical. PGE would not commit to continuing to serve the Paper Mill under long-  
2 term direct access and was refusing the share the LTDA Agreement. I felt like I had no other choice.  
3 This was done out of an abundance of caution so that the Paper Mill would either have long-term  
4 direct access or NLDA service. I gave PGE written notice on April 15, 2019, the very first day PGE  
5 set up its NLDA queue<sup>8</sup>.

6 **Q. DID YOU ENROLL IN NLDA ON BEHALF OF WLP OR WFALLS?**

7 A. Both. The email that I sent to PGE on April 15, 2019 stated: “To PGE, West Linn Paper Co  
8 formally request to be placed in the queue for NLDA service. West Linn Paper Co. Potential new  
9 customer is most likely Willamette Falls Paper Co...”<sup>9</sup> My goal obviously was to enroll the *Paper*  
10 *Mill*—the ownership of which was to be transitioned from WLP to WFalls upon its formation.

11 **Q. WAS PGE AWARE OF YOUR INTENT TO ENROLL IN THE NLDA PROGRAM?**

12 A. Yes. At the time I enrolled in the NLDA program, I was in discussions with PGE about a  
13 restart of the Paper Mill, including the parameters for a new lease and discussions surrounding energy  
14 supply options. I was in regular communications with Brian Faist among others about the potential  
15 restart, including my intent to enroll in the NLDA program so that the Paper Mill would either have  
16 long-term direct access or NLDA energy supply.

17 **Q. DO YOU KNOW WHERE YOU ARE IN THE NLDA QUEUE?**

18 A. Yes. PGE responded to me that WFalls is first in the queue.<sup>10</sup> I asked PGE for an update on  
19 the program and on January 14, 2020, Andrew Schafer at PGE confirmed that “Willamette Falls Paper  
20 Co is still first in the queue. We are submitting the order tomorrow, and plan to notify all customers  
21 on Friday (1/17) as required.”<sup>11</sup> Despite PGE’s confirmation that WFalls is first in the queue, I  
22 understand PGE now argues that the NLDA notice I submitted is defective.<sup>12</sup>

---

<sup>8</sup> WFalls/106 April 15, 2019 B. Konen Email NLDA Notice

<sup>9</sup> *Id.*

<sup>10</sup> WFalls/107 June 3, 2019 Letter from PGE regarding NLDA Queue Notice

<sup>11</sup> WFalls/108 January 14, 2020 Email from PGE Confirming NLDA Queue

<sup>12</sup> WFalls/109 January 17, 2020 NLDA Email and Letter from PGE

1 **Q. DID YOU EVER TELL PGE THAT IT SHOULD SERVE, OR PLAN TO SERVE, THE**  
2 **PAPER MILL LOAD UNDER COST-OF-SERVICE RATES?**

3 A. No. I was clear that direct access was critical for the Paper Mill and at no point did WLP or  
4 WFalls ever tell PGE, whether formally or informally, that it should plan on providing cost of service  
5 rates to the Paper Mill. Notwithstanding, because PGE was unwilling to recognize the Paper Mill's  
6 long-term direct access rights, and the NLDA Program was not yet ready for implementation, the only  
7 option given to WFalls was to energize was using PGE's retail service schedules—which I understood  
8 to be temporary.

9 **Q. WHEN WAS WFALLS FORMED?**

10 A. WFalls registered as a new business in the state of Oregon in June, 2019.

11 **Q. WHEN WERE THE FACILITY ASSETS PURCHASED BY WFALLS?**

12 A. On June 18, 2019, WFalls acquired from Maynards all tangible and intangible assets necessary  
13 to operate the Paper Mill.<sup>13</sup> Given my history with the Paper Mill, I understood that direct access  
14 service was an asset that was necessary to operate the Paper Mill. It was therefore both the  
15 understanding and intent of WFalls that the assets purchased included the Paper Mill's long-term  
16 direct access rights. It was also WFalls expectation that it would be WLP's successor and assign with  
17 respect to the Paper Mill—including the LTDA Agreement that PGE was withholding.

18 **Q IS WFALLS THE "SUCCESSOR" OF WLP FOR PURPOSES OF THE LTDA**  
19 **AGREEMENT?**

20 A. Yes. Both WLP and WFalls understand and agree that WFalls is the successor of WLP with  
21 respect to the LTDA Agreement with PGE.

22 **Q. DID WFALLS REQUEST THAT PGE CONSENT TO ASSIGNMENT OF THE LTDA**  
23 **AGREEMENT?**

24 A. As explained above, I could not locate a copy of the LTDA Agreement and PGE refused to  
25 provide a copy of the LTDA Agreement to WLP. Thus, neither WLP nor WFalls could have known

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<sup>13</sup> WFalls/110 (Conf) June 18, 2019 Sale and Purchase Agreement

1 of the consent to assignment language in the LTDA Agreement. Had PGE provided the LTDA  
2 Agreement to WLP as reasonably requested, then the parties would have complied with the consent  
3 requirement. Further, because PGE was intimately involved in WFalls' acquisition of the Paper Mill  
4 assets and stood to benefit substantially both as the electric provider and the landlord, neither WLP nor  
5 WFalls had any reason to believe that PGE objected to an assignment to WFalls.

6 **Q. WHEN DID WFALLS ENTER INTO A NEW LEASE WITH PGE?**

7 A. On June 18, 2019, Willamette Falls Real Estate and PGE entered into a five-year lease, with a  
8 commencement date of July 1, 2019 ("WFalls Lease").<sup>14</sup> Willamette Falls Real Estate has  
9 substantially the same ownership as WFalls, which is the subtenant.<sup>15</sup> At the time PGE executed the  
10 WFalls Lease, I had already given PGE notice of WFalls' intent to participate in the NLDA program.

11 **Q. WHY DID WFALLS PURCHASE THE ASSETS AND ENTER INTO THE WFALLS**  
12 **LEASE WITH PGE BEFORE PGE COMMITTED TO PROVIDE DIRECT ACCESS**  
13 **SERVICE TO THE FACILITY?**

14 A. Time was of the essence. In order to restart the Paper Mill, including rehiring more than 100  
15 former WLP employees, WFalls had to purchase the assets and enter into the WFalls Lease and  
16 negotiate other complicated agreements with PGE on or before June 18, 2019. If WFalls did not  
17 purchase the assets and enter in the WFalls Lease with PGE on June 18, 2019, the Paper Mill assets  
18 would have been auctioned by Maynards on a piecemeal basis, making a restart of the Paper Mill  
19 impossible. All of the stakeholders—including PGE—were simply too far into the process at this  
20 point to walk away. Plus, as of June 18, 2019, the Paper Mill was first in the queue for NLDA service.  
21 WFalls therefore determined NLDA service was the worst-case basis for energy costs.

22 **Q. WHEN WERE THE ASSETS SCHEDULED TO BE AUCTIONED?**

23 A. Maynards had advertised a 2-day global online auction for June 19-20, 2019. WFalls had no  
24 choice but to move forward or the opportunity would have been lost. In hindsight, this looming

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<sup>14</sup> WFalls/111 (Conf) Fully Executed Willamette Falls Real Estate Industrial Lease

<sup>15</sup> WFalls/112 (Conf) Sublease Agreement

1 deadline gave PGE maximum leverage with respect to both power and WFalls Lease terms. PGE took  
2 full advantage of this leverage.

3 **Q. WHEN DID WFALLS BEGIN OPERATIONS?**

4 A. With its newly rehired workforce consisting of mostly former WLP employees, WFalls  
5 resumed operations at the Paper Mill in July of 2019.

6 **Q. DID PGE BEGIN SERVING THE FACILITY USING COST OF SERVICE RATES?**

7 A. As described above, because PGE was unwilling to recognize the Paper Mill's long-term direct  
8 access rights without an order from the Commission, and the NLDA Program was not yet ready for  
9 implementation, PGE said that the only way to energize was using PGE's retail service schedules. At  
10 the time, I did not agree with this, but the decision was made to move forward so that WFalls could  
11 begin making product and providing the much needed jobs to former WLP employees. It was my  
12 understanding that the cost of service rates would be temporary pending the NLDA service or  
13 reestablishment of the long-term direct access rights.

14 **Q. DID PGE REQUEST A SECURITY DEPOSIT FOR ELECTRIC SERVICE?**

15 A. Yes. PGE requested a security deposit of \$110,000 for electric service. Under its policies, I  
16 have been told that PGE generally calculates the security deposit based on the projected monthly  
17 power bills. I believe this security deposit, which is far less than WFalls current monthly power bill  
18 under cost of service rates, is further evidence of PGE's understanding at the time that the Facility  
19 would eventually be taking some form of direct access service.

20 **Q. HAS PGE REQUESTED TO INCREASE THE SECURITY DEPOSIT FOR ELECTRIC  
21 SERVICES?**

22 A. Yes. Now that PGE has disputed both WFalls' long-term direct access rights and WFalls'  
23 participation in the New Load Direct Access program, PGE has recently demanded that WFalls  
24 significantly increase the security deposit because of WFalls current electric invoices.

25

26

1 Q. **WHAT ARE THE ECONOMIC CONSEQUENCES TO THE FACILITY OF COST-**  
2 **OF-SERVICE RATES?**

3 A. PGE's actions have increased WFalls' operating costs substantially. Because the margins are  
4 thin in this industry, and electricity is a major operating cost, placing the Paper Mill under cost of  
5 service rates is threatening the long-term economic viability of the operation.

6 Q. **WHY DIDN'T WFALLS ASSERT THAT SCHEDULE 489 WAS APPLICABLE TO**  
7 **ITS LOAD WHEN IT FIRST STARTED OPERATING?**

8 A. I did. On behalf of both WLP and WFalls, I have long asserted that the Paper Mill remains  
9 entitled to long-term direct access service. I asked PGE for the LTDA Agreement in March of 2019  
10 because I believed that the Paper Mill still had a legal right to long-term direct access service. PGE  
11 refused to provide it. In an effort to get the Paper Mill operating, I had no choice but to take whatever  
12 form of power service that PGE was willing to provide and try to resolve the dispute with PGE after  
13 putting people back to work. We simply did not have time to delay because the WFalls Lease  
14 negotiations were complicated and needed to be completed before the auction.

15 Q. **WHAT IS THE CURRENT STATUS OF THE FACILITY'S OPERATION?**

16 A. [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED] WFalls will need to hire more employees to assist with the  
21 larger operation.

22 Q. **FOLLOWING EXECUTION OF THE WFALLS LEASE, WHAT DID PGE TELL YOU**  
23 **ABOUT WFALLS' PARTICIPATION IN THE NEW LOAD DIRECT ACCESS**  
24 **PROGRAM?**

25 A. By letter dated January 17, 2020, long after WFalls entered the WFalls Lease and made  
26 significant financial commitments to operate the Paper Mill, PGE informed WFalls that the Paper Mill

1 is ineligible for PGE's New Load Direct Access.<sup>16</sup> I understand that PGE argues that WFalls failed to  
2 provide at least one-year notice prior to energizing the Paper Mill. WFalls is asking the Commission  
3 for a waiver of that rule. I understand that waivers generally need to be in the public interest.

4 **Q. BEFORE THE PAPER MILL STARTED OPERATING, DID PGE INFORM WFALLS**  
5 **THAT THIS MIGHT AFFECT THEIR NLDA PARTICIPATION?**

6 A. No. PGE never told me that if I energized, it would impact my ability to participate in the  
7 NLDA program. Again, PGE benefitted substantially from WFalls' restarting the Paper Mill. It  
8 never occurred to WFalls that it would be penalized for quickly restarting the Paper Mill, putting  
9 people back to work, and generating revenues needed to pay PGE's sharply increased rents.

10 **Q. WHY IS IT IN THE PUBLIC INTEREST TO GRANT WFALLS A WAIVER TO**  
11 **PARTICIPATE IN THE NLDA PROGRAM IF THE COMMISSION RULES THAT**  
12 **WFALLS IS INELIGIBLE TO RETAIN THE PAPER MILL'S LTDA SERVICE**  
13 **ELECTION?**

14 A. I believe the Commission can look to the fact that WFALLS is providing living wage jobs to a  
15 significant number of employees and that WFalls is engaged in a variety of activities that reduce the  
16 carbon footprint of our operation and our products. For example, WFalls has developed paper grades  
17 using non-wood fibers from wheat straw (which reduces pressures on forests, avoids the burning of  
18 thousands of acres of farmland, and reduces carbon footprint). WFalls is also transitioning to lower  
19 volumes of coated papers, which reduces the shipping of paper coating materials and their associated  
20 water (which reduces carbon footprint and truck traffic). WFalls is transitioning to higher volumes of  
21 unbleached packaging grades, which better utilizes recycled fiber and reduces the use of bleaching  
22 chemicals at supplier pulp mills. WFalls is building infrastructure to utilize post-industrial waste  
23 generated locally from cardboard box plants (which reduces pressures on forests and/or reduces  
24 shipping carbon footprint for those materials). WFalls is designing a 400 ton/day fiber recycling plant  
25 to recover mixed paper and cardboard from the greater Metro area (which reduces pressures on forests,

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<sup>16</sup> WFalls/109 at page 3

1 reduces mixed paper to landfill, and avoids the carbon footprint of transporting that material out of the  
2 area).

3 Because of the activities described above, fewer trees are harvested. Trees absorb carbon  
4 dioxide which helps against climate change. Further, by using recycled paper in WFalls paper making  
5 process that would otherwise end up in a landfill, WFalls is conserving natural resources, saving  
6 energy, reducing greenhouse gas emissions and saving space in landfills for other types of trash that  
7 can't be recycled. Recycling one ton of paper can save approximately 17 trees, 7000 gallons of water,  
8 380 gallons of oil, 3.3 yards of landfill space and 4,000 kilowatt-hours of energy. This recycling  
9 reduces greenhouse gas emissions by approximately one metric ton of carbon equivalent (MTCE).<sup>17</sup>

10 **Q. DID WFALLS HAVE SUPPORT FROM THE STATE OF OREGON TO RESTART**  
11 **THE FACILITY?**

12 A. Absolutely. WFalls not only had the support of the State of Oregon, it also has support from  
13 the City of West Linn, Portland Metro, and other entities. WFalls received a \$150,000 grant from the  
14 State of Oregon in support of WFalls sustainability goals, the most prominent of which is our planned  
15 recycling facility to help Portland with its mixed waste project. Portland's mixed waste material was  
16 recently rejected by China and is causing disposal and landfill problems in Oregon. WFalls intends to  
17 recycle that waste material, and reduce its carbon footprint, in order to address that problem for  
18 Portland.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. Yes.

---

<sup>17</sup> See [www.thoughtco.com](http://www.thoughtco.com)















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**From:** Konen, Brian [mailto:[bkonen@wlinpco.com](mailto:bkonen@wlinpco.com)]  
**Sent:** Monday, April 15, 2019 8:00 AM  
**To:** PGE Contracts  
**Subject:**

---

To PGE:

West Linn Paper CO formally request to be placed in the queue for NLDA service.

West Linn Paper CO... Potential new customer is most likely Willamette Falls Paper CO.

Brian Konen  
President  
West Linn Paper CO  
503 780 6959  
[bkonen@wlinpco.com](mailto:bkonen@wlinpco.com)

This is for NLDA service under Schedule 689...



**Brian Konen • Chief Operating Officer**  
**West Linn Paper Company &**  
**Port Hawkesbury Paper**

4800 Mill Street

West Linn, OR 97068

Office: 503-557-6634

Mobile: 503-780-6959

Email: [bkonen@westlinnpaper.com](mailto:bkonen@westlinnpaper.com)

[Learn more \[westlinnpaper.com\]](http://westlinnpaper.com) about our mills



**BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON**

**UM 2107**

WILLAMETTE FALLS PAPER COMPANY	)
and WEST LINN PAPER COMPANY,	)
	)
Complainants,	)
	)
vs.	)
	)
PORTLAND GENERAL ELECTRIC	)
COMPANY,	)
	)
Defendant.	)
	)
	)
	)
	)
	)

---

**EXHIBIT 107**  
**June 3, 2019 Letter from PGE regarding NLDA Queue Notice**

**Willamette Falls Paper Company**  
**Testimony of Brian Konen**

**August 31, 2020**



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

June 3, 2019

Brian Konen  
West Linn Paper Co.  
4800 Mill St.  
West Linn, OR 97068

Dear Mr. Konen:

Pursuant to Commission Order 19-03, PGE opened a non-binding queue for customers interested in Portland General Electric's (PGE) New Load Direct Access (NLDA) program on April 15, 2019. We have been requested to inform customers as to their position in the queue and the approximate amount of customer load ahead of them in the queue. The purpose of this letter is to provide such notification given that you have notified PGE of your intent to enroll in the NLDA program.

Be advised that this notification is based on information PGE has gathered from communications with those in the queue or their representatives, and rather than a specific load number, in some instances PGE has been provided a load range. We have not verified statements provided. In this notice we provide you an estimate of the amount of load ahead of you in the queue at this time. It is only an estimate and could change. Our proposed tariff, filed with the Oregon Public Utility Commission (OPUC), provides that we will determine the amount of load taken by a given customer under the cap, as the amount identified when a distribution services agreement is signed by the customer and the company. In all instances of customers in the queue, not one has signed a services agreement.

As of today, West Linn Paper Co. is number 1 in the queue. The estimated load ahead of you in the queue is 0 MWa. PGE has concerns about your eligibility since you are not a customer and do not have a qualifying site under the Oregon Administrative Rules governing eligibility. PGE is NOT taking action to remove you from the queue at this time.

Eligible load for the program will be determined by the distribution services agreement you sign with PGE and will be for the load you identify in that agreement. This is according to PGE's proposed NLDA tariff which is under investigation by the OPUC. Questions of determining load eligibility and the cap may be taken up by the OPUC in its current investigation of PGE's NLDA program. Since this is a non-binding queue, any or all parties currently ahead of you in the queue may choose to revoke their notice prior to the tariff effective date.

Please direct any questions on the New Load Direct Access program to Andrew Speer at (503) 464-7486 or [Andrew.Speer@pge.com](mailto:Andrew.Speer@pge.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Karla Wenzel", written in a cursive style.

Karla Wenzel  
Manager, Pricing and Tariffs

**BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON**

**UM 2107**

WILLAMETTE FALLS PAPER COMPANY	)
and WEST LINN PAPER COMPANY,	)
	)
Complainants,	)
	)
vs.	)
	)
PORTLAND GENERAL ELECTRIC	)
COMPANY,	)
	)
Defendant.	)
	)
	)
	)
_____	)

**EXHIBIT 108  
January 14, 2020 Email from PGE Confirming NLDA Queue**

**Willamette Falls Paper Company  
Testimony of Brian Konen**

**August 31, 2020**

-----Original Message-----

From: Andrew Schafer <Andrew.Schafer@pgn.com>  
Sent: Tuesday, January 14, 2020 1:23 PM  
To: Konen, Brian <brian.konen@wfpaperco.com>  
Cc: Matt Gettel <matt.gettel@wfpaperco.com>  
Subject: RE: Info-PGE's New Load Direct Access Program

Hi Brian, I'm jealous that you'll be abroad...especially during our snow here.

Willamette Falls Paper Co is still first in the queue. We are submitting the order tomorrow, and plan to notify all customers on Friday (1/17) as required. So I will have the information to share then.

We would be happy to contact you at the best time for you after that. Let me know how/when you would like me to get in touch. My cell phone is below.

Andrew Schafer | LEED AP BD+C | Key Customer Manager | o503-464-2583 / c503-250-4853

-----Original Message-----

From: Konen, Brian <brian.konen@wfpaperco.com>  
Sent: Tuesday, January 14, 2020 9:28 AM  
To: Andrew Schafer <Andrew.Schafer@pgn.com>; Matt Gettel <matt.gettel@wfpaperco.com>  
Cc: Konen, Brian <brian.konen@wfpaperco.com>; Tyler C. Pepple <tcp@dvclaw.com>  
Subject: Re: Info-PGE's New Load Direct Access Program

Andrew, I will be out of the country starting tomorrow for a week and chance you could do a call later this afternoon around four or 430

Bk  
Sent from my iPhone

On Jan 13, 2020, at 4:26 PM, Andrew Schafer <Andrew.Schafer@pgn.com> wrote:

Hi Brian! Yes, barring snowmageddon, I'd like to set up a call with you to discuss. Are you free Thursday 01/16?

Andrew Schafer | LEED AP BD+C | Key Customer Manager | 503-464-2583

From: Konen, Brian <brian.konen@wfpaperco.com>  
Sent: Monday, January 13, 2020 3:33 PM  
To: Andrew Schafer <Andrew.Schafer@pgn.com>  
Cc: Tyler C. Pepple <tcp@dvclaw.com>

Subject: FW: Info-PGE's New Load Direct Access Program

Andrew, Can you advise me what is the status of this program.

Thanks,BK

Brian Konen  
President

Mobile: 503.780.6959  
brian.konen@wfpaperco.com<mailto:brian.konen@wfpaperco.com>

<image001.png>

From: PGE Contracts [mailto:PGEContracts2@pgn.com]  
Sent: Tuesday, April 30, 2019 10:47 AM  
To: Konen, Brian  
Subject: Re: Info-PGE's New Load Direct Access Program

This message contains unscannable attachments that could not be verified

virus free. Open only if you were expecting this message.

You have submitted a revocable notice to enroll in PGE's New Load Direct Access program. That program would be based on the tariff filing we made in Advice 19-02, as approved by the Oregon Public Utility Commission (PUC). The PUC has directed an investigation of the tariff filing for a period not to exceed nine months. That proceeding is underway and docketed as UE 358.

For further information, please contact Scott Gibbens, Senior Economist at the PUC at 503-378-6688 or [scott.gibbens@state.or.us](mailto:scott.gibbens@state.or.us)

---

From: Konen, Brian <[bkonen@wlinpco.com](mailto:bkonen@wlinpco.com)<mailto:bkonen@wlinpco.com>>  
Sent: Monday, April 15, 2019 8:00 AM  
To: PGE Contracts  
Subject:

\*\*\*Please take care when opening links, attachments or responding to this email as it originated outside of PGE.\*\*\*

---

To PGE:

West Linn Paper CO formally request to be placed in the queue for NLDA service.

**BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON  
UM 2107**

WILLAMETTE FALLS PAPER COMPANY      )  
and WEST LINN PAPER COMPANY,        )  
                                                  )  
                                                  )        Complainants,  
                                                  )  
                                                  )        vs.  
                                                  )  
PORTLAND GENERAL ELECTRIC         )  
COMPANY,                                   )  
                                                  )  
                                                  )        Defendant.  
                                                  )  
                                                  )  
                                                  )  
                                                  )  

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**EXHIBIT 109  
January 17, 2020 NLDA Email and Letter From PGE  
Willamette Falls Paper Company  
Testimony of Brian Konen  
  
August 31, 2020**

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**From:** Andrew Schafer <[Andrew.Schafer@pgn.com](mailto:Andrew.Schafer@pgn.com)>  
**Sent:** Tuesday, January 21, 2020 8:38 AM  
**To:** Konen, Brian <[brian.konen@wfpaperco.com](mailto:brian.konen@wfpaperco.com)>  
**Cc:** Tyesha Woods <[Tyesha.Woods@pgn.com](mailto:Tyesha.Woods@pgn.com)>  
**Subject:** New Load Direct Access waiver contact

Brian, thank you for your notice yesterday via text that WFPCo does intend to seek from the Commission a waiver for the current rules re: New Load Direct Access 2020. PGE will hold WFPCo's place in the queue during the waiver process. For your reference, here is the contact info for the person at the Commission with whom you may consult for the waiver process:

Scott Gibbens, Senior Economist  
O: 503-378-6688 C: 503-881-5657  
[scott.gibbens@state.or.us](mailto:scott.gibbens@state.or.us)

**Andrew Schafer** | LEED AP BD+C | Key Customer Manager | 503-464-2583

---

**From:** Andrew Schafer  
**Sent:** Friday, January 17, 2020 6:01 PM  
**To:** 'bkonen@wlinpco.com' <[bkonen@wlinpco.com](mailto:bkonen@wlinpco.com)>  
**Subject:** New Load Direct Access

Dear Mr. Konen,

I'm reaching out to inform you that the Public Utility Commission of Oregon (OPUC) has issued the order for the New Large Load Direct Access (NLDA) program and PGE filed the final tariff on Tuesday, Jan 14<sup>th</sup>. This is public information which you can review on the OPUC website here: (<https://edocs.puc.state.or.us/efdocs/UHR/ue358uhr17161.pdf>).

Attached to this email is a letter explaining that WFPCo failed to provide the required 1-yr notice under the rule, and is therefore ineligible to participate under the rules of the current tariff.

Please be advised that the OPUC has a waiver process. If you plan to seek a waiver, you must notify PGE via an email to me within 5 business days of today to hold your place in the queue.

I plan to call you Thursday, Jan 23<sup>rd</sup> to discuss. If you or your staff has any questions, please reach out to me and we can have a discussion about this and other opportunities that may be of interest.



**Andrew Schafer | LEED AP BD+C**

Key Customer Manager | p:503-464-2583 | c:503-250-4853  
**PortlandGeneral.com** • Follow us on social @PortlandGeneral





**Portland General Electric**  
121 SW Salmon Street · Portland, Ore. 97204

January 17, 2020

Brian Konen  
Willamette Falls Paper Company  
4800 Mill St.  
West Linn, OR 97068

Re: Notification of Ineligibility for Portland General Electric Company's (PGE) New Large Load Direct Access Program

Dear Mr. Konen,

We are writing to let you know that the Public Utility Commission of Oregon (OPUC) issued an order (Order 20-002) concerning PGE's New Large Load Direct Access (NLDA) Program tariff. You expressed interest in the NLDA program last April when you enrolled in PGE's nonbinding queue for customers. We filed our final compliance filing, Schedule 689, with the Commission this week for OPUC Staff review (Advice Filing 20-02). The Commission's order directs a tariff effective date of February 6.

On April 15, 2019, you submitted your enrollment in the non-binding NLDA queue, which commenced the 1-year notice period. At that time PGE did not make any determinations regarding eligibility. This letter serves as official notification that Willamette Falls Paper Company is not eligible to participate in PGE's NLDA program because you failed to provide the required 1-year notice under the rule<sup>1</sup>; your service was energized on PGE's cost of service July 1, 2019 so PGE is planning for your load.

Please be advised that the OPUC has a waiver process. If you plan to seek a waiver, you must notify PGE via an email to your Key Customer Manager within 5 business days of receipt of this letter to hold your place in the queue. Should you energize before any waiver is obtained, you will be ineligible for the program.

Should you choose to pursue a waiver that may allow you to enroll in the program, please be advised of the following:

According to Commission order 20-002, customers served under Schedule 689 will be required to support resource adequacy to ensure that PGE can continue to be able to maintain a resilient system and provide reliable power to all customers. The Commission has stated that customers will not be able to be exempted from these potential charges through grandfathering. Further, PGE may be proposing changes to curtailment schedules applicable to NLDA customers, consistent with the invitation the Commission extended in Order 20-002. These proposals are still in their formative stages and no specifics are known about their impact at this time.

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<sup>1</sup> OAR 860-038-0740 (1)(b)









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**EXHIBIT LIST**

- WFalls/201 – Qualification Statement of Bradley G. Mullins
- WFalls/202 Conf – Portland General Electric Responses to Data Requests
- WFalls/203 Conf – WFalls Account Reconciliation on Schedule 489
- WFalls/204 Conf – WLP Direct Access Service Agreement

**I. INTRODUCTION AND SUMMARY**

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**Q. PLEASE STATE YOUR NAME AND OCCUPATION.**

A. My name is Bradley G. Mullins. I am a Consultant for MW Analytics, an independent consulting firm representing utility customers before state public utility commissions in the Northwest and Intermountain West. My witness qualification statement can be found at Exhibit WFalls/201.

**Q. PLEASE IDENTIFY THE PARTY ON WHOSE BEHALF YOU ARE TESTIFYING.**

A. I am testifying on behalf of the Willamette Falls Paper Company (“WFalls”) and West Linn Paper Company (“WLP”). WFalls operates the historic paper mill (“Paper Mill”) located on the northern side of the Willamette Falls in West Linn, Oregon. The Paper Mill began operations at the site over 130 years ago on September 7, 1888 as Willamette Pulp and Paper Company.<sup>1</sup> The Paper Mill is located in part on land leased from Portland General Electric Company (“PGE”). PGE provides electric service to the Paper Mill, which constitutes one of the predominant cost inputs into WFalls’s manufacturing process. Obtaining electric services under terms that are fair, just and reasonable is vital to the economic viability of the Paper Mill.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. I discuss my review of the electric services that PGE has provided to the Paper Mill over the period October 2017 to the present. Specifically, I discuss how it was inconsistent with PGE’s Tariffs for PGE to transfer the electric services associated with the Paper Mill load from Schedule 489 to Schedule 89, without the requisite two-year written notice. Under the circumstances, PGE was required, under the terms of its Tariffs, to continue to provide electric

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<sup>1</sup> See WFalls/202 at 43 (PGE Resp. To WFalls DR 015, Attach B).

1 services to the Paper Mill under Schedule 489 based on the Company Supplied Energy option.

2 I also discuss my review of the New Load Direct Access (“NLDA”) program, as applicable to  
3 the Paper Mill load. WFalls witness Brian Konen is also providing testimony discussing  
4 WLP’s shut down, the events surrounding the restart of the Paper Mill and the negotiation  
5 process with PGE.

6 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

7 A. PGE is both the landlord and the electric service provider of the Paper Mill. In November  
8 2018, PGE, acting in its capacity as the landlord, transferred the electric services of the Paper  
9 Mill off of the Long-Term Direct Access (“LTDA”) Schedule 489, Company Supplied Energy  
10 option, and onto the cost of service Schedule 89. PGE, however, was not permitted to change  
11 the LTDA service election of the Paper Mill without providing the two years written notice,<sup>2</sup>  
12 which PGE never provided. By continuing to take services at the existing Service Point,<sup>3</sup> PGE  
13 was subject to the Commission approved Tariff applicable to the Paper Mill load.<sup>4</sup> Thus, PGE  
14 disregarded the provisions of its Tariff when providing electric services to itself, as the  
15 landlord to the Paper Mill.

16 PGE, the electric service provider, gave PGE, the landlord, preferential treatment with  
17 respect to the Paper Mill electric services. This treatment benefited PGE and harmed the future  
18 Paper Mill owners. Such a preference has no justification in PGE’s Tariffs or Public Utility  
19 Commission of Oregon (“Commission”) regulations. Accordingly, PGE’s action amounted to  
20 unjust discrimination in violation of ORS 757.325. Had any other person been the landlord of

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<sup>2</sup> See OAR 860-038-0240; See also Schedule 489, Special Condition 1.

<sup>3</sup> See PGE Rule C.1.

<sup>4</sup> See ORS 756.572.



1 the Paper Mill, service under Schedule 489 would have continued under the Company

2 Supplied Energy option. Accordingly, I recommend the Commission:

- 3 1. Require PGE to bill the Paper Mill going forward on Schedule 489 using the Company  
4 Supplied Energy option, with the ability to select a new Electric Service Supplier  
5 (“ESS”);
- 6 2. Find that PGE’s actions constituted willful misconduct under ORS 756.185; and,
- 7 3. Require PGE to pay treble damages to the Paper Mill based on the amount that it has  
8 over paid on Schedule 89 since July 1, 2019.

9 The damages to the Paper Mill associated with being improperly billed on Schedule 89  
10 will continue to accrue until the resolution of this proceeding. As detailed in Exhibit  
11 WFalls/203, however, the amount of damages that the Paper Mill has accrued through July  
12 2020 is \$ [REDACTED] under treble damages, or \$ [REDACTED] without treble damages.

13 **Q. DO YOU HAVE AN ALTERNATE RECOMMENDATION?**

14 A. Yes. If the Commission determines that WFalls is ineligible to retain the Paper Mill’s LTDA  
15 service elections and obligations on the basis that WFalls restart of the Paper Mill constitutes a  
16 new load, then I recommend WFalls be eligible to participate in the New Load Direct Access  
17 (“NLDA”) program, subject to necessary rule waivers.

18 **II. BACKGROUND**

19 **Q. PLEASE DISCUSS PGE’S ROLE AS BOTH THE LANDLORD AND ELECTRIC**  
20 **SERVICE PROVIDER OF THE PAPER MILL.**

21 A. One of the unique facts in this dispute between PGE and its oldest industrial customer is that  
22 PGE is both the landlord and the electric service provider to the Paper Mill. PGE admits that  
23 this situation is unique and that the Paper Mill is the only LTDA customer where PGE is the  
24 landlord.<sup>5</sup> This unique situation, however, creates an inherent conflict of interest. PGE’s

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<sup>5</sup> WFalls/202 at 40 (PGE Resp. to WFalls DR 13).

1 interest and obligations as the landlord are not necessarily consistent with PGE's interests and  
2 obligations as an electric service provider. If any person other than PGE were the landlord of  
3 the Paper Mill site at the time the Paper Mill ceased operations, there is no question that  
4 Schedule 489 would continue to apply to the Paper Mill during, and following, the period of  
5 restructuring. The LTDA service election and associated obligation would follow the  
6 successive ownership and control of the Paper Mill load, pursuant to the Tariff, and associated  
7 electric service agreement.

8 **Q. WHEN DID THE PAPER MILL BEGIN OPERATIONS?**

9 A. Willamette Falls Pulp & Paper Co. signed the first lease for the Paper Mill site 132 years ago  
10 on September 7, 1888 with the Willamette Transportation & Locks Company, a predecessor of  
11 PGE.<sup>6</sup> The Paper Mill is the oldest active mill in the Western United States and PGE's oldest  
12 industrial customer. In 1886, corresponding to the completion of the Station B Hydro Electric  
13 Facility (i.e. Sullivan), the Willamette Falls Pulp & Paper Company opened its No. 3 paper  
14 machine, said to be the first operated by electricity.<sup>7</sup> The ownership and name of the Paper  
15 Mill has changed over its long history from Willamette Falls Pulp & Paper Company, Crown  
16 Zellerbach, Simpson Paper, West Linn Paper, and now to Willamette Falls Paper Company.

17 **Q. PLEASE DISCUSS THE PULP AND PAPER INDUSTRY AND THE FINANCIAL**  
18 **DIFFICULTIES AT THE PAPER MILL IN 2017.**

19 A. In over a century of operations, the Paper Mill has weathered its fair share of crises including  
20 two world wars, numerous economic downturns, and now two global pandemics. In the period  
21 leading up to 2017, however, there was a particularly difficult operating environment for the

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<sup>6</sup> *Id.* at 43 (PGE Resp. To WFalls DR 015, Attach B).

<sup>7</sup> George Kramer, M.S., Heritage Research Associates, Inc., *Willamette Falls Industrial Area, Request for Determination of Eligibility for the National Register* at 15 (May 2002).

1 pulp and paper industry. Inexpensive supply of paper products from international sources  
2 coupled with reduced demand from increasing reliance on virtual mediums, resulted in the  
3 closure or idling of pulp and paper mills across the United States. Among the closures were  
4 high profile customers of PGE such as the SP Fiber mill in Newberg, Oregon.

5 As Mr. Konen will testify, WLP faced an additional challenge in 2017 when a third-  
6 party supplier of pulp had a boiler rupture, causing a shortage of, and a significant price spike  
7 for, pulp. Lacking a pulp supply, WLP was forced to cease operations. It was only due to the  
8 heroic efforts of Mr. Konen and others that the Paper Mill was able to find new investors, who  
9 purchased the Paper Mill assets on July 18, 2019, just hours before the Paper Mill assets were  
10 to be sold at auction.

11 **Q. PLEASE DISCUSS THE PAPER MILL'S FINANCIAL DIFFICULTIES.**

12 A. After the Paper Mill ceased operations, several unsecured creditors filed an involuntary Chapter  
13 7 bankruptcy petition against WLP. The unsecured creditors, however, were unsuccessful and  
14 the case was dismissed. Following the dismissal of the involuntary Chapter 7 Bankruptcy  
15 petition, the Paper Mill's secured and unsecured creditors undertook an orderly process to sell  
16 the Paper Mill assets. The sale of the Paper Mill assets was governed by a Creditor Trust  
17 Agreement dated March 8, 2018. As part of the cooperative wind down of WLP, all tangible  
18 and intangible assets of WLP were to be sold. On June 28, 2018, WLP voluntarily transferred  
19 all of its assets to Belgravia Pulp Holdings ("BPH"), a secured lender and an affiliate of WLP's  
20 parent company Belgravia Investments. This was intended to be an "all" asset transfer other  
21 than the lease with PGE. On February 13, 2019, the Paper Mill assets were again sold to  
22 Maynards Industries LLC, which had successfully restarted the Appleton Paper Mill, near

1 Green Bay, Wisconsin. On June 18, 2019, Maynards subsequently sold the Paper Mill assets  
2 to WFalls, the day before the assets were to be sold at auction on June 19, 2019.

3 **Q. PLEASE DESCRIBE PAPER MILL'S ELECTRIC SERVICE DURING THIS TIME.**

4 A. Through this economic turmoil, the Paper Mill remained a Schedule 489 LTDA customer. On  
5 or about October 18, 2017, the Paper Mill requested to be placed on PGE's Company Supplied  
6 Energy option, which is a Tariff option where the customer takes market-based energy supplies  
7 through PGE rather than through a third-party ESS. On October 16, 2017, the Paper Mill  
8 ceased manufacturing operations. Based on PGE's internal emails at the time, PGE understood  
9 that the "plans were not to close the mill, but work to get out of bankruptcy, then operate again  
10 or sell."<sup>8</sup> PGE understood that the Paper Mill was "maintaining a readiness for a sale to  
11 others."<sup>9</sup> During this time the Paper Mill was not able to make any payments to PGE for  
12 several months. Notwithstanding, following the dismissal of the involuntary bankruptcy  
13 proceeding PGE was paid, and made whole, on January 25, 2018 through December 2017.<sup>10</sup>

14 **Q. WHAT HAPPENED AFTER THE ESTABLISHMENT OF THE CREDITORS**  
15 **TRUST?**

16 A. Following execution of the Creditors Trust Agreement, WLP could no longer make payments  
17 to unsecured creditors, such as PGE, outside the terms of the agreement. At the same time,  
18 WLP, BPH and PGE were in discussions about a redevelopment agreement, wherein there  
19 were discussions about waiving electric and lease payments. The parties discussed waiving  
20 electric and lease payments because PGE, as the landlord, was the sole beneficiary of the  
21 electric services following the cessation of manufacturing activities. The account continued to

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8 WFalls/202 at 8 (PGE Resp. to WFalls DR 04 Attach D)

9 *Id.*

10 *Id.* at 44-45 (PGE Resp. to WFalls DR 15 Attach B).

1 be billed on Schedule 489 during this period. Notwithstanding, PGE now alleges that WLP's  
2 failure to make the payments resulted in the "extinguishment" of the Paper Mill's Schedule  
3 489 service election. WLP, however, never gave PGE notice to return to cost of service rates,  
4 nor did PGE ever terminate electric services.

5 **Q. DID PGE CONSENT TO BE BOUND BY THE CREDITOR TRUST AGREEMENT?**

6 A. Yes. As noted in PGE's response to WFalls Data Request 04, Attach C, on September 26,  
7 2018, PGE submitted an Assent and Proof of Claim to the Creditor Trust in the amount of  
8 \$ [REDACTED], consisting of \$ [REDACTED] of Power & Light expenses and \$ [REDACTED] of landlord  
9 expenses.<sup>11</sup> When it submitted its claim, PGE "irrevocably assent[ed] to, and agree[d] to be  
10 bound by, the terms of the Creditor Trust Agreement. "Thus, PGE agreed to the process that  
11 was established to sell the Paper Mill assets.

12 **Q. DID THE PAPER MILL CONTINUE TAKING ELECTRIC SERVICE FROM PGE**  
13 **WHEN MANUFACTURING STOPPED?**

14 A. Yes. Upon suspending its manufacturing operations in October of 2017, the Paper Mill  
15 required only minimal electric service as WLP employees were still performing work at the site.  
16 The Paper Mill continued to require electric services for sewer, waste water, fire water, and  
17 effluents. PGE has acknowledged that the majority of the power provided to the Paper Mill during  
18 this time was for its own benefit even though PGE submitted a claim for these costs under the  
19 Creditor Trust Agreement.

20 **Q. WHEN WAS IT CONTEMPLATED THAT THE PAPER MILL WOULD BE**  
21 **RESTARTED?**

22 A. Both WLP and PGE anticipated that the Paper Mill would be sold and restarted. Due to  
23 improvements in the pulp and paper industry in late 2018, Mr. Konen began to seek out new

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<sup>11</sup> WFalls/202 at 5 (PGE Resp. To WFalls DR 04 C)

1 investors to restart the Paper Mill. By November 2018, the same time that PGE changed the  
2 LTDA service election, PGE was aware that due diligence was being performed by new  
3 investors that were interested in purchasing the Paper Mill assets to facilitate a restart of the  
4 facility.<sup>12</sup>

5 **Q. WHEN DID PGE TRANSFER THE ELECTRIC SERVICES TO ITS OWN**  
6 **ACCOUNT?**

7 A. In response to WFalls Data Request 07, PGE provided documentation surrounding the transfer  
8 of electric services for the Paper Mill into PGE's name, as the landlord of the property. The  
9 account transfer occurred some time in November 2018, although PGE backdated its  
10 ownership of the account to September 1, 2018.<sup>13</sup> Of note, the Lease Termination Agreement  
11 between WLP and PGE was signed on January 23, 2019, and was also backdated to November  
12 26, 2018. PGE further backdated its ownership of the electric account, however, to the time  
13 period when the lease between WLP and PGE was still in effect and the Paper Mill was still  
14 taking service under Schedule 489. Without providing any notice to WLP, BPH or the  
15 Creditors Trust,<sup>14</sup> PGE retroactively changed the service election for the Paper Mill to  
16 Schedule 89 effective September 1, 2018, even though PGE did not maintain site control at  
17 that time.

18 **Q. WHY DID PGE BACKDATE ITS OWNERSHIP OF THE PAPER MILL ACCOUNT?**

19 A. PGE did not take physical control of the facility until November 26, 2018 at the earliest,  
20 because the Lease Termination Agreement was not signed by WLP until January 23, 2019.  
21 Notwithstanding, PGE was unable to submit any claims to the Creditors Trust for unpaid

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<sup>12</sup> *Id.* at 64 (PGE Resp. to WFalls DR 17, Conf Supp Attach A).

<sup>13</sup> *Id.* at 15 (PGE Resp. to WFalls DR 05, Conf Supp Attach A)

<sup>14</sup> *Id.* at 28, 41 (PGE Resp. to WFalls DR 06, PGE's Resp to WFalls DR 014).

1 electric services subsequent to September 1, 2018.<sup>15</sup> It appears that this change may have been  
2 motivated by avoiding the write-off that would otherwise occur during the months of  
3 September and October from not being able to submit a claim to the Creditors Trust. Some  
4 PGE employees expressed concern with backdating PGE ownership prior to PGE taking  
5 physical control of the Paper Mill, stating “[REDACTED]  
6 [REDACTED].”<sup>16</sup> Internal email also discuss the  
7 prospect of going back to February 2018, since “[REDACTED]  
8 [REDACTED],” as the landlord.<sup>17</sup>

9 **Q. DID THE CHANGE IN SERVICE ELECTION HARM THE FUTURE OWNERS OF**  
10 **THE PAPER MILL?**

11 A. Yes. It is not always true that electric services on cost of service rates are more expensive than  
12 the LTDA program. As I demonstrate in Exhibit WFalls/203, however, PGE’s decision to  
13 change the service election for the Paper Mill has ended up costing WFalls \$ [REDACTED] over the  
14 period June 2019 through July 2020.

15 **Q. DID PGE STAND TO BENEFIT BY CHANGING THE SERVICE ELECTION?**

16 A. Yes. PGE receives higher margins from Schedule 89 customers. Accordingly, changing the  
17 Paper Mill service election to Schedule 89 benefitted PGE because PGE would earn more  
18 revenues from the future owners of the Paper Mill. When PGE made the service election  
19 change, discussions were already underway regarding a possible restart of the Paper Mill. PGE  
20 understood that the service election change would benefit PGE as the future service provider of  
21 the Paper Mill. PGE used its status as the landlord in order to benefit itself as the electric

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15 *Id.* at 29 (PGE Resp. to WFalls DR 007).

16 *Id.* at 15 (PGE Resp. to WFalls DR 05, Conf Supp Attach A)

17 *Id.*

1 service provider in a way that was inconsistent with its Tariffs and Commission regulations.  
2 No other landlord of a direct access customer would have the ability to ignore PGE's tariffs  
3 and Commission regulations. PGE's actions were not proper, amounting to undue  
4 discrimination, and should be remedied by the Commission.

5 **Q. WAS IT IN THE PUBLIC INTEREST TO RESTART THE PAPER MILL?**

6 A. Yes. Restarting the Paper Mill has many significant economic benefits, particularly in light of  
7 the global pandemic that has occurred in 2020. The Paper Mill currently employs  
8 approximately 130 individuals, enabling these individuals to pay their mortgages, feed their  
9 families, and contribute to the local economy and tax base. Among its employees include more  
10 than one hundred people who had previously lost their jobs when the Paper Mill ceased  
11 operations. The Paper Mill also benefits the economy by purchasing raw materials and  
12 services from regional suppliers.

13 PGE also benefits from restarting the Paper Mill because it receives rents, which are  
14 substantially higher than the rents received under the former lease agreement with WLP.  
15 WFalls pays approximately \$ [REDACTED] per year, in contrast to \$ [REDACTED] per year paid by WLP,  
16 and the rent increases every year. PGE also avoids the significant cost associated with  
17 decommissioning the Paper Mill site. In response to WFalls Data Request 22, PGE  
18 represented such decommissioning costs were approximately \$ [REDACTED] for these non-utility  
19 assets.<sup>18</sup> Further, PGE benefits from the margins that it earns on the electric services that PGE  
20 provides to the Paper Mill. While PGE receives higher margins for cost of service customers,

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<sup>18</sup> *Id* at 74 (PGE Resp. to WFalls DR 22)



1 PGE's margins for LTDA customers are still material due to the contribution that LTDA  
2 customer make towards distribution, transmission, and other utility operating assets.

3 Finally, as discussed more in the testimony of Brian Konen, from an environmental  
4 perspective, the Paper Mill has been able to utilize a new process for incorporating sustainable  
5 fiber into its paper products, and is working to use recycled paper that would otherwise end up  
6 on landfills. These are positive outcomes and it is not in the public interest to place these  
7 outcomes at risk by requiring the Paper Mill to take power at a higher cost service election.

8 **Q. SHOULD THE PAPER MILL BE PENALIZED BECAUSE IT WAS UNABLE TO PAY**  
9 **ITS BILLS FOLLOWING THE ESTABLISHMENT OF THE CREDITOR TRUST?**

10 A. No. There is no reason to penalize the Paper Mill due to the financial hardships that it endured  
11 in 2017 and 2018. As justification for its position, PGE's Answer to WFP's Complaint makes  
12 repeated statements such as "[WLP] ceased operating the mill, [REDACTED]  
13 [REDACTED],"<sup>19</sup> suggesting that the  
14 Paper Mill should be penalized due to its financial difficulties. As Mr. Konen discusses,  
15 however, the situation arose out of an equipment failure of a supplier and not through the fault  
16 of the Paper Mill. The situation was exacerbated by an involuntary Chapter 7 Bankruptcy  
17 proceeding that was ultimately unsuccessful. No one at the Paper Mill benefited from the  
18 financial hardship that occurred during that period, and the ensuing transfers of the Paper Mill  
19 assets. Fortunately, there were individuals such as Mr. Konen, who were willing to do the  
20 work to get the Paper Mill running again.

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<sup>19</sup> PGE's Answer to the Complaint at 6:9-10.

1 **III. THE REQUIREMENTS OF SCHEDULE 489**

2 **Q. PLEASE EXPLAIN WHY PGE IS REQUIRED TO CONTINUE SERVING THE**  
3 **PAPER MILL UNDER SCHEDULE 489?**

4 A. The Schedule 489 electric service election of the Paper Mill never terminated. When PGE  
5 took over the account as the landlord, PGE was not authorized under its Tariffs to change the  
6 service election from Schedule 489 to Schedule 89, absent giving itself two-years notice. In  
7 response to WFalls Data Request 010, PGE confirmed that it never provided any such notice.<sup>20</sup>  
8 Accordingly, the Paper Mill's Schedule 489 service election remains in full force and effect.

9 **Q. WHY DOES PGE BELIEVE THAT THE PAPER MILL'S SCHEDULE 489 SERVICE**  
10 **ELECTION TERMINATED?**

11 A. In its Answer to the Complaint, PGE alleges that WLP's right to take service under Schedule  
12 489 were "extinguished."<sup>21</sup> Specifically, PGE argues that when PGE transitioned electric  
13 service to the Paper Mill to PGE's account as the landlord, "WLP's LTDA rights terminated  
14 under the terms of WLP's LTDA agreement with PGE, as well as the terms of the  
15 Commission-approved direct-access schedule under which WLP took service."<sup>22</sup>

16 **Q. DO YOU AGREE WITH PGE'S INTERPRETATION OF SCHEDULE 489?**

17 A. No. The word "extinguished" cannot be found anywhere in Schedule 489, or the LTDA  
18 agreement. Further, the Paper Mill's service election could not have been extinguished  
19 because PGE never stopped providing services to the Paper Mill at Service Point ID  
20 9130567661. Rather, PGE transferred the Service Point into own name as the landlord of the

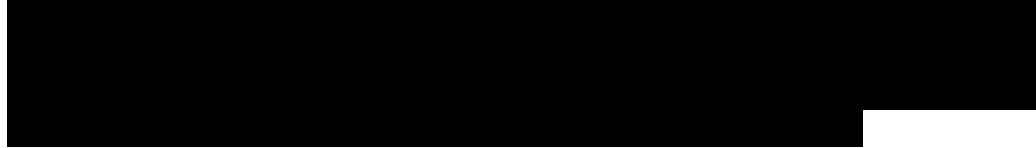
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20 WFalls/202 at 37 (PGE Resp. to WFalls DR 010)

21 PGE's Answer to the Complaint at 2:2.

22 *Id.* at 2:5-7.

1 Paper Mill in order to maintain continuous service at its property. At the time, PGE stated  
2 internally:



7 PGE never disconnected services to the Paper Mill, or dismantled the services lines and  
8 the meter delivering electricity to Service Point ID 9130567661. Therefore, the Schedule 489  
9 service election could not have been extinguished, and PGE's theory is not valid.

10 **Q. WHEN PGE TOOK OVER ELECTRIC SERVICES, DID THAT TERMINATE THE**  
11 **PAPER MILL'S LONG TERM DIRECT ACCESS SERVICE ELECTION?**

12 A. No. There is nothing in PGE's Tariff that says that a temporary transfer of services to the  
13 account of the landlord automatically terminates, extinguishes, or otherwise alters a long-term  
14 direct access service election. On the contrary, Rule C of PGE's Tariff states that

15 "by continuing an existing [Service Point] to the Company's Facilities, an owner or  
16 tenant of the property agrees [to] be bound by the conditions of this Tariff including  
17 payment of costs for Electricity Service delivered at the rates and under the terms and  
18 conditions of this Tariff as in effect from time to time and all applicable Commission  
19 rules [and to] pay any costs incurred by the Company to provide Electricity Service if  
20 Electricity is taken and there is no Customer."

22 Thus, by choosing to continue to receive services at the service point of the Paper Mill,  
23 PGE, as the landlord, agreed to be bound by the terms and conditions of the Tariff applicable to  
24 the Paper Mill load.

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<sup>23</sup> WFalls/202 at 18 (PGE's Resp. To WFalls DR 05, Supplemental Attach A Conf).

1 **Q. DID THE PAPER MILL'S SERVICES CHANGE WHEN PGE PUT THE ACCOUNT**  
2 **INTO ITS OWN NAME?**

3 A. No. The Paper Mill's primary service point, which received services under Rate Schedule 489,  
4 is Service Point ID 9130567661, Meter ID 60770154SW. That service point did not change  
5 when PGE put its name on the account, or when WFalls resumed operating the Paper Mill in  
6 July 2019. WFalls simply flipped a switch and began Paper Mill operations using the same  
7 service point and same meter as WLP.

8 **Q. WHEN DO SERVICES TERMINATE UNDER SCHEDULE 489?**

9 A. Contrary to PGE's claims, the Schedule 489 Tariff contains no language discussing  
10 termination of service other than the requirement to provided two years (now three years)  
11 notice. Since no such notice was ever given, PGE's allegation that the Paper Mills service  
12 election terminated under the terms of Schedule 489 is not accurate. Further, the only other  
13 way for services under Schedule 489 to terminate would be through a permanent disconnection  
14 pursuant to Rule H of PGE's Tariff. However, even if PGE did disconnect services, it is not  
15 clear if a customer on Schedule 489 seeking reconnection would be allowed to take services  
16 under cost of service rates without providing the required notice. Such an analysis is  
17 unnecessary, however, as PGE never disconnected services to the Paper Mill,<sup>24</sup> nor did PGE  
18 apply the disconnection procedures in OAR 860-021-0505.<sup>25</sup>

19 **Q. WHAT DOES THE PAPER MILL'S LTDA SERVICE AGREEMENT SAY ABOUT**  
20 **TERMINATION?**

21 A. PGE provided the Schedule 489 (formerly Schedule 483) direct access service agreement in  
22 response to WFP Data Request 1, Attachment A. I have attached that document as

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<sup>24</sup> *Id.* at 96 (PGE Resp. to WFalls DR 38).

<sup>25</sup> *Id.* at 95 (PGE Resp. to WFalls DR 38).

1 Confidential Exhibit WFalls/204. In the service agreement, it states the term of the agreement  
2 as follows:

3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]

6 Further, the contract termination is specified as follows:

7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]

11 Accordingly, similar to the Tariff, the LTDA service agreement remains in force until  
12 terminated and can only be terminated by a customer providing two years advance written  
13 notice. Since such notice was never given, PGE's allegation that the Paper Mills service  
14 election terminated under the terms of the LTDA service agreement is, once again, not  
15 accurate.

16 **Q. WAS PGE AS THE LANDLORD REQUIRED TO GIVE TWO YEARS NOTICE TO**  
17 **CHANGE THE SERVICE ELECTION?**

18 A. Yes. PGE operates the lease as a non-regulated business activity. When asked whether the  
19 Paper Mill lease revenues were included in its electric operating results PGE stated "No. This  
20 is a non-utility site, and as such, lease revenue is not reported in the results of operations."<sup>26</sup>  
21 Thus, all interactions between PGE utility operations and PGE lease activities should have  
22 been arms length. In other words, PGE the utility was required to treat PGE the landlord the  
23 same as any other retail customer. Having transferred service to its own name, PGE the  
24 landlord could therefore only switch from Schedule 489 to Schedule 89 on the same basis as  
25 any other Schedule 489 customer under ORS 757.325.

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<sup>26</sup> *Id.* at 86 (PGE Resp. to WFalls DR 29).

1 **Q. DOES PGE BELIEVE IT WAS REQUIRED TO FOLLOW ITS TARIFF?**

2 A. No. In response to WFalls Data Request 010, PGE argues that the two year notice requirement  
3 did not apply and that PGE does not have to comply with the terms of its own Tariff:

4 PGE was not required to [provide two years notice]. Once WLP breached its  
5 obligations to pay its electric bills and subsequently vacated the premises, PGE  
6 the electricity provider was authorized to discontinue WLP's electric service. At  
7 that point, PGE, the property owner, assumed responsibility for its property. PGE  
8 did not take assignment of WLP's LTDA Agreement.<sup>27</sup>

9 These assertions, however, are not accurate, since PGE did not, in fact, "discontinue  
10 WLP's electric service." As stated above, PGE deliberately chose not to discontinue service to  
11 the Paper Mill. The services were maintained continuously. PGE simply transferred the  
12 account, as it existed, into its own name. Further, PGE's claim that the service election  
13 terminated because it "assumed responsibility for its property" is undermined by the fact that  
14 PGE backdated the service election effective September 1, 2018, several months before it  
15 assumed responsibility for the property under the Lease Termination Agreement which was not  
16 signed by WLP until January 23, 2019, and backdated to November 26, 2018.

17 **Q. WAS PGE REQUIRED TO TAKE ASSIGNMENT OF THE LTDA SERVICE**  
18 **AGREEMENT FOR THE SCHEDULE 489 SERVICE ELECTION TO SURVIVE?**

19 A. No. The applicability of Schedule 489 to any particular load is ultimately governed by the  
20 Commission approved Tariff, not the service agreement. The terms of the LTDA service  
21 agreement do not determine the applicability of the Schedule 489 Tariff. Rather, Schedule  
22 489 applies "[t]o each Large Nonresidential Customer whose Demand has exceeded 4,000 kW  
23 more than once within the preceding 13 months and who has previously enrolled in a long-term  
24 opt-out window." In 2006, the Paper Mill enrolled in the long-term op-out window in

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<sup>27</sup> WFalls/202 at 37 (PGE Resp. to WFalls DR 010).

1 enrollment period E. Accordingly, when PGE put the account into its own name, and when  
2 Paper Mill was restarted in June 2019, it remained eligible, and did not become ineligible, to  
3 take service under Schedule 489. As a special condition, Schedule 489 does require that all  
4 customers “must enter into a service agreement”. The LTDA service agreement, however,  
5 does not determine a customer’s eligibility, or ineligibility, to take services under Schedule  
6 489. Rather, PGE is required to provide an LTDA service agreement to all customers that are  
7 take services under Schedule 489. This is true regardless of whether the customer takes  
8 assignment of a predecessor’s LTDA service agreement.

9 **Q. HOW DOES A CHANGE IN OWNERSHIP AFFECT OBLIGATIONS AND RIGHTS**  
10 **OF A SUCCESSOR UNDER PGE’S TARIFFS?**

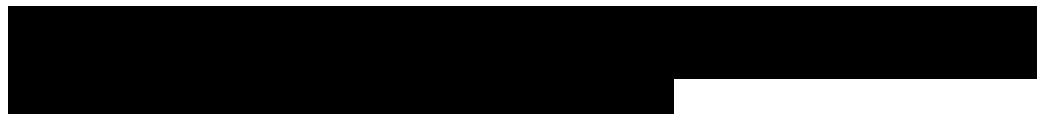
11 A. Pursuant to ORS 756.572(1), “[a]n order of the Public Utility Commission issued in  
12 accordance with the provisions of ORS chapters 756, 757, 758 and 759 is binding upon the  
13 *successors in interest* of each person affected thereby, until set aside, rescinded, suspended or  
14 modified as provided by law.” (Emphasis Added). This means that the rights and obligations  
15 of a customer under a Commission approved tariff is binding on the customer’s successors in  
16 interest.

17 For example, a customer who takes a line extension, subject to a contract minimum  
18 billing requirement, cannot not absolve itself of the contract minimum billing requirement by  
19 transferring site control to a different owner. Similarly, a customer taking Distribution  
20 Facilities Services under Rule L.5., where the Company installs facilities on the customer side  
21 of the Service Point, cannot avoid paying the Facilities Service Charge by transferring  
22 ownership to a successor customer.

1           If a tariff provision were not applicable to successors in interest, the terms of any tariff  
2 would be easy to evade. Customers could avoid application of key tariff provisions just by  
3 changing the name on their account. For example, if a LTDA customer wished to return to  
4 cost of service rates without providing the requisite notice, it could simply transfer its business  
5 to a new legal entity and avoid the two year requirement. This would be an absurd result and  
6 inconsistent with ORS 756.572(1).

7 **Q. IS THE SERVICE AGREEMENT AND SCHEDULE 489 ELECTION BINDING ON**  
8 **SUCCESSORS?**

9 A. Yes. PGE alleges that WLP never sought to assign the schedule 489 service agreement. This  
10 claim seems hollow considering WLP and the Paper Mill asked for a copy of the 489 service  
11 agreement multiple times and PGE refused to provide it. Notwithstanding, an assignment is  
12 not necessary for the service agreement to transfer to WFalls because the service agreement  
13 applies to successors, not just to assigns. The service agreement states:

14   
15  
16

17           Accordingly, PGE's view that WLP never assigned the contract is irrelevant, since the  
18 contract applies to successors.

19 **Q. IS WFALLS THE SUCCESSOR OF WLP?**

20 A. WFalls is the successor in interest with respect to the ownership and operation of the Paper  
21 Mill. Pursuant to ORS 756.572, the Schedule 489 service election of West Linn Paper is  
22 binding on WFalls, as West Linn Paper's successor in interest. Generally, the term "successor  
23 in interest" means "one who follows another in ownership or control of property" and includes



1 an entity which “conducts essentially the same business” as the old business.<sup>28</sup> While WFalls  
2 and West Linn Paper have different investors, it is the same Paper Mill and functionally the  
3 same business. The site takes services from the same meters and service points using the same  
4 Paper Mill equipment. The facility is located in the same buildings, making the same product,  
5 has many of the same managers, and uses many of the same employees.

6 **Q. CAN PGE WITHHOLD PERMISSION TO ASSIGN THE LTDA SERVICE**  
7 **AGREEMENT?**

8 A. WFalls purchased all the operating assets of WLP, which both entities understood included  
9 direct access rights. But even if a separate assignment is necessary, PGE cannot unreasonably  
10 withhold permission to assign the contract. Further, the LTDA service agreement does not say  
11 that the assignment request needed to be in writing. WLP’s repeated requests for a copy of the  
12 LTDA service agreement was sufficient for PGE to understand that WLP intended to assign  
13 the agreement.<sup>29</sup> By not providing a copy of the LTDA service agreement, however, PGE was  
14 unreasonably withholding WLP’s assignment of the LTDA service agreement, contrary to the  
15 requirements of the agreement. Since both WLP and WFalls are parties to this proceeding, it

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<sup>28</sup> In *Nw. Tr. Servs., PLLC v. Jacobson*, CIV. 04-1892-HA, 2006 WL 2945972, at \*4 (D Or Oct 12, 2006), plaintiff sought adjudication of claims of interest to surplus funds arising from the sale of property at a trustee’s sale. ORS 86.765 provides that “the trustee shall apply the proceeds of the trustee’s sale [...] to the grantor of the trust or deed or to the successor in interest of the grantor entitled to such surplus.” Because the legislature could have set forth a specific more definition of “successors in interest” but did not, the court adopted the ordinary meaning of the term. The court adopted the Black’s Law Dictionary definition which defines “successor in interest” as “[o]ne who follows another in ownership or control of property. A successor in interest retains the same rights as the original owners, with no change in substance.” SUCCESSOR IN INTEREST, Black’s Law Dictionary (11th ed. 2019). The court held that the “ordinary meaning of successor in interest... centers on the rights attending ownership or a controlling interest in property.” The court noted that this definition focuses on whether a party acquired the “rights” to the subject property – whether the party assumed the “obligations” with respect to the subject property “is irrelevant to whether they are successors of interest.” The court declined to adopt an alternate definition which “would result in few, if any, purchasers of property qualifying as successors in interest under § 86.765(4).”

<sup>29</sup> See e.g. at WFalls/202 at 65 (PGE’s Resp. to WFalls DR 17, Confidential Attachment 17 A).

1 should be plainly evident that WLP intends for the LTDA service agreement to be applicable to  
2 WFalls, although a formal written assignment can easily be drafted if necessary.

3 **Q. IS THE FACT THAT WLP IS A DIFFERENT CORPORATE ENTITY THAN**  
4 **WFALLS A REASON NOT TO APPLY SCHEDULE 489?**

5 A. No. In response to WFalls Data Request 26, PGE identified four customers who have  
6 transferred or sold their business assets and successfully transferred their LTDA service  
7 election to a different entity.<sup>30</sup> Corporate reorganizations can be complicated, and this case is  
8 no exception. I recommend, however, that the Commission focus on the end result. Similar to  
9 when Berkshire Hathaway purchased the assets of Precision Castparts, or when the Oregon  
10 Potato Company purchased certain assets of NorPac Foods out of bankruptcy, it is not  
11 necessary to consider the many intermediary entities that are often created to effectuate a  
12 transfer of ownership. The end result in this case is that WLP and WFalls are almost identical  
13 in operations, and that is sufficient to determine that WFalls is the successor in interest to WLP  
14 for purposes of Schedule 489 and the Service Agreement.

15 **Q. BASED ON THE FOREGOING, WAS PGE REQUIRED TO SERVE THE PAPER**  
16 **MILL ON SCHEDULE 489, AT THE COMPANY SUPPLIED ENERGY RATE?**

17 A. Yes. When the Paper Mill resumed operations in July 2019, PGE was required to continue  
18 serving the Paper Mill on Schedule 489, at the Company Supplied Energy rate. PGE is  
19 required to apply its Tariff provisions in a uniform and non discriminatory manner to all of its  
20 customers, even if the customer is a non-regulated business of PGE. PGE benefitted by  
21 changing the service election for the Paper Mill from Schedule 489 to Schedule 89, and

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<sup>30</sup> WFalls/202 at 83 (PGE Resp. to WFalls DR 26, Attachment 026-A).

1 therefore, was providing an undue preference, which is prohibited under ORS 757.325. These  
2 actions should be appropriately remedied by the Commission, as I will discuss below.

3 **IV. PROPOSED REMEDIES**

4 **Q. HOW DO YOU RECOMMEND THAT WFALLS' ACCOUNT BE RECONCILED?**

5 A. Going forward, I recommend that the Paper Mill be billed on Schedule 489 on the Company  
6 Supplied Energy option with the ability to select a new ESS in the future. Further, Since PGE  
7 has been billing the Paper Mill on an improper rate schedule, I recommend that WFalls be  
8 rebilled on Schedule 489, based on the Company Supplied Energy option, back to the date the  
9 Paper Mill resumed operations in July 2019. Further, based on several factors, I believe that  
10 PGE's actions were intentional. PGE knew, or should have known, that it had to follow the  
11 terms of its own Tariff for the electrical services it was purchasing as the landlord of the Paper  
12 Mill. Accordingly, I also recommend treble damages be applied to the refund amount.

13 **Q. DID YOU REQUEST PGE TO RECALCULATE WFALLS BILLINGS ON**  
14 **SCHEDULE 489?**

15 A. Yes. In WFalls Data Request 46, PGE was requested to recalculate WFalls billings on  
16 Schedule 489, at the Company Supplied Energy rate, over the period when the Paper Mill  
17 resumed operations in July 2019 through July 31, 2019. In response PGE objected, stating that  
18 such a request was "unduly burdensome" and that "WFalls and WLP are equally capable for  
19 performing the calculation".<sup>31</sup> I disagree. Such a request is by no means unduly burdensome  
20 for a regulated utility, particularly in light of the issues surrounding Schedule 489 that were  
21 raised in the Complaint. Having the amount WFalls would have paid on Schedule 489 is

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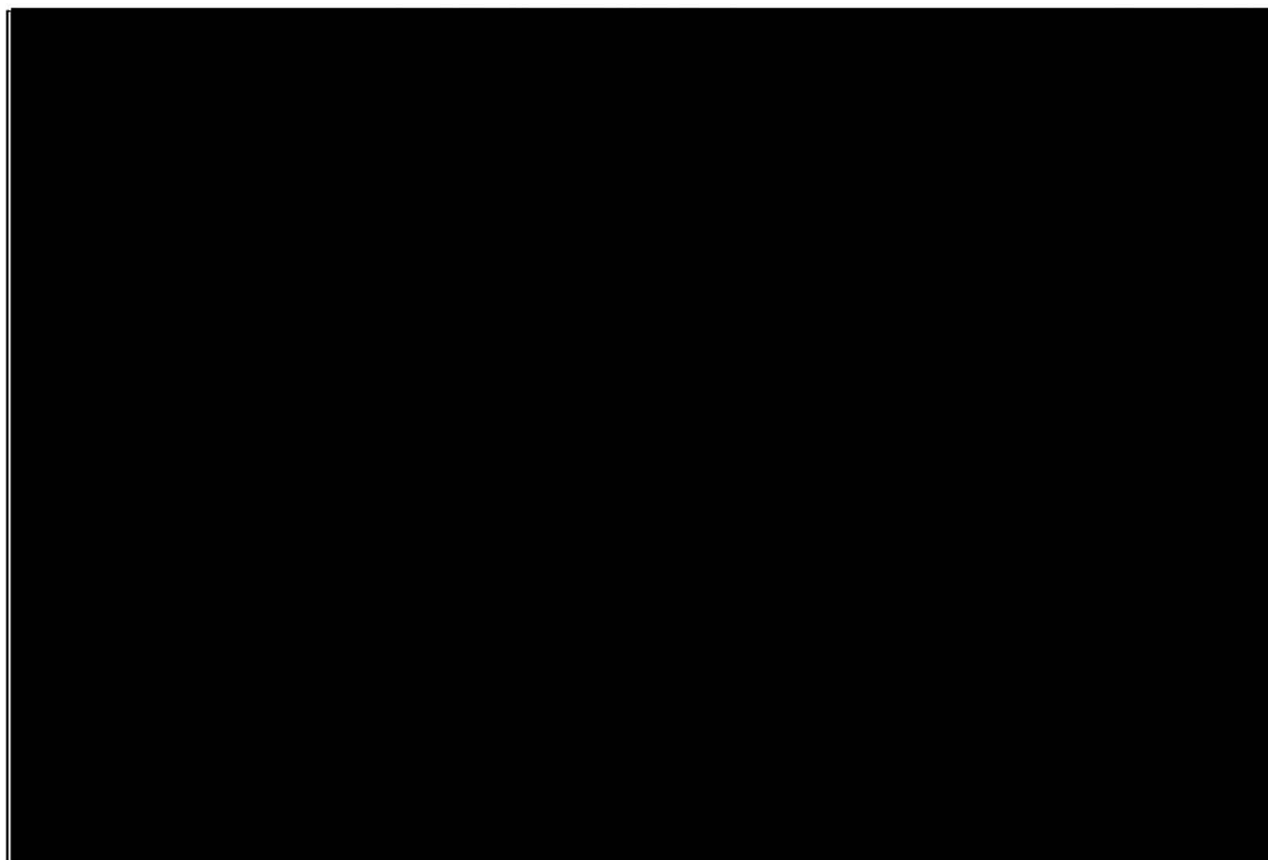
<sup>31</sup> *Id.* at 105 (PGE Resp. to WFalls DR 46).

1 central to this case, and PGE as the owner of its billing system and all the associated data is in  
2 a better position to perform the requested calculation.

3 **Q. HAVE YOU RECALCULATED WFALLS BILLINGS ON SCHEDULE 489?**

4 A. Yes. Notwithstanding PGE's claims that doing so is unduly burdensome, I have performed an  
5 account reconciliation for WFalls on Schedule 489 over the period July 1, 2019, through July  
6 30, 2020. That calculation has been provided in Exhibit WFalls/203 and a summary is  
7 provided in Table 1, below:

**Confidential Table 1**  
WFalls Billing Comparison between Schedule 89 and Schedule 489



8 The above analysis is based on a propriety rate model that I use to evaluate the  
9 economics of customers switching to direct access services, albeit normally on a prospective

1 basis. As can be seen in the attachment, the model functions by recalculating a bill for each  
2 month and compares the cost under each schedule.

3 When performing the calculation, I identified several errors in PGE's billing. For  
4 example, for several months PGE did not apply the 3% public purpose charge to the WFP  
5 account, while in other months PGE applied the Schedule 109 Energy Efficiency funding  
6 amounts to the WFP Load, even though that schedule only applies to customers with loads less  
7 than one aMW. The net effect of these errors was a \$1,436 refund due to WFalls, which I have  
8 detailed on the final page of Exhibit WFalls/203. As necessary, WFalls will follow up with  
9 PGE on these billing errors outside of this proceeding. For purposes of this docket, however,  
10 the error amounts have not been considered in my calculation of the refunds due to WFalls, nor  
11 would they materially impact the amounts that I have calculated.

12 **Q. DO YOU RECOMMEND THESE AMOUNTS BE REFUNDED TO WFALLS?**

13 A. Yes. Under ORS 756.185, "Any public utility which does, or causes or permits to be done,  
14 any matter, act or thing prohibited by ORS chapter 756, 757 or 758 or omits to do any act,  
15 matter or thing required to be done by such statutes, is liable to the person injured thereby in  
16 the amount of damages sustained in consequence of such violation." In this case, PGE violated  
17 ORS 757.325 by giving itself an undue preference with respect to its electric service Tariffs.  
18 That action harmed the Paper Mill in the amount described above, due to the fact that it was  
19 billed on an improper rate schedule. Accordingly, it is appropriate for the Paper Mill to be  
20 refunded the amounts that it overpaid as a result of PGE arbitrarily changing the service  
21 election of the Paper Mill without following its Tariff.

1 **Q. DO YOU RECOMMEND INTEREST BE INCLUDED IN THE CALCULATION?**

2 A. Yes. As detailed above, I propose that interest be applied to the refund amount at a rate of 9%  
3 per annum, which is the default contract rate in ORS 82.010. This interest rate is also close to  
4 PGE's pre-tax cost of capital, which I calculated as 9.04%.

5 **Q. WERE PGE'S ACTIONS THE RESULT OF GROSS NEGLIGENCE OR WILLFUL**  
6 **MISCONDUCT?**

7 A. Under ORS 756.185 a public utility is liable for treble damages if it can be proved that the  
8 damages were the result of gross negligence or willful misconduct. Under such circumstances,  
9 the damage amount above would be three times the actual damages incurred or \$ [REDACTED]  
10 through July 2020. While I have not necessarily seen evidence of gross negligence, there is  
11 evidence suggesting that PGE's actions constitute willful misconduct. For example, PGE  
12 withheld the Direct Access service agreement when WLP requested it, so that the Paper Mill  
13 was unable to see whether the service agreement had an assignment provision. Further, PGE  
14 took actions, such as backdating its ownership of the account to September 1, 2019, even  
15 through it did not take physical ownership of the site until November 26, 2018 at the earliest,  
16 because the Lease Termination Agreement was not signed by WLP until January 23, 2019 and  
17 backdated to November 26, 2018. Internal emails at PGE indicate that some employees were  
18 concerned with backdating the account.<sup>32</sup> During this timeframe, PGE knew that efforts were  
19 being made to restart the Paper Mill, and PGE still changed the service election knowing that  
20 the change would likely increase the costs for a future operator of the Paper Mill. PGE knew,  
21 or at least should have known, that it had to apply the terms of its Tariff to its own non-  
22 regulated business operations. And at a minimum, PGE's actions were irresponsible to the

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<sup>32</sup> *Id.* at 15 (PGE Resp. to WFalls DR 05, Conf Supp Attach A)

1 extent that PGE never questioned whether the Schedule 489 requirements would apply.

2 Accordingly, I believe there is evidence to conclude that the damages above were the result of  
3 willful misconduct and have factored that into my recommendation above.

4 **V. NO NEGATIVE IMPACTS ON OTHER CUSTOMERS**

5 **Q. HOW DID PGE'S DECISION TO BEGIN BILLING THE PAPER MILL ON COST OF**  
6 **SERVICE RATES IMPACT PGE'S OTHER CUSTOMERS?**

7 A. The Paper Mill enrolled in the opt-out window E in 2006, and therefore, has long ago resolved  
8 any potential cost impact on other customers associated with its Schedule 489 service election.  
9 My understanding is that the requirement for providing two-year notice prior to returning to  
10 cost of service rates was specifically implemented to avoid cost shifting associated with long  
11 term direct access customers opting out of cost of service rates and subsequently returning to  
12 cost of service rates. Under ORS 757.603(3), "the commission may prohibit or otherwise  
13 limit the use of a cost-of-service rate by retail electricity consumers who have been served  
14 through direct access" in order "to reasonably ensure that the costs and risks of serving each  
15 option are reflected in the rates for each option" Thus, the 2-year notice requirement was  
16 implemented to protect cost of service customers from the risks and costs of serving direct  
17 access customers. Accordingly, when PGE changed the service election for the Paper Mill  
18 from Schedule 489 to Schedule 89 without the required notice, it was putting its other retail  
19 ratepayers at risk.

20 **Q. DID THE CHANGE IN SERVICE ELECTION IMPACT ENERGY COSTS OF**  
21 **OTHER CUSTOMERS?**

22 A. When PGE made the decision to change the service election of the Paper Mill to cost of service  
23 rates in November of 2018, the West Coast was experiencing an energy crisis. One month  
24 earlier, on October 9, 2018, a rupture had occurred on the Enbridge Westcoast pipeline in

1 British Columbia. As a result of that rupture, gas supplies in the West were severely reduced.  
2 Following the explosion, flows on the Westcoast pipeline were resumed at reduced rates and  
3 were periodically restricted for repair, maintenance, and inspection activities. Further, as a  
4 result of the Enbridge outage, increasing pressure was placed on gas storage and optimization  
5 during the period of the year with the highest system demands. As a result of these  
6 circumstances, the West experienced some of the most volatile energy prices since the West  
7 Coast Energy Crisis of 2001. On March 4, 2019, for example, gas prices at Sumas spiked to  
8 \$161.30 per MMBtu. Similarly, on the same day, power prices at the Mid-Columbia market  
9 soared to \$964.90 per MWh.

10 This event is exactly the type of risk and potential cost shifting between direct access  
11 and cost of service customers that the legislature wanted to avoid by implementing ORS  
12 757.603(3). Yet, by changing the service election from Schedule 489 to Schedule 89 during  
13 the Enbridge outage, PGE, in its capacity as landlord, was able to avoid paying the high-cost  
14 market prices that ensued, at the expense of other ratepayers. This was harmful to other cost of  
15 service ratepayers because the cost of serving the Paper Mill load on Schedule 89 is considered  
16 in PGE's Power Cost Variance Mechanism filing. One purpose of the notice period is to  
17 "eliminates the possibility of customers frequently switching back and forth to take advantage  
18 of market conditions."<sup>33</sup> By changing the service election without providing the requisite  
19 notice, however, PGE appears to have done just that.

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<sup>33</sup> Docket UE 267, Joint Post-Hearing Reply Brief of Stipulating Parties at 21:14-15



1 **Q. DID PGE ACQUIRE ANY GENERATING RESOURCE IN ORDER TO SERVE THE**  
2 **PAPER MILL LOAD ON COST OF SERVICE RATES?**

3 A. No. When PGE changed the service election for the Paper Mill to cost of service rates, there  
4 was no imminent need for PGE to acquire any new long-term resources. In Docket LC 73,  
5 PGE's 2019 Integrated Resource Plan, PGE did not have a material capacity deficit until 2025,  
6 corresponding to the expiration of several long-term contracts.<sup>34</sup> Accordingly, correcting  
7 PGE's tariff violation by placing the Paper Mill back on Schedule 489 where it rightfully  
8 belongs will not result in any incremental stranded generation costs.

9 **Q. IS PGE PLANNING ANY NEW RESOURCES IN ITS IRP?**

10 A. Yes. But those resources are being added for economic purposes, not for an imminent resource  
11 deficiency. PGE is currently in the process of constructing the Wheatridge energy facility,  
12 which is expected to be placed into service later this year and has proposed an additional 150  
13 aMW of new renewable resources in its 2017 IRP. These resources are being proposed to  
14 obtain "significant customer benefits from a portfolio that includes an optimized combination  
15 of near-term, low-cost renewables and non-emitting capacity resources."<sup>35</sup> Rather than adding  
16 to system costs, these new resources are expected to benefit customer rates. Accordingly,  
17 returning the Paper Mill to Schedule 489 where it belongs would actually preserve the benefits  
18 from these upcoming renewable resource acquisitions for PGE's other ratepayers.

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<sup>34</sup> See Order 20-152 at 12.

<sup>35</sup> See Order 20-152 at 26.

1 **Q. WAS WFALLS INCLUDED IN THE SCHEDULE 89 LOAD FORECAST IN THE 2020**  
2 **AUT?**

3 A. In response to WFalls Data Request 024, PGE confirmed that WFalls was included as in the  
4 final load forecast for Schedule 89 in the 2020 Annual Update Tariff (“AUT”) filing in Docket  
5 UE 359.

6 **Q. DID OTHER CUSTOMERS BENEFIT FROM THE INCLUSION OF WFALLS’ LOAD**  
7 **IN THE SCHEDULE 89 LOAD FORECAST?**

8 A. Not materially. Since the AUT only concerns variable power costs, the impact of improperly  
9 including the Paper Mill load in the Rate Schedule 89 load forecast was likely immaterial to  
10 other customers’ rates. The AUT is not concerned with the recovery of fixed costs, which are  
11 only considered in the context of a general rate case. Accordingly, correcting the service  
12 election for the Paper Mill back to Rate Schedule 489 will not have a material impact the rates  
13 paid by other customers in future AUT proceedings. Further, I recommend that the Paper Mill  
14 load be removed from the ongoing AUT Docket 377 pending the resolution of this proceeding.

15 **Q. HAS PGE FILED A RATE CASE SINCE THE PAPER MILL RESUMED**  
16 **OPERATIONS?**

17 A. No. PGE’s most recent general rate case was filed in Docket No. UE 335 in 2018. The Paper  
18 Mill was considered a LTDA Rate Schedule 489 customer in that docket. Accordingly, to the  
19 extent the Paper Mill has been contributing to PGE’s fixed costs through payments on the cost  
20 of service rate Schedule 89, those contributions have been benefiting PGE’s margins and  
21 shareholders, not other ratepayers. PGE’s decision to change the Schedule 489 service  
22 election, while a benefit to PGE as the electric service provider, did not reduce any other  
23 ratepayer’s contribution to fixed costs because PGE has not filed a rate case to pass that benefit  
24 on other ratepayers.

1 **Q. IF THE PAPER MILL WERE TO SHUT DOWN, HOWEVER, WOULD PGE'S**  
2 **RATEPAYERS INCUR ANY ADDITIONAL COSTS?**

3 A. Yes. In the event the Paper Mill were to shut down, not only would it be a detriment to the  
4 many employees of the mill and the economy in general, it would shift significant costs to  
5 PGE's other ratepayers. PGE would lose the lease revenue and have to pay for other services  
6 for its property that are currently provided for in the lease. Further, PGE has estimated that the  
7 environmental remediation costs for the Paper Mill site would exceed \$ [REDACTED], and PGE  
8 may attempt to recover some or all of these costs from ratepayers. In response to WFalls Data  
9 Request 031, PGE stated "In the event a clean-up were required, PGE would evaluate the legal  
10 and regulatory criteria applicable to any site remediation costs and seek any cost recovery as  
11 legally appropriate."<sup>36</sup>

12 **Q. IF THE COMMISSION IS TO GRANT WFALLS PROPOSED REMEDIES, WILL**  
13 **THAT NEGATIVELY IMPACT OTHER CUSTOMERS?**

14 A. No. On the contrary, PGE put its customers at greater risk by changing the Paper Mill  
15 Schedule 489 service election without following the terms of its Tariff. PGE changed the  
16 election during the Enbridge outage, which increased the cost to serve the energy requirements  
17 of its cost of service customers. Making the correction will not harm other customers,  
18 however, since PGE has not acquired any new generation resources to serve the Paper Mill  
19 load. In addition, other customers have not benefitted by the change in service election  
20 through reduced contribution to fixed costs because PGE has not filed a rate case since the  
21 change was made. Further, keeping the Paper Mill operating has many other benefits to

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<sup>36</sup> WFalls/202 at 88 (PGE's Resp. to WFalls DR 031).

1 ratepayers, including avoiding significant potential environmental remediation costs. As a  
2 result of these factors, granting WFalls request will not negatively impact other customers.

3 **VI. ELIGIBILITY FOR NEW LOAD DIRECT ACCESS PROGRAM**

4 **Q. DID THE PAPER MILL ORIGINALLY REQUEST TO BE PLACED ON THE NLDA**  
5 **PROGRAM?**

6 A. Based on PGE's position that the Paper Mill may be ineligible to retain its Schedule 489  
7 service election, WFalls became the first customer in the queue to apply for the NLDA  
8 program.

9 **Q. DID PGE ACCEPT WFALLS' APPLICATION FOR THE NLDA PROGRAM?**

10 A. Yes. WFalls submitted its NLDA application on April 15, 2019. PGE first accepted the  
11 application and told WFalls they were No. 1 in the queue.<sup>37</sup> By letter dated January 17, 2020,  
12 long after WFalls entered the new lease with PGE and made significant financial commitments  
13 to operate the Paper Mill, PGE informed WFalls that the Paper Mill is ineligible for PGE's  
14 New Load Direct Access.<sup>38</sup> Following the finalization of the NLDA tariff provisions,  
15 however, PGE announced that WFP would no longer qualify for the NLDA because it did not  
16 meet the one-year energization requirement rule. WFalls has requested a waiver of the rule in  
17 this docket.

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<sup>37</sup> WFalls/107, WFalls/108

<sup>38</sup> WFalls/109.

1 **Q. WHAT IS THE ONE-YEAR ENERGIZATION REQUIREMENT?**

2 A. Under OAR 860-038-0740, “(1) Each New Large Load consumer must notify the electric  
3 company of its intent to enroll in the New Large Load Direct Access Program and opt out of  
4 cost-of-service rates at the earlier of either: (a) A binding written agreement with the utility for  
5 eligible new load, or (b) One year prior to the expected starting date of the incremental load.”

6 **Q. IS WFALLS REQUESTING A WAIVER OF THE ONE-YEAR ENERGIZATION**  
7 **REQUIREMENT?**

8 A. Yes. To the extent the Commission finds that the Paper Mill is not eligible to continue taking  
9 LTDA services, WFalls requests any, and all, necessary waivers to participate in the NLDA  
10 program

11 **Q. WHAT CRITERIA MUST AN APPLICATION MEET IN ORDER TO BE GRANTED**  
12 **A WAIVER?**

13 A. Under OAR 860-001-0000, the Commission may modify or waive any of its rules for good  
14 cause shown.

15 **Q. HOW IS THIS WAIVER REQUEST DISTINCT FROM THE OTHER REQUESTS**  
16 **CURRENTLY BEFORE THE COMMISSION?**

17 A. Unlike the other NLDA waiver requests that are before the Commission, WFalls request only  
18 concerns a waiver of the one-year energization requirement in OAR 860-038-0740. It does not  
19 concern the 119 aMW enrollment cap in PGE’s Schedule 689 Tariff.

20 **Q. DOES GOOD CAUSE EXIST TO GRANT WFALLS REQUEST?**

21 A. Yes. As I demonstrated above, PGE and the Paper Mill have a long and complicated history.  
22 The reopening of the Paper Mill is an extraordinarily positive event from all perspectives.  
23 Because of the rapid succession of events, however, the Paper Mill could not have waited one-  
24 year to energize, since the operating assets would have otherwise been sold at an auction and  
25 scattered, making a restart impossible. WFalls had to act quickly to keep the Paper Mill on

1 PGE's system and WFalls should not be disqualified from the NLDA program due to this chain  
2 of events. Given the unique situation surrounding the shut down and reopening of the Paper  
3 Mill, there is good cause to grant a waiver in this case.

4 **Q. WHAT WAS THE PURPOSE OF THE ONE-YEAR ENERGIZATION**  
5 **REQUIREMENT?**

6 A. In Docket No. UM 1837, Staff described the purpose of the one-year energization requirement  
7 as eliminating planning requirements for NLDA customers. In its December 19, 2017 report,  
8 Staff stated that “[n]otification of enrolling in the NLDA program and opting out of COS rates  
9 must be given to utility simultaneously with the binding notification to utility of planned  
10 service of new load and must be given at some time prior to energizing the meter.”<sup>39</sup> Based on  
11 this description, the one-year requirement was to ensure that notice be given at some time prior  
12 to energizing the meter at the same time as the request for services. The one-year duration was  
13 not based on any systematic analysis, it was merely a generic standard to provide sufficient  
14 lead time to be assured that the utility was not planning to serve the NLDA loads.

15 **Q. WAS WFALLS NLDA APPLICATION SUFFICIENT TO ENSURE THAT PGE**  
16 **WOULD NOT PLAN FOR ITS LOAD?**

17 A. Yes. To the extent that the Paper Mill was a new customer when WFalls took over the  
18 account, providing its NLDA notice on April 15, 2019 was sufficient to ensure that PGE was  
19 not planning for its load.

20 For other new large loads, it would normally take more than a year to get a site planned  
21 and constructed to take electrical services. For such a customer, applying the one-year  
22 requirement ensures that the customer does not wait until the last minute to make the NLDA

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<sup>39</sup> UM 1837, Staff December 19, 2017 Report at 7.

1 service election. This avoids a situation where the utility would plan for the new customer's  
2 load, albeit on a tentative basis, only for the customer to subsequently elect to take service on  
3 the NLDA program.

4 The sale of the Paper Mill assets to WFalls, however, occurred in a very short span of  
5 time. The first meeting between PGE and WFalls discussing a potential lease of the Paper  
6 Mill site occurred on April 16, 2019,<sup>40</sup> contemporaneous to when the NLDA application was  
7 submitted. Since the intention to restart the Paper Mill and the NLDA occurred at the same  
8 time, PGE could not have planned for WFalls, as a new customer. WFalls notified PGE of its  
9 intention to take NLDA service at the same time it began discussions to lease the Paper Mill  
10 site.

11 **Q. DOES THE NLDA PROGRAM CONTEMPLATE THE UTILITY PROVIDING**  
12 **TEMPORARY POWER?**

13 A. Yes. While WFalls has been taking services on Schedule 89 since July 1, 2019, that should not  
14 disqualify it from participating in the NLDA program. In UE 358, Staff Witness Gibbens  
15 discussed the potential for providing temporary services to customers before the NLDA  
16 election could take effect. He noted that new generation investments are unlikely to be made  
17 as a result of serving the queue load temporarily. Notwithstanding, Staff encouraged the  
18 Commission to consider participants requiring temporary power in the one-year period on a  
19 case-by-case basis.<sup>41</sup> Further, Staff clarified that temporary power will not be considered  
20 “energization” for purposes of determining a Customer’s Energization Date. The power that  
21 the Paper Mill has been consuming since July 2019 is appropriately considered temporary

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<sup>40</sup> WFalls/202 at 49 (PGE’s Resp to WFalls DR 16 Attach A Conf).

<sup>41</sup> UE 358, Staff/300, Gibbens/13

1 power in this context. The Paper Mill is currently operating at [REDACTED]

2 Thus, since WFalls submitted its NLDA application on April 15, 2019, and has been  
3 consuming temporary power since July 1, 2019, it has already satisfied the one-year  
4 energization requirement to be eligible for the NLDA program.

5 **Q. IS WFALLS REQUESTING THE COMMISSION GRANT A WAIVER TO ACCEPT**  
6 **TEMPORARY POWER?**

7 A. To the extent necessary, yes. If the waiver is granted, WFalls is not, for example, requesting  
8 its bills be recalculated back to when it first restarted the Paper Mill.

9 **Q. DOES PGE SUPPORT WFALLS WAIVER REQUEST?**

10 A. In its Answer, PGE States that “as a regulated utility, PGE cannot grant [...] waiver of the  
11 NLDA program requirements; only the Commission has the authority to waive the  
12 requirements.”<sup>42</sup> While this may be true, nothing precludes PGE from working collaboratively  
13 with one of its key customers and supporting WFalls during this critical period of restarting the  
14 Paper Mill. It is telling that, even though WFalls was as No. 1 in the queue, PGE has  
15 subsequently alleged that each and every other applicant to the NLDA program is also  
16 ineligible to participate because the 119 MW enrollment cap has been reached. The NLDA  
17 program was found to be in the public interest and designed to provide significant benefits to  
18 ratepayers and the state of Oregon. It is PGE’s obligation to manage the program in a logical  
19 and workable manner. The cap either has, or has not, been reached. If PGE is to both oppose  
20 WFalls waiver request, while also maintaining that the program caps have been met, then PGE  
21 is obstructing the NLDA program.

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<sup>42</sup> PGE’s Answer to Complaint at 2:13-15.



1 **Q. WHAT JUSTIFICATION DID PGE GIVE FOR ITS POSITION?**

2 A. PGE's Answer does not address the merits of whether there is good cause to grant a waiver in  
3 this case. In its Answer, however, PGE states "WFalls had ample notice of the Commission's  
4 eligibility criteria." PGE also states that "WFalls knowingly began taking electric service  
5 under cost-of-service rates in July 2019, which was months before PGE had a Commission-  
6 approved tariff with which to enroll a participant for NLDA." Neither of these statements,  
7 however factor against granting a waiver.

8 **Q. DOES WFALLS DISPUTE THAT IT MUST SEEK A WAIVER OF THE 1-YEAR**  
9 **ELIGIBILITY REQUIREMENT?**

10 A. No. It is not disputed that the Paper Mill must seek a waiver of the one-year requirement.  
11 Notwithstanding, PGE accepted the Paper Mill's application as the first in the queue  
12 presumably under the expectation that it would seek, and be granted, a waiver of the rule. PGE,  
13 however, waited approximately nine months to inform WFalls that a waiver was necessary.  
14 The short period of negotiating the new lease for the Paper Mill was intensive. During this  
15 period PGE never notified the Paper Mill that it did not meet the one-year energization  
16 requirement, nor that it would not support a request for a waiver.

17 PGE is expected to have greater knowledge and understanding of its Tariff and the  
18 Commission rules than its customers. While PGE alleges WFalls is at fault for not  
19 understanding the one-year energization requirement, PGE also had "had ample notice of the  
20 Commission's eligibility criteria." Notwithstanding, PGE waited until January 17, 2020 to  
21 inform WFalls that it must seek a waiver. Had PGE informed WFalls of the waiver  
22 requirement at the time of its NLDA application, the waiver request would have already been  
23 submitted and fully adjudicated many months ago.

1 **Q. IS TAKING TEMPORARY POWER ON COST OF SERVICE RATES A REASON**  
2 **NOT TO APPROVE A WAIVER?**

3 A. No. Due to the short period necessary to restart operations, the Paper Mill was required to  
4 begin taking services before the finalization of the Schedule 689 Tariff. This in no way factors  
5 against granting a waiver. As described above, it was contemplated in UE 358 that, subject to  
6 a Commission waiver, participants could consume temporary prior to the finalization of the  
7 NLDA tariff. Since PGE has not been required to construct any new resources to temporarily  
8 serve the Paper Mill load, providing temporary services has not put other cost of service  
9 customers at risk.

10 **Q. WHAT FACTORS DOES THE COMMISSION CONSIDER WHEN EVALUATING**  
11 **WAIVER REQUESTS?**

12 A. The Commission has not discussed any specific factors it will consider when evaluating a  
13 waiver of the one-year energization requirement. The Commission has been evaluating factors  
14 that it might consider in the context of the 119 aMW enrollment cap in the PGE Tariff. The  
15 issues surrounding the one-year energization requirement are relatively narrow; whereas the  
16 enrollment cap is a foundational element of the NLDA program. Accordingly, I recommend  
17 that the Commission view WFalls request as different and distinct from the other pending  
18 waiver requests surrounding the 119 aMW enrollment cap.

19 **Q. HAS THE COMMISSION ESTABLISHED WAIVER CONSIDERATIONS FOR THE**  
20 **ENROLLMENT CAP?**

21 A. Formal waiver considerations are still being finalized. In its August 13, 2020 Report in Docket  
22 UE 358, however, Staff issued a recommendation to the Commission with regard waiver  
23 considerations for the enrollment caps. These include items such as contributing to resource  
24 adequacy, providing other economic benefits, and providing benefits to the system.

1 **Q. WILL WFALLS CONTRIBUTE TO RESOURCE ADEQUACY?**

2 A. Yes. While WFalls has not yet identified the source of power it will procure, it plans to  
3 purchase firm power resources that contribute to resource adequacy at the same level as any of  
4 PGE's resources.

5 **Q. WILL THE WFALLS PROVIDE ECONOMIC BENEFITS TO THE STATE OF**  
6 **OREGON?**

7 A. Yes. As noted above, the Paper Mill provides significant benefits to the state of Oregon. It  
8 employs approximately 130 employees and plans to hire more if economically viable. The  
9 Paper Mill makes purchases from regional suppliers and provides PGE with financial support  
10 through its ongoing electric and lease payments. Further, as Mr. Konen discusses, the new  
11 management has undertaken extraordinary efforts to improve the sustainability of the Paper  
12 Mill including non-wood grade paper sourced with local agricultural waste. The result is that  
13 fewer trees are harvested reducing the carbon dioxide that is present in the atmosphere.

14 As Mr. Konen discusses, the ability of the Paper Mill to procure power through PGE's  
15 LTDA or NLDA program was a key factor contributing to restarting the Paper Mill, and the  
16 inability to participate in these programs has made it uneconomic to operate at full capacity.  
17 Granting the waiver will therefore result in higher plant output, and result in more  
18 contributions to the local economy.

19 **Q. HOW WILL WFALLS BENEFIT THE SYSTEM AS AN NLDA CUSTOMER?**

20 A. As an NLDA customer, WFalls will contribute to the distribution cost recovery of PGE,  
21 helping to lower other customers' bills. Increasing distribution costs have been a key driver of  
22 rate increases in PGE's prior rate cases. WFalls would also pay the 20 percent transition  
23 charge which also benefits other customers, by reducing customers rates.

1           Moreover, the NLDA program was specifically designed for the purpose of providing  
2 benefits. The Commission acknowledged these benefits when it approved the program,  
3 including:

- 4           • Economies of scale for utility administrative and distribution costs;
- 5           • Reduc[ing] utility load growth and need to add generation resources or replace coal  
6 resources;
- 7           • Reduc[ing] future average system cost by avoiding new resources;
- 8           • Reduc[ing] average system cost by sharing option value of NLDA with cost of  
9 service (COS) customers;
- 10          • Develop[ment of] the competitive generation market; and
- 11          • Increas[ing] efficiency of regulated generation through competitive pressure.”<sup>43</sup>

12           All of these benefits can be considered in the context of this case.

13 **Q. IS GRANTING A WAIVER IN THE PUBLIC INTEREST?**

14 A. Yes. It is in the public interest to grant a waiver of the one-year energization requirement for  
15 the Paper Mill load. If it is determined that WFalls is truly a new customer and not eligible to  
16 retain any of the obligations of its predecessor, any previous planning PGE might have made  
17 for the Paper Mill load would not be applicable to WFalls. WFalls was the first customer to  
18 submit a request for NLDA service, so the issue in this case is not whether the enrollment caps  
19 of 119 MW under Schedule 689 have been reached, but a limited issue about the timing of  
20 WFalls application. The one-year energization requirement was implemented for the purposes  
21 of ensuring that PGE was not planning for the new customer load, which typically involves  
22 several years of lead time. Since the purchase of the Paper Mill assets by WFalls occurred in

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<sup>43</sup> Docket AR 614, Order No. 18-031, Appen. A at 4 (Jan. 30, 2018).

1 quick succession, PGE did not plan for WFalls prior to when the notice was given to take  
2 services on Schedule 689.

3 **VII. CONCLUSION**

4 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

5 A. When PGE took over electrical services for the Paper Mill as its landlord, PGE did not follow  
6 its Tariff. PGE retroactively switched service to the Paper Mill from Schedule 489 to Schedule  
7 89, without providing the required 2-year notice. This was done with the knowledge that a  
8 Schedule 89 service election would benefit PGE financially when the Paper Mill resumed  
9 operations under new ownership. This amounted to giving its unregulated business an undue  
10 preference under ORS 757.325. Accordingly, I recommend that Paper Mill's Schedule 489  
11 service election continue to be applied under WFalls operation, a correction which will not  
12 cause any cost shifts to other customers.

13 I also recommend that WFalls be provided a refund for the amounts that it has over  
14 paid since the Paper Mill resumed operations in July 2019. Certain actions of PGE, such as  
15 withholding the LTDA service agreement and backdating its ownership of the Paper Mill  
16 account, are evidence of willful misconduct. Accordingly, I recommend that the treble  
17 damages provision of ORS 756.185 also be applied to the refund amount. Based on the  
18 calculations provided in Exhibit WFalls/203, I estimate a refund amount of \$ [REDACTED] under  
19 treble damages, or \$ [REDACTED] excluding treble damages.

20 Finally, if the Commission is to consider WFalls a new load, and not eligible to retain  
21 its predecessors service election, then the NLDA program should apply to WFalls load. Good  
22 cause exists for to waive the one-year energization requirement in OAR 860-038-0740. PGE  
23 did not plan for WFalls load prior to the submission of the NLDA application, and therefore,

1 the purpose behind the one-year energization requirement has still been satisfied. Accordingly,  
2 I recommend that WFalls' need to quickly restart the Paper Mill not be a factor that otherwise  
3 disqualifies them from participating in the NLDA program.

4 **Q. DOES THIS CONCLUDE YOUR OPENING TESTIMONY?**

5 A. Yes.



# **MW ANALYTICS**

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## **ABOUT**

MW Analytics is the professional consulting practice of Brad Mullins, a consultant and expert witness that represents utility customers in regulatory proceedings before state utility commissions throughout the Western United States. Brad has sponsored expert witness testimony in over 60 regulatory proceeding encompassing a variety of subject matters, including revenue requirement, regulatory accounting, rate development, and new resource additions. Brad has also assisted his clients through numerous informal regulatory, legislative and energy policy matters. In addition to providing regulatory services, MW Analytics also provides advisory, energy marketing and other energy consulting services.

In 2020, Brad relocated MW Analytics to Oulu, Finland, where Brad has been continuing his regulatory consulting practice and working on the development of smart electric service products for Nordic markets.

## **PRACTICE AREAS**

MW Analytics has experience representing customer interests in litigated and informal regulatory proceedings, including the following subject areas:

- Revenue Requirement
- Power Cost Modeling
- Tax Provisions and Tax Reform
- Capital Additions and Forecasting
- Regulatory Accounting
- Depreciation Studies
- Ratemaking Mechanisms
- Integrated Resource Planning
- Avoided Cost Calculations
- Utility Plant Retirements

## **EDUCATION AND WORK EXPERIENCE**

Brad has a Master of Accounting degree from the University of Utah. In his undergraduate studies, Brad double-majored in Finance and Accounting. After obtaining his master's degree, Brad worked at Deloitte Tax in San Jose, California, where he was responsible for preparing corporate tax returns for multinational corporate clients and partnership returns for hedge fund clients. Brad was later promoted to a Tax Senior position in a national tax practice specializing research and development tax credit studies. Following Deloitte, Brad worked at PacifiCorp Energy, as an analyst involved in power cost modeling and forecasting. At PacifiCorp Brad was responsible for preparing power cost forecasts and supporting testimony for regulatory filings, preparing annual power cost deferral filings, and developing qualifying facility avoided cost calculations.



**REGULATORY APPEARANCES**

Brad has sponsored expert witness testimony in the following regulatory proceedings:

<b>Docket</b>	<b>Party</b>	<b>Topics</b>
<u>In re the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Service Rates by Approximately \$7.1 Million Per Year or 1.1 Percent, to Revise the Energy Cost Adjustment Mechanism, and to Discontinue Operations at Cholla Unit 4, Wy.PSC Docket No. 2000-578-ER-20</u>	Wyoming Industrial Energy Consumers	Power Cost Modeling
<u>In re Avista Corporation 2021 General Rate Case, Or.PUC Docket No. UG 389</u>	Alliance of Western Energy Consumers	Revenue Requirement, Rate Design
<u>In re NW Natural Request for a General Rate Revision, Or.PUC Docket No. UG 388.</u>	Alliance of Western Energy Consumers	Revenue Requirement, Rate Design
<u>In re PacifiCorp, Request to Initiate an Investigation of Multi-Jurisdictional Issues and Approve an Inter-Jurisdictional Cost Allocation Protocol, Or.PUC, UM 1050.</u>	Alliance of Western Energy Consumers	Jurisdictional Allocation
<u>In re Puget Sound Energy 2019 General Rate Case, Wa.UTC Docket No. UE 190529.</u>	Alliance of Western Energy Consumers	Revenue Requirement, Coal Retirement Costs
<u>In re Avista Corporation 2020 General Rate Case, Wa.UTC Docket No. UE-190334 (Cons.)</u>	Alliance of Western Energy Consumers	Revenue Requirement, Rate Design
<u>In re Cascade Natural Gas Corporation Application for Approval of a Safety Cost Recovery Mechanism, Or. PUC Docket No. UM 2026</u>	Alliance of Western Energy Consumers	Rate-making Policy
<u>In re Avista Corporation, Request for a General Rate Revision, Or.PUC Docket No. UG 366.</u>	Alliance of Western Energy Consumers	Revenue Requirement, Rate Design
<u>In re Portland General Electric, 2020 Annual Update Tariff (Schedule 125), Or.PUC Docket No UE 359.</u>	Alliance of Western Energy Consumers	Power Cost Modeling
<u>In re PacifiCorp 2020 Transition Adjustment Mechanism, Or.PUC Docket No. UE 356.</u>	Alliance of Western Energy Consumers	Power Cost Modeling
<u>In re PacifiCorp 2020 Renewable Adjustment Clause, Or.PUC Docket No. UE 352.</u>	Alliance of Western Energy Consumers	Single-issue Rate-making
<u>2020 Joint Power and Transmission Rate Proceeding, Bonneville Power Administration, Case No. BP-20</u>	Alliance of Western Energy Consumers	Revenue Requirement, Policy
<u>In the Matter of the Application of MSG Las Vegas, LLC for a Proposed Transaction with a Provider of New Electric Resources, PUC Nv. Docket No. 18-10034</u>	Madison Square Garden Entertainment Corp.	Customer Direct Access
<u>Puget Sound Energy 2018 Expedited Rate Filing, Wa.UTC Dockets UE-180899/UG-180900 (Cons.).</u>	Alliance of Western Energy Consumers	Revenue Requirement, Settlement
<u>Georgia Pacific Gypsum LLC’s Application to Purchase Energy, Capacity, and/or Ancillary Services from a Provider of New Electric Resources, PUC Nv. Docket No. 18-09015.</u>	Georgia Pacific	Customer Direct Access
<u>Joint Application of Nevada Power Company d/b/a NV Energy for approval of their 2018-2038 Triennial Integrated Resource Plan and 2019-2021 Energy Supply Plan, PUCN Docket No. 18-06003.</u>	Smart Energy Alliance	Resource Planning
<u>In re Cascade Natural Gas Corporation Request for a General Rate Revision, Or.PUC, Docket No. UE 347.</u>	Alliance of Western Energy Consumers	Revenue Requirement, Rate Design
<u>In re Portland General Electric Company Request for a General Rate Revision, Or.PUC Docket No UE 335.</u>	Alliance of Western Energy Consumers	Revenue Requirement, Rate Design
<u>In re Northwest Natural Gas Company, dba NW Natural, Request for a General Rate Revision, Or.PUC Docket No. UG 344.</u>	Alliance of Western Energy Consumers	Revenue Requirement, Rate Design

<u>In re Cascade Natural Gas Corporation Request for a General Rate Revision, Wa.UTC, Docket No. UE-170929.</u>	Northwest Industrial Gas Users	Revenue Requirement, Rate Design
<u>In the Matter of Hydro One Limited, Application for Authorization to Exercise Substantial Influence over the Policies and Actions of Avista Corporation, Or.PUC, Docket No. UM 1897.</u>	Alliance of Western Energy Consumers	Merger
<u>Application of Rocky Mountain Power for Approval of a Significant Energy Resource Decision and Voluntary Request for Approval of Resource Decision, Ut.PSC Docket No. 17-035-40</u>	Utah Industrial Energy Consumers, & Utah Associated Energy Users	New Resource Addition
<u>In re PacifiCorp, dba Rocky Mountain Power, for a CPCN and Binding Ratemaking Treatment for New Wind and Transmission Facilities, Id.PUC Case No. PAC-E-17-07</u>	PacifiCorp Idaho Industrial Customers	New Resource Addition
<u>In re PacifiCorp, dba Pacific Power, 2016 Power Cost Adjustment Mechanism, Or.PUC, Docket No. UE 327.</u>	Industrial Customers of Northwest Utilities	Power Cost Deferral
<u>In re PacifiCorp 2016 Power Cost Adjustment Mechanism, Wa.UTC Docket No. UE-170717</u>	Boise Whitepaper, LLC	Power Cost Deferral
<u>In re Avista Corporation 2018 General Rate Case, Wa.UTC Dockets UE-170485 and UG-170486 (Consolidated).</u>	Industrial Customers of Northwest Utilities, & Northwest Industrial Gas Users	Revenue Requirement, Rate Design
<u>Application of Nevada Power Company d/b/a NV Energy for authority to adjust its annual revenue requirement for general rates charged to all classes of electric customers and for relief properly related thereto, PUCN. Docket No. 17-06003.</u>	Smart Energy Alliance	Revenue Requirement
<u>In re the Application of Rocky Mountain Power for Authority to Decrease Current Rates by \$15.7 Million to Refund Deferred Net Power Costs Under Tariff Schedule 95 Energy Cost Adjustment Mechanism and to Decrease Current Rates By \$528 Thousand Under Tariff Schedule 93, REC and SO2 Revenue Adjustment Mechanism, Wy. PSC, Docket No. 20000-514-EA-17 (Record No. 14696).</u>	Wyoming Industrial Energy Consumers	Power Cost Deferral
<u>In re the 2018 General Rate Case of Puget Sound Energy, Wa.UTC, Docket No. UE-170033 (Cons.).</u>	Industrial Customers of Northwest Utilities & Northwest Industrial Gas Users	Revenue Requirement, Rate Design
<u>In re PacifiCorp, dba Pacific Power, 2018 Transition Adjustment Mechanism, Or.PUC, Docket No. UE 323.</u>	Industrial Customers of Northwest Utilities	Power Cost Modeling
<u>In re Portland General Electric Company, Request for a General Rate Revision, Or.PUC, Docket No. UE 319.</u>	Industrial Customers of Northwest Utilities	Revenue Requirement, Rate Design
<u>In re Portland General Electric Company, Application for Transportation Electrification Programs, Or.PUC, UM 1811.</u>	Industrial Customers of Northwest Utilities	Electric Vehicle Charging
<u>In re Pacific Power &amp; Light Company, Application for Transportation Electrification Programs, Or.PUC, Docket No. UM 1810.</u>	Industrial Customers of Northwest Utilities	Single-issue Ratemaking
<u>In re the Public Utility Commission of Oregon, Investigation to Examine PacifiCorp, dba Pacific Power's Non-Standard Avoided Cost Pricing, Or.PUC, Docket No. UM 1802.</u>	Industrial Customers of Northwest Utilities	Qualifying Facilities
<u>In re Pacific Power &amp; Light Co., Revisions to Tariff WN U-75, Advice No. 16-05, to modify the Company's existing tariffs governing permanent disconnection and removal procedures, Wa.UTC, Docket No. UE-161204.</u>	Boise Whitepaper, LLC	Customer Direct Access
<u>In re Puget Sound Energy's Revisions to Tariff WN U-60, Adding Schedule 451, Implementing a New Retail Wheeling Service, Wa.UTC, Docket No. UE-161123.</u>	Industrial Customers of Northwest Utilities	Customer Direct Access

<u>2018 Joint Power and Transmission Rate Proceeding, Bonneville Power Administration, Case No. BP-18.</u>	Industrial Customers of Northwest Utilities	Revenue Requirement, Policy
<u>In re Portland General Electric Company Application for Approval of Sale of Harborton Restoration Project Property, Or.PUC, Docket No. UP 334 (Cons.).</u>	Industrial Customers of Northwest Utilities	Environmental Deferral
<u>In re An Investigation of Policies Related to Renewable Distributed Electric Generation, Ar.PSC, Matter No. 16-028-U.</u>	Arkansas Electric Energy Consumers	Net Metering
<u>In re Net Metering and the Implementation of Act 827 of 2015, Ar.PSC, Matter No. 16-027-R.</u>	Arkansas Electric Energy Consumers	Net Metering
<u>In re the Application of Rocky Mountain Power for Approval of the 2016 Energy Balancing Account, Ut.PSC, Docket No. 16-035-01</u>	Utah Associated Energy Users	Power Cost Deferral
<u>In re Avista Corporation Request for a General Rate Revision, Wa.UTC, Docket No. UE-160228 (Cons.).</u>	Industrial Customers of Northwest Utilities & Northwest Industrial Gas Users	Revenue Requirement, Rate Design
<u>In re the Application of Rocky Mountain Power to Decrease Current Rates by \$2.7 Million to Recover Deferred Net Power Costs Pursuant to Tariff Schedule 95 and to Increase Rates by \$50 Thousand Pursuant to Tariff Schedule 93, Wy.PSC, Docket No. 20000-292-EA-16.</u>	Wyoming Industrial Energy Consumers	Power Cost Deferral
<u>In re PacifiCorp, dba Pacific Power, 2017 Transition Adjustment Mechanism, Or.PUC, Docket No. UE 307.</u>	Industrial Customers of Northwest Utilities	Power Cost Modeling
<u>In re Portland General Electric Company, 2017 Annual Power Cost Update Tariff (Schedule 125), Or.PUC, Docket No. UE 308.</u>	Industrial Customers of Northwest Utilities	Power Cost Modeling
<u>In re Pacific Power &amp; Light Company, General rate increase for electric services, Wa.UTC, Docket No. UE-152253.</u>	Boise Whitepaper, LLC	Revenue Requirement, Rate Design
<u>In The Matter of the Application of Rocky Mountain Power for Authority of a General Rate Increase in Its Retail Electric Utility Service Rates in Wyoming of \$32.4 Million Per Year or 4.5 Percent, Wy.PSC, Docket No. 20000-469-ER-15.</u>	Wyoming Industrial Energy Consumers	Power Cost Modeling
<u>In re Avista Corporation, General Rate Increase for Electric Services, Wa.UTC, Docket No. UE-150204.</u>	Industrial Customers of Northwest Utilities	Revenue Requirement, Rate Design
<u>In re the Application of Rocky Mountain Power to Decrease Rates by \$17.6 Million to Recover Deferred Net Power Costs Pursuant to Tariff Schedule 95 to Decrease Rates by \$4.7 Million Pursuant to Tariff Schedule 93, Wy.PSC, Docket No. 20000-472-EA-15.</u>	Wyoming Industrial Energy Consumers	Power Cost Deferral
<u>Formal complaint of The Walla Walla Country Club against Pacific Power &amp; Light Company for refusal to provide disconnection under Commission-approved terms and fees, as mandated under Company tariff rules, Wa.UTC, Docket No. UE-143932.</u>	Columbia Rural Electric Association	Customer Direct Access / Customer Choice
<u>In re PacifiCorp, dba Pacific Power, 2016 Transition Adjustment Mechanism, Or.PUC, Docket No. UE 296.</u>	Industrial Customers of Northwest Utilities	Power Cost Modeling
<u>In re Portland General Electric Company, Request for a General Rate Revision, Or.PUC, Docket No. UE 294.</u>	Industrial Customers of Northwest Utilities	Revenue Requirement, Rate Design
<u>In re Portland General Electric Company and PacifiCorp dba Pacific Power, Request for Generic Power Cost Adjustment Mechanism Investigation, Or.PUC, Docket No. UM 1662.</u>	Industrial Customers of Northwest Utilities	Power Cost Deferral
<u>In re PacifiCorp, dba Pacific Power, Application for Approval of Deer Creek Mine Transaction, Or.PUC, Docket No. UM 1712.</u>	Industrial Customers of Northwest Utilities	Single-issue Ratemaking
<u>In re Public Utility Commission of Oregon, Investigation to Explore Issues Related to a Renewable Generator's Contribution to Capacity, Or.PUC, Docket No. UM 1719.</u>	Industrial Customers of Northwest Utilities	Resource Planning

<u>In re Portland General Electric Company, Application for Deferral Accounting of Excess Pension Costs and Carrying Costs on Cash Contributions, Or.PUC, Docket No. UM 1623.</u>	Industrial Customers of Northwest Utilities	Single-issue Ratemaking
<u>2016 Joint Power and Transmission Rate Proceeding, Bonneville Power Administration, Case No. BP-16.</u>	Industrial Customers of Northwest Utilities	Revenue Requirement, Policy
<u>In re Puget Sound Energy, Petition to Update Methodologies Used to Allocate Electric Cost of Service and for Electric Rate Design Purposes, Wa.UTC, Docket No. UE-141368.</u>	Industrial Customers of Northwest Utilities	Cost of Service
<u>In re Pacific Power &amp; Light Company, Request for a General Rate Revision Resulting in an Overall Price Change of 8.5 Percent, or \$27.2 Million, Wa.UTC, Docket No. UE-140762.</u>	Boise Whitepaper, LLC	Revenue Requirement, Rate Design
<u>In re Puget Sound Energy, Revises the Power Cost Rate in WN U-60, Tariff G, Schedule 95, to reflect a decrease of \$9,554,847 in the Company's overall normalized power supply costs, Wa.UTC, Docket No. UE-141141.</u>	Industrial Customers of Northwest Utilities	Power Cost Modeling
<u>In re the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Wyoming Approximately \$36.1 Million Per Year or 5.3 Percent, Wy.PSC, Docket No. 20000-446-ER-14.</u>	Wyoming Industrial Energy Consumers	Power Cost Modeling
<u>In re Avista Corporation, General Rate Increase for Electric Services, RE, Tariff WN U-28, Which Proposes an Overall Net Electric Billed Increase of 5.5 Percent Effective January 1, 2015, Wa.UTC, Docket No. UE-140188.</u>	Industrial Customers of Northwest Utilities	Revenue Requirement, Rate Design, Power Costs
<u>In re PacifiCorp, dba Pacific Power, Application for Deferred Accounting and Prudence Determination Associated with the Energy Imbalance Market, Or.PUC, Docket No. UM 1689.</u>	Industrial Customers of Northwest Utilities	Single-issue Ratemaking
<u>In re PacifiCorp, dba Pacific Power, 2015 Transition Adjustment Mechanism, Or.PUC, Docket No. UE 287.</u>	Industrial Customers of Northwest Utilities	Power Cost Modeling
<u>In re Portland General Electric Company, Request for a General Rate Revision, Or.PUC, Docket No. UE 283.</u>	Industrial Customers of Northwest Utilities	Revenue Requirement, Rate Design
<u>In re Portland General Electric Company's Net Variable Power Costs (NVPC) and Annual Power Cost Update (APCU), Or.PUC, Docket No. UE 286.</u>	Industrial Customers of Northwest Utilities	Power Cost Modeling
<u>In re Portland General Electric Company 2014 Schedule 145 Boardman Power Plant Operating Adjustment, Or.PUC, Docket No. UE 281.</u>	Industrial Customers of Northwest Utilities	Coal Retirement
<u>In re PacifiCorp, dba Pacific Power, Transition Adjustment, Five-Year Cost of Service Opt-Out (adopting testimony of Donald W. Schoenbeck), Or.PUC, Docket No. UE 267.</u>	Industrial Customers of Northwest Utilities	Customer Direct Access

**BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON**

**UM 2107**

WILLAMETTE FALLS PAPER COMPANY )  
and WEST LINN PAPER COMPANY, )  
 )  
Complainants, )  
 )  
vs. )  
 )  
PORTLAND GENERAL ELECTRIC )  
COMPANY, )  
 )  
Defendant. )  
 )  
 )  
 )  
\_\_\_\_\_ )

**EXHIBIT 202**

**REDACTED**

**Confidential Pursuant  
To General Protective Order**

**Willamette Falls Paper Company  
Opening Testimony of Bradley G. Mullins**

**August 31, 2020**

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 001  
Dated July 10, 2020**

**Request:**

Please provide all written agreements by and between PGE and WLP concerning LTDA service to the Facility, including without limitation any amendments thereto, as referenced in the Introduction to the Answer.

**Response:**

See Attachment 001 A for the agreement between PGE and WLP dated 09-29-2006.

Attachment 001 A contains protected information and is subject to General Protective Order 20-218.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 002**  
**Dated July 10, 2020**

**Request:**

Please provide all correspondence by and between PGE and either WLP or WFalls concerning or pursuant to any LTDA electric service agreements between PGE and WLP, as referenced in the Introduction to the Answer.

**Response:**

PGE objects to this request on the ground that it is overbroad and unduly burdensome, in the sense that it seeks documents that are equally available to the propounding party. Moreover, PGE objects to this request because it is overly broad and unduly burdensome in that it does not contain any time limitation or other limiting language to ensure that the requested correspondence is relevant to the claims in this case.

Notwithstanding and without waiving these objections, PGE responds as follows: PGE is not currently aware of any responsive correspondence, and any correspondence that occurred during WLP's transition to LTDA or in the years that followed likely has not been retained, given that the transition occurred more than 10 years ago. However, PGE is continuing to search for correspondence exchanged between the parties since September 1, 2017, and PGE will supplement this response if responsive documents are discovered.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 003  
Dated July 10, 2020**

**Request:**

Please provide all Documents, including without limitation all correspondence by and between PGE and WLP, concerning WLP's transition to LTDA as referenced in Paragraph 2 of the Answer.

**Response:**

PGE objects to this Request on the ground that it is unduly burdensome, in the sense that it seeks documents that are equally available to the propounding party. Moreover, PGE objects to this request because it is vague, overly broad, and unduly burdensome in that "transition" is not defined and the request does not contain any time limitation or other limiting language to ensure that the requested correspondence is relevant to the claims in this case. Finally, PGE objects that information regarding WLP's transition to LTDA is not relevant to the claims or defenses in this case.

Notwithstanding and without waiving these objections, PGE responds as follows:

Aside from the agreement provided in response to Data Request No. 001, PGE has found no additional documents responsive to this request. PGE understands that any responsive correspondence likely would have occurred between January 1, 2006 and January 1, 2007—the period leading up to WLP's start in the LTDA program. PGE generally does not retain emails that are more than 10 years old, but PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.



July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**PGE Response to WFalls and WLP Data Request No. 004**  
**Dated July 10, 2020**

**Request:**

Please provide all Documents concerning any unpaid power invoices resulting from WLP's suspension of Facility operations.

**Response:**

PGE objects that this request for "all Documents" is overly broad and unduly burdensome. Notwithstanding and without waiving these objections, PGE responds as follows:

Please see the following:

- Attachment 004 A - Itemizations for every unpaid power invoice resulting from West Linn Paper's suspension of operations. This information was sent to the Creditors' Trust.
- Attachment 004 B - Copy of the bills that support each itemization
- Attachment 004 C - Claim allocation by account, by month
- Documents provided in response to Request 015.

Attachments A – C are protected information subject to General Protective Order 20-218.

PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.





















July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 005**  
**Dated July 10, 2020**

**Request:**

Please provide all Documents concerning PGE's decision to transfer electric service to the Facility to its own account in September of 2018 as referenced in Paragraph 11 of the Answer.

**Response:**

PGE objects that this request for “all Documents” is overly broad and unduly burdensome. Notwithstanding and without waiving these objections, PGE responds as follows:

Per PGE’s discussion with counsel for WFalls and WLP, PGE is still reviewing its response to this Request and intends to provide WFalls with any responsive documents by next week.































July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 006  
Dated July 10, 2020**

**Request:**

Did PGE notify WLP that transferring WLP's electric service into PGE's name would permanently extinguish WLP's direct access rights? If so, please provide all Documents in which PGE notified WLP in writing that the transition of electric service to PGE's account would permanently extinguish WLP's direct access rights under the LTDA.

**Response:**

PGE objects to this Request as argumentative, as it requires the improper assumption that PGE's actions, rather than WLP's, extinguished WLP's direct access rights. Notwithstanding and without waiving this objection, PGE responds as follows:

No, PGE did not provide WLP with specific written or oral notice regarding the impacts to WLP's LTDA rights of WLP ceasing operations and failing to pay its electric bills. However, PGE believes that the LTDA Agreement WLP signed, as well as PGE's Tariff, placed WLP on notice that repeated failure to pay for electric service would result in the termination of the LTDA Agreement and/or WLP's accounts with PGE.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 007  
Dated July 10, 2020**

**Request:**

Please provide the date that PGE closed the WLP electric accounts.

**Response:**

PGE closed all WLP electric accounts in November 2018, with the closure effective 08/31/2018 and PGE account ownership backdated to 9/1/2018. After WLP stopped paying its bills, PGE was able to submit a claim to the Creditors' Trust for some of the unpaid bills, in the hope of recovering a percentage of the claim. But the claim was limited to unpaid power bills that accrued before 9/1/2018. Therefore, when PGE moved the accounts into its name, it assumed responsibility for the unpaid bills back to 9/1/2018.















July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 009  
Dated July 10, 2020**

**Request:**

Please describe what buildings, equipment and facilities were being operated at the Facility after PGE transferred service to its own name and the beneficiary of the continued electric service.

**Response:**

PGE objects to this request on the ground that the request is vague, in that “the Facility” is not defined. Notwithstanding and without waiving this objection, PGE responds as follows:

After WLP ceased operations, PGE transferred electrical service to itself because PGE needed to maintain electrical service to operate the sewage lift stations, effluent pumps, lighting, water, air compressors, and fire protection for the former West Linn Paper buildings and facilities, including all paper mill buildings on the island surrounding the PGE hydroelectric plant. PGE also paid for physical security for the entire property, including the vacated former mill facilities.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 010  
Dated July 10, 2020**

**Request:**

Did PGE submit an electric service election to cease taking services through the direct access opt-out program and to return to cost of service rates when PGE transferred the electric services to its own name? If yes, please provide a copy of such service election.

**Response:**

No. PGE was not required to do so. Once WLP breached its obligations to pay its electric bills and subsequently vacated the premises, PGE the electricity provider was authorized to discontinue WLP's electric service. At that point, PGE, the property owner, assumed responsibility for its property. PGE did not take assignment of WLP's LTDA Agreement.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 011  
Dated July 10, 2020**

**Request:**

Did PGE, as the electric service provider for the WLP, realize any additional revenues as a result of its decision to terminate the direct access service election associated with WLP when it transferred service in its own name?

**Response:**

PGE objects to this Request on the ground that it is argumentative, as it relies on the improper assumption that PGE's decisions or actions, rather than WLP's, caused the termination of WLP's direct access rights. PGE also objects to this Request on the ground that it is vague and ambiguous. Notwithstanding and without waiving this objection, PGE responds as follows:

No, PGE did not realize additional revenues by transferring the accounts into its own name.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 012  
Dated July 10, 2020**

**Request:**

Please provide an analysis comparing the costs and revenues PGE would have recognized under the LTDA service election to the costs and revenues PGE actually recognized under the cost of service rates when PGE transferred service in its own name.

**Response:**

PGE objects that this Request seeks information that is not relevant to the claims or defenses in this case and that it calls for analysis that PGE has not performed and that may be unduly burdensome to create. Moreover, PGE objects that the Request is too vague to elicit a meaningful response. No timeframe is specified, and it is unclear what assumptions should be applied to the calculations to be compared. For example, the costs and revenues PGE would recognize under any circumstance depend on the load profile of the customer at issue, which can vary widely as it did for the customer at issue in this case.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 013  
Dated July 10, 2020**

**Request:**

Besides WLP, has PGE ever transferred a Direct Access customers account to its own name? If so, please provide the date and describe the circumstances for such transfer.

**Response:**

PGE objects to this Request as argumentative, as it requires the improper assumption that WLP remained a Direct Access customer at the time PGE transferred the accounts into its name. Notwithstanding and without waiving this objection, PGE responds as follows:

No. PGE has had no other instances in which PGE was the landlord of a property leased to a customer who was participating in LTDA and that customer then went out of business necessitating PGE to become the customer on the account, to power its operations.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 014**  
**Dated July 10, 2020**

**Request:**

Did PGE notify the Creditor Trustee of its decision to terminate the LTDA service election associated with the WLP assets and the consequences of such decision? If yes, please provide a copy of any such notifications.

**Response:**

PGE objects to this request as argumentative, in that it relies on the improper assumption that WLP's LTDA rights were "associated with" the WLP assets or that PGE's actions or decisions, rather than WLP's, caused WLP's LTDA rights to be extinguished. Moreover, PGE objects that "the consequences of such decision" is vague and ambiguous. Notwithstanding and without waiving these objections, PGE responds as follows:

No. The Creditor Trustee was not notified that WLP's LTDA rights had been extinguished.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 015  
Dated July 10, 2020**

**Request:**

Please provide all Documents concerning the Creditor Trust Agreement, including without limitation any claims for payment made by PGE (in its capacity as landlord or electric service supplier) and other communications by and between the PGE and the Creditor Trustee.

**Response:**

PGE objects to this request on the basis that it is overly broad and unduly burdensome. Notwithstanding and without waiving these objections, PGE responds as follows:

See PGE's response to Request 004, Attachment 015 A, and Attachment 015 B.

Attachments 015 A and B contain protected information and are subject to General Protective Order 20-218.

PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.









July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 016  
Dated July 10, 2020**

**Request:**

Please provide all Documents concerning PGE's discussions with WLP and WFalls regarding restarting the Facility as referenced in Paragraph 15 of the Answer.

**Response:**

PGE objects to this Request on the ground that it is overbroad and unduly burdensome, as it seeks documents that are equally available to the propounding party. PGE also objects that this Request for "all Documents" is overly broad and unduly burdensome. Notwithstanding and without waiving these objections, PGE responds as follows:

Please see Attachment 016 A, which contains protected information and is subject to General Protective Order No. 20-218. PGE interprets the phrase "regarding restarting the Facility" to refer to Documents created prior to July 1, 2019.

PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.



































July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 017  
Dated July 10, 2020**

**Request:**

Please provide all Documents evidencing PGE's discussion of different electric service options in connection with restarting the Facility as alleged in Paragraph 18 of the Answer.

**Response:**

PGE objects that this request is overly broad and unduly burdensome and that it seeks information that is not relevant to the claims or defenses in this case. Notwithstanding and without waiving these objections, PGE responds as follows:

See Attachment 017 A for communications between PGE and Columbia Ventures regarding electric service options. Attachment 017 A contains protected information and is subject to General Protective Order 20-218.

PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.









July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 018**  
**Dated July 10, 2020**

**Request:**

Please provide all Documents evidencing PGE's notice to potential investors, owners, or operators of the Facility that the Facility would not be eligible for LTDA service, as alleged in Paragraph 20 of the Answer.

**Response:**

PGE objects that communications with other potential investors, owners, or operators are not relevant in this proceeding and that the Request is not reasonably calculated to lead to the discovery of admissible evidence. PGE also objects to that the Request as argumentative, in the sense that it does not accurately or completely summarize Paragraph 20 of the Answer. Notwithstanding and without waiving these objections, PGE responds as follows:

First a point of clarification: As reflected in Paragraph 20 of the Answer, PGE always maintained that WFalls could be eligible for LTDA if it followed the regulatory steps required for LTDA eligibility. However, PGE did inform WFalls that it was not eligible to assume the LTDA contract of WLP because the contract had been terminated.

Most of PGE's conversations regarding electric service options with Columbia Ventures (the investor behind WFalls), as they considered a restart, took place orally. PGE spent considerable time walking through energy options with attorneys James Buchal of Murphy & Buchal LLP and Tyler Pepple of Davison Van Cleve, who PGE understood were representing Columbia Ventures, to help the attorneys understand the different energy supply options. These meetings took place in person and over the phone due to Columbia Ventures' stated tight timeframe. PGE meeting notes (Confidential Attachment 018 A) show that topics of conversation include both the prior LTDA contract between West Linn Paper and PGE, and the New Load Direct Access (NLDA) option. These notes confirm that PGE communicated its view that the prior LTDA contract was not relevant to energy options going forward and that the timing of NLDA was unlikely to accommodate a restart. Please see also Documents provided in response to Request 017.



Attachment 018 A contains protected information and is subject to General Protective Order 20-218.

PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.





July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 019  
Dated July 10, 2020**

**Request:**

Please provide all Documents quantifying costs that would be shifted to PGE's other rate payers if the Facility were to resume purchasing power through the LTDA.

**Response:**

PGE objects to this request as argumentative, as the phrasing of this Request improperly assumes that the paper mill could “resume” purchasing power through LTDA. Notwithstanding and without waiving this objection, PGE responds as follows:

PGE has not conducted such an analysis specific to WLP/WFalls/”the Facility.” PGE’s approved LTDA program addresses costs shifts for long-term opt outs and includes Commission-approved transition adjustments for five years. PGE’s LTDA program is designed to protect customers from cost shifts caused by the LTDA program in aggregate. To provide this protection, however, the Commission-approved LTDA program requirements must be adhered to, and all utility customers interested in LTDA must follow them. Thus, if WFalls chooses to opt out of cost-of-service and pursue LTDA (Schedule 489 subtransmission), it would do so through the September election window, and would be subject to then-applicable PGE Schedule 129 transition adjustment for the enrollment period.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 020**  
**Dated July 10, 2020**

**Request:**

Please provide all Documents quantifying the costs that would be shifted to PGE's other rate payers if the Facility were to purchase power pursuant to the NLDA.

**Response:**

PGE has not conducted such an analysis specific to WFalls/"the Facility." PGE's approved NLDA program addresses costs shifts and includes Commission-approved transition adjustments for five years to mitigate cost shifting as a result of the NLDA program in aggregate. Thus, if WFalls had been eligible for and enrolled in NLDA, it would have been subject to the transition adjustments in PGE's Schedule 139 related to a Schedule 689 sub-transmission customer.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 021  
Dated July 10, 2020**

**Request:**

Please provide all Documents concerning PGE's negotiation and calculation of the Lease rate for the Facility, including without limitation all alternative Lease rates or formulas considered by PGE, as referenced in Paragraph 18 of the Answer.

**Response:**

PGE objects to this request as argumentative. The Request misunderstands or misconstrues Paragraph 18 of the Answer, which does not state that PGE considered alternative Lease rates or formulas. Notwithstanding and without waiving this objection, PGE responds as follows:

During lease negotiations, PGE and Columbia Ventures discussed various lease rates and structures in response to Columbia Ventures' requests and feedback regarding PGE's initial proposal. Please see the Documents provided in response to Request 016 regarding the lease negotiations.

PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.



July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls – WLP Data Request No. 023  
Dated July 10, 2020**

**Request:**

Please provide all Documents concerning PGE's calculation and imposition of the \$110,000 security deposit for the Facility as referenced in Paragraph 28 of the Answer.

**Response:**

PGE objects that this request for “all Documents” is overly broad and unduly burdensome and that the phrase “imposition of” is vague and ambiguous. Notwithstanding and without waiving these objections, PGE responds as follows:

PGE required security in accordance with its retail tariff, Rule E, Section (2)(C), because WFalls was a new entity that did not have any credit. Consistent with its general practice, PGE used WLP's usage information as of 05/31/2018, reflected in Attachment 023 A, to help calculate the deposit for the new customer WFalls. The PGE personnel calculating the deposit understood that WFalls would be operating the mill formerly operated by WLP and therefore assumed that WFalls' operations and usage would be similar to WLP's. Therefore, PGE utilized WLP's 12-month usage to calculate a value for WFalls.

However, the PGE personnel who completed the deposit calculation subsequently realized that they relied on WLP's billing information in error. Specifically, they had not realized that the billing data used was based on WLP's participation in LTDA and thus reflected lower bills than WFalls was likely to incur, as WLP procured energy from an ESS and not PGE. Given that WFalls was starting service with PGE as a cost of service customer, WFalls' bills would include energy costs and therefore would likely be greater than WLP's for the same usage. Thus, PGE's reliance on WLP's bills was not based on the assumption that WFalls would be moving to LTDA.

Attachment 023 A contains protected information and is subject to General Protective Order 20-218.

PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.









July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 024  
Dated July 10, 2020**

**Request:**

Please provide all Documents evidencing the plans that PGE made, as of January 17, 2020, for serving the Facility on a cost of service basis as alleged in Paragraph 31 of the Answer.

**Response:**

PGE objects that this Request is vague, overly broad, and unduly burdensome. Planning to serve PGE's cost of service (COS) load is a core function of the utility's business. As such, a request for "all Documents" related to this planning function is unreasonable. Notwithstanding and without waiving these objections, PGE responds as follows:

PGE included deliveries to WFalls in its COS load forecast, which demonstrates that PGE included the customer in PGE's planning processes. Specifically, PGE incorporated WFalls into its load forecast beginning with its September 2019 load forecast, which was finalized in early September 2019. PGE's assumption about the rate under which the customer received service reflected the customer's current status and service election at that time (as a cost of service customer, on Schedule 89).

This vintage of PGE's load forecast was used in PGE's final 2020 AUT filing. While workpapers provided in this filing avoid including individual customer information for confidentiality reasons, PGE's internal workpapers include disaggregation of rate schedules by different groupings, including some individual large loads. Attachment 024 A shows that deliveries to WFalls were included in PGE's COS forecast by linking this disaggregated data to a summary table from PGE's Final AUT Pricing Workpapers.

Attachment 024 A contains protected information and is subject to General Protective Order 20-218.

<b>Customer</b>	<b>MWa</b>
1	8.0
2	26.2
3	9.0
4	12.5
5	0.6
6	10.2
7	0.6
8	7.7
9	91.7
10	3.1
11	0.7
12	4.0
13	5.7
14	2.3
15	0.5
16	11.0
17	17.2
18	1.6
19	3.4
20	15.3
21	0.7
22	2.3
23	8.5
24	7.8
25	3.3
26	1.5
27	2.5
28	3.4
29	4.9
30	5.6
31	1.4
32	6.1
33	2.0
34	15.3

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 025  
Dated July 10, 2020**

**Request:**

Please provide a list of each customer facility, along with the load, that has participated in the Schedule 489 direct access opt-out program. Please provide a unique identifier for each customer that obfuscates the customer name.

**Response:**

Attachment 025 A provides MWa for each customer who has been on Schedule 489, using data from the most recent year the customer was on Schedule 489.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 026  
Dated July 10, 2020**

**Request:**

For each customer identified in data request 25, please state whether the customer has sought, whether successfully or unsuccessfully, to transfer or assign its Direct Access rights to another Person and whether the transfer or proposed transfer was due to a reorganization, including but not limited to an asset sale, a stock sale, a name change or a voluntary or involuntary bankruptcy proceeding.

**Response:**

PGE objects to this Request on the grounds that it seeks information that is not relevant to the claims or defenses in this case and is not reasonably calculated to lead to the discovery of admissible evidence. Whether or not any other customer has sought, successfully or unsuccessfully, to transfer or assign its Direct Access rights to another, is immaterial to the facts that are the subject matter of this case. Nor would the underlying facts of any such transaction have any bearing on the appropriate legal analysis of the facts applicable to this case.

Additionally, PGE objects to this Request because it would be unduly burdensome to collect the requested information. PGE does not maintain a list of customers who have sought to transfer or assign Direct Access rights, let alone the reason for such transfers. PGE would need to search the files of every Direct Access customer that has ever participated in the program, which would require substantial efforts on the part of PGE that are disproportionate to the needs of the case—especially given the lack of relevance of the requested information

Notwithstanding and without waiving its objections, PGE provides the following information regarding known transfers or assignments:

See Attachment 026 A

<b>Customer</b>	<b>Notes</b>
6	Successful partial assignment due to sale of operations
8	Successful full assignment due to corporate restructuring
19	Successful assignment due to sale of operations
30	Successful assignment due to sale of operations



July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 027  
Dated July 10, 2020**

**Request:**

In the Lease negotiations between PGE and WFalls, did PGE notify WFalls or its representatives that it terminated the direct access service election associated with WLP? If yes, please provide any and all such notifications.

**Response:**

PGE objects to this request as argumentative, as it improperly assumes that PGE's actions, rather than WLP's, caused WLP's direct access rights to be extinguished. Notwithstanding and without waiving this objection, PGE responds as follows:

Yes. Please see PGE Responses to Requests 017 and 018.

PGE is continuing to search for responsive documents and will supplement this response if additional responsive documents are discovered.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 028  
Dated July 10, 2020**

**Request:**

Please provide a copy of PGE's 2017, 2018 and 2019 Oregon results of operations, including all supporting workpapers in electronic format.

**Response:**

Attachment A provides 2017, Attachment B provides 2018, and Attachment C provides 2019.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 029**  
**Dated July 10, 2020**

**Request:**

Did PGE include the WFalls Lease revenues in its 2019 Oregon results of operations? If yes, please identify where these revenue amounts may be found in PGE's workpapers.

**Response:**

No. This is a non-utility site, and as such, lease revenue is not reported in the results of operations.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 030  
Dated July 10, 2020**

**Request:**

Did PGE include the real property and fixtures associated with the Lease with WFalls in its 2019 Oregon results of operations? If yes, please identify where these rate base amounts may be found in PGE's workpapers.

**Response:**

No, PGE did not include the real property and fixtures associated with the Lease in its 2019 Oregon results of operations. See PGE Response to Request 029.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 031  
Dated July 10, 2020**

**Request:**

In the event the Facility is not operating and a clean up is required, does PGE intend to recover all or any portion of the environmental clean up and decommissioning liability associated with the real property being leased to Willamette Falls Real Estate from Oregon electric service ratepayers?

**Response:**

PGE objects that this Request seeks information that is not relevant to the claims or defenses in this case nor reasonably calculated to lead to the discovery of admissible evidence. In addition, the Request is vague and ambiguous. Notwithstanding and without waiving these objections, PGE responds as follows:

In the event a clean-up were required, PGE would evaluate the legal and regulatory criteria applicable to any site remediation costs and seek any cost recovery as legally appropriate.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 032**  
**Dated July 10, 2020**

**Request:**

Did any component of the operating costs increase for the Sullivan Plant after WLP ceased operations? If so, are such costs reflected in PGE's 2017, 2018 or 2019 Oregon results of operations? If yes, please provide and identify where these costs may be found in PGE's workpapers.

**Response:**

Yes, the following costs increased upon WLP's shutdown:

- Security - \$17,000/month
- City Water usage - \$3000/month
- Sewage (Porta-Potty Rental) - \$200/month

PGE also incurred ~\$929K in expenses after WLP ceased operations in order to separate common assets shared between WLP and Sullivan. Of this, \$646K is included in the results of operations from 2017-2019 and \$282K was recorded in nonutility expense accounts and excluded.

Note 1: Utility expenses recorded in FERC accounts 537, 539, 557, 580, which are included in PGE's response to Request No. 028, Attachments 028A through 028C as part of amounts contained within the tab "GL Detail Pull" in the work papers titled "SemiData 2017," "SemiData 2018," and "SemiData 2019." Specifically, within amounts for "Hydraulic Expense," "Hydro Other – Environment," "Distribution Operations," and "Misc. Power Prod."

Note 2: Nonutility expenses recorded in FERC account 417.1.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 033**  
**Dated July 10, 2020**

**Request:**

Now that WFalls is operating, did any component of the operating costs decrease for the Sullivan Plant? If so, are such costs reflected in PGE's 2019 Oregon results of operations? If yes, please provide and identify where these revenue amounts may be found in PGE's workpapers.

**Response:**

Yes. Now that WFalls is operating, the following incremental costs referenced in PGE's Response to WFalls Data Request No. 032 have ceased:

- Security - \$17,000/month
- City Water usage - \$3,000/month

See PGE's response to Request No. 032 for the location of the expenses within PGE's 2019 Results of Operations work papers.

July 24, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls Paper Company Data Request No. 034  
Dated July 10, 2020**

**Request:**

Without duplicating PGE's response to any other DR hereunder, please provide all other Documents that mention or that concern WLP, WFalls, or the Facility dated from September 1, 2017 through the present.

**Response:**

PGE objects that this request is overly broad and unduly burdensome. Notwithstanding and without waiving these objections, PGE responds as follows:

PGE is searching for responsive documents and will provide any responsive documents if and when they are discovered.



August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 035  
Dated August 7, 2020**

**Request:**

Reference PGE's response to WFalls Data Request 18. PGE states that it "did inform WFalls that it was not eligible to assume the LTDA contract.":

- a. Did PGE provide any written communications to WLP or WFalls where PGE informed WLP or WFalls that it was not able to assume the LTDA services associated with WLP or the Facility? If so, please produce any such communications.
- b. Please identify the date when PGE first informed WLP or WFalls of its position that the Facility was not eligible to resume service under Schedule 489.
- c. Did PGE at any time refuse a request to provide WLP or WFalls with a copy of the LTDA contract titled "Agreement for Electric Power Service Under Schedule 483?" If so, on what basis?

**Response:**

- a. PGE objects to this Request as argumentative, to the extent it requires the improper assumption that the LTDA agreement at issue was associated with "the Facility" rather than an agreement subject to specific terms and conditions between PGE and WLP. Notwithstanding and without waiving this objection, PGE responds as follows:

PGE is not aware of a written communication informing WLP or WFalls that WFalls could not assume WLP's LTDA Agreement. However, as explained in Part b below, PGE informed WLP and/or WFalls on multiple occasions that WFalls was not eligible to immediately begin LTDA service upon beginning to operate the mill because WLP's LTDA Agreement had terminated. Columbia Ventures (the parent company of WFalls) stated, prior to executing the lease with PGE and re-starting the Facility, that it understood that PGE's position was that the new owners could not simply start up as a direct access customer.

- b. PGE objects to this Request as argumentative to the extent it improperly assumes that (1) WLP's LTDA rights were associated with the Facility rather than subject to specific terms and conditions between PGE and WLP, and/or that (2) WLP's LTDA rights were somehow "paused" rather than terminated. Notwithstanding and without waiving this objection, PGE responds as follows:

In response to his request, PGE informed John Otnes, Facilities Manager for WLP, on November 21, 2018, that a potential new owner of the mill would not be eligible to continue buying power the same way that WLP did, and PGE provided Mr. Otnes with an estimate of electricity costs based on then-current cost-of-service rates. In addition, PGE informed Tyler Pepple on March 19, 2019, and James Buchal on May 2, 2019, that a new owner intending to operate a paper mill at the site would not be eligible for LTDA service without seeking service as a new LTDA customer and taking appropriate steps to obtain LTDA. PGE has no information regarding who Mr. Pepple was representing in the meeting on March 19. PGE understands that Mr. Buchal was representing Columbia Ventures, the parent company of WFalls in the meeting on May 2.

- c. PGE initially refused to provide WLP's LTDA Agreement to Mr. Pepple because it was not clear to PGE that PGE had authorization to provide WLP's customer information to Mr. Pepple. Moreover, it was not clear whether Mr. Pepple was representing WLP, given that WLP had wound up operations more than one year before. To the best of PGE's recollection, PGE subsequently understood that the LTDA Agreement had been shared with Columbia Ventures by Stern or Brian Konen.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 036  
Dated August 7, 2020**

**Request:**

Reference PGE's response to WFalls Data Request 6: Did PGE provide written notice to WLP of PGE's decision to terminate the LTDA contract associated with the Facility? If so, please provide copied of any such written notice provided to WLP.

**Response:**

PGE objects to this Request as argumentative to the extent it implies that PGE's closure of WLP's accounts and initiation of new service for the site in PGE's name, after WLP ceased paying its bills, amounted to an intentional "decision" to terminate WLP's LTDA contract. Notwithstanding and without waiving this objection, PGE responds as follows:

No. PGE did not provide written notice to WLP advising WLP that its failure to maintain electric service at the site would extinguish its LTDA rights. WLP had notice of the terms and conditions of its LTDA contract and of its electric service.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 037  
Dated August 7, 2020**

**Request:**

Did PGE provide written notice to WLP pursuant to OAR 860-021-0505 of PGE's decision to terminate Schedule 489 service to the Facility? If so, please provide copied of any such written notice provided to WLP.

**Response:**

PGE objects to this Request as argumentative to the extent it implies that PGE's closure of WLP's account and initiation of a new account for service for the site in PGE's name, after WLP ceased paying its bills, amounted to an intentional "decision" to terminate WLP's rights. Notwithstanding and without waiving this objection, PGE responds as follows:

No. PGE understood based on written communications with Stern Partners and communications from Brian Konen that WLP did not want to keep paying for electric service, that WLP had taken the position that PGE should be paying for electric service, and that WLP had ceased paying its bills.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 038  
Dated August 7, 2020**

**Request:**

Did PGE ever physically disconnect service at the Schedule 489 service points of WLP following non-payment? If yes please identify the date(s) that service was disconnected and the duration of the disconnection.

**Response:**

PGE assumes this Request refers to the time period after WLP wound up operations in October 2017. Subject to this interpretation, no.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC**  
**UM 2107**  
**PGE Response to WFalls and WLP Data Request No. 039**  
**Dated August 7, 2020**

**Request:**

Reference PGE's Response to WFalls Data Request 001, Attachment A

- a. Why did PGE transfer service into its own name rather than terminate?
- b. In transferring service to its own name, was PGE acting in its capacity as Lessor or in its capacity as the utility provider.
- c. Please explain how PGE directly benefited from continued service to the Facility.
- d. Were the benefits described in 39(c) attributable to PGE as a landlord or PGE as the utility provider.

Were the benefits described in 39(c) attributable to PGE as a landlord or PGE as the utility provider.

**Response:**

- a. PGE closed the WLP account and opened an account in its own name rather than terminating service because, as the property owner, PGE needed to maintain the fire suppression system and other systems at the location for safety and environmental reasons, and as a utility service provider, PGE needed to maintain operations at its Sullivan Plant, which is dependent upon having safe access to the property and shares an effluent system with the mill.
- b. PGE's actions cannot always be precisely categorized by PGE's roles as property owner and utility provider. However, PGE had the following interests in mind when making decisions about the site: After WLP ceased operations and stopped paying its bills, PGE as the property owner was responsible for ensuring the property was maintained. Closing WLP's account and opening a new account in PGE's name allowed PGE the property owner to take responsibility for the electric service and maintain the site after WLP ceased meeting its obligations at the site. Additionally, this site is unique because maintaining the

property, which is adjacent to the Sullivan Plant, ensures the continued safe and reliable operations necessary for PGE to generate power to serve customer load.

After WLP ceased paying its bills, and until the service at the site was put into PGE's name, the service in WLP's name under WLP's service schedule continued to create uncollectible debt that PGE, as electric service provider, was required to write off as an uncollectible charge to all retail customers. Once PGE the property owner resumed taking service in its own name at the site, the ongoing aggregation of WLP's debt to the electric utility ceased.

- c. PGE requires electric service at the site to maintain the property and to operate the Sullivan Plant, among other things.
- d. PGE objects to this Request as overly vague. Notwithstanding and without waiving this objection, PGE responds as follows: PGE as the property owner needs electric service to maintain the property and to operate the Sullivan Plant, among other things. PGE also operates the Sullivan Plant in its capacity as a utility provider.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 040  
Dated August 7, 2020**

**Request:**

Has PGE permitted a Schedule 489 customer to return to cost of service rates without providing the required notice? If yes, please provide a narrative description of the circumstances surrounding the change in service.

**Response:**

PGE interprets “the required notice” to refer to the two- or three-year notice required under an LTDA Agreement for an LTDA consumer to return to cost-of-service rates. Subject to this interpretation of the request: no.



August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 041  
Dated August 12, 2020**

**Request:**

Please provide the daily Schedule 489 Company Supplied Energy on- and off-peak prices over the period September 1, 2018 through the July 31, 2020

**Response:**

Please see Attachment 041 A, which contains the Mid-C on- and off-peak prices from September 1, 2018 through July 31, 2020. PGE understands this Request to be seeking energy prices only but wishes to clarify that a customer on the Company Supplied Energy option under Schedule 489 would receive other charges on their bill in addition to energy charges.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 042  
Dated August 12, 2020**

**Request:**

Please provide daily on- and off-peak kilowatt-hour usage for Service Point ID 9130567661, Meter ID 60770154SW over the period September 1, 2018 through the July 31, 2020. In the response please identify the date when the services for this service point were transferred from PGE account 5118057239 to the Willamette Falls Paper Company account 5138146227

**Response:**

Please see Confidential Attachment 042A, which is protected information under Order No. 20-218. Confidential Attachment 042A contains daily on- and off-peak usage (in kWh) for Service Point ID 9130567661, Meter ID 60770154SW from September 1, 2018 through July 31, 2020. Willamette Falls Paper Company account 5138146227 was opened on July 1, 2019.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 043  
Dated August 12, 2020**

**Request:**

Please provide monthly Schedule 89 Billing determinants and associated rates for Service Point ID 9130567661, Meter ID 60770154SW over the period September 1, 2018 through July 31, 2020. In the response please identify the date when the services for this service point were transferred from PGE account 5118057239 to the Willamette Falls Paper Company account 5138146227, and provide any short period billings.

**Response:**

PGE objects to the extent this request seeks information available from WFalls's bills covering the period from July 1, 2019 through July 31, 2020, which are equally available to WFalls. Notwithstanding and without waiving this objection, please see PGE's Response to WFalls and WLP Data Request No. 8 and Attachment 008A, which includes all bills created for electric service at the Facility from September 1, 2018 through July 1, 2019. The billing determinants and associated rates for the referenced service point and meter ID are available on each bill or in PGE's tariff. Willamette Falls Paper Company account 5138146227 was opened on July 1, 2019. PGE understands "short period billings" to mean "partial billing period." There are no partial billing periods in the relevant timeframe.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 044  
Dated August 12, 2020**

**Request:**

Please provide Willamette Falls Paper Company monthly bill for account 5138146227 Service Point ID 9130567661, Meter ID 60770154SW in Excel format over the period June 1, 2018 through the July 31, 2020

**Response:**

PGE understands this Request to be seeking information for the period from July 1, 2019 through July 31, 2020, because account 5138146227 did not exist prior to July 1, 2019. Please see Confidential Attachment 044A, which is protected information under Order No. 20-218.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 045  
Dated August 12, 2020**

**Request:**

For the Period September 1, 2018 through July 1, 2019, please recalculate the billings for account 5118057239 for Service Point ID 9130567661, Meter ID 60770154SW, assuming PGE had continued service on Schedule 489 using the Company Supplied Energy Option. Please provide itemized detail by billing determinant supporting PGE's calculation.

**Response:**

PGE objects that this Request is unduly burdensome and that WFalls and WLP are equally capable of performing the requested calculations. To aid Complainants in performing the calculations, please see Attachment 041A, which contains the Mid-C on- and off-peak prices from September 1, 2018 through July 31, 2020; Confidential Attachment 042A, which contains daily on- and off-peak usage; and Attachment 045A, which lists the line items applicable during each billing period had the service been billed on Schedule 489 during that billing period.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 046  
Dated August 12, 2020**

**Request:**

For the Period June 1, 2019 through July 31, 2020, please recalculate the billings for account 5138146227 for Service Point ID 9130567661, Meter ID 60770154SW, assuming Willamette Falls Paper Company had continued service on Schedule 489 using the Company Supplied Energy Option. Please provide itemized detail by billing determinant supporting PGE's calculation.

**Response:**

PGE objects that this Request is unduly burdensome and that WFalls and WLP are equally capable of performing the requested calculations. To aid Complainants in performing the calculations, please see Attachment 041A, which contains the Mid-C on- and off-peak prices from September 1, 2018 through July 31, 2020; Confidential Attachment 042A, which contains daily on- and off-peak usage; and Attachment 045A, which lists the line items applicable during each billing period had the service been billed on Schedule 489 during that billing period.

August 21, 2020

TO: Willamette Falls Paper Company and  
West Linn Paper Company

FROM: Karla Wenzel  
Manager, Regulatory Policy and Strategy

**PORTLAND GENERAL ELECTRIC  
UM 2107  
PGE Response to WFalls and WLP Data Request No. 047  
Dated August 12, 2020**

**Request:**

Please explain why, when PGE switched Service Point ID 9130567661, Meter ID 60770154SW from WLP's account to PGE's account, PGE changed the service from Schedule 489 to Schedule 89.

**Response:**

When the new account was created in PGE's name to take responsibility for the service, the new account was billed at the standard cost-of-service option under schedule 89 because WLP's LTDA Agreement terminated when WLP's account was closed without assignment of the LTDA Agreement to another entity.

**BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON  
UM 2107**

WILLAMETTE FALLS PAPER COMPANY	)
and WEST LINN PAPER COMPANY,	)
	)
Complainants,	)
	)
vs.	)
	)
PORTLAND GENERAL ELECTRIC	)
COMPANY,	)
	)
Defendant.	)
	)
	)
	)
	)

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**EXHIBIT 203**

**REDACTED**

**Confidential Pursuant  
To General Protective Order**

**Willamette Falls Paper Company  
Opening Testimony of Bradley G. Mullins**

**August 31, 2020**



**WILLAMETTE FALLS PAPER COMPANY**  
**SCHEDULE 89-T TO 489-T**  
**PGE ACCOUNT 5138146227, METER 60770154SW, SPID 9130567661**

**Portland General Electric, Schedule 89-T to Schedule 489-T Analysis**

August, 29 2020

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**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Model Results Summary (Whole Dollars)**

Schedule 89-T to 489-T Comparison								
Month	Schedule 89			Schedule 489 (CSE)			Delta	
	KWh	\$/KWh	\$	KWh	\$/KWh	\$	\$/KWh	\$
Jul 2019								
Aug 2019								
Sep 2019								
Oct 2019								
Nov 2019								
Dec 2019								
Jan 2020								
Feb 2020								
Mar 2020								
Apr 2020								
May 2020								
Jun 2020								
Jul 2020								
Total								

**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Interest Calculation (Whole Dollars)**

Interest calculation at ORS 82.010 Default Contract Rate				
Month	Beg Balance	Over Payment	Interest	Ending Balance Due
Jul 2019				
Aug 2019				
Sep 2019				
Oct 2019				
Nov 2019				
Dec 2019				
Jan 2020				
Feb 2020				
Mar 2020				
Apr 2020				
May 2020				
Jun 2020				
Jul 2020				



**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 2

Month **August 19**  
 Period Start **Aug 06, 2019**  
 Period End **Sep 04, 2019**

Rates	Base	Sensitivity
Rate 1	2019.07.89T.C	2019.07.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge			Mo.					
Transmission			kW.on					
Distribution			kW.on					
Facilities Block 1			F.kW.1					
Facilities Block 2			F.kW.2					
On-Peak \$/kWh			kWh.on					
Off-Peak \$/kWh			kWh.Off					
Wheeling			kW.on					
System Usage \$/MWh			kWh1					
Reactive Demand			kVa.B					
Volumtrc Surchs \$/kWh			kWh1					
Sch 108 - Public Purpose			\$					
Sch 115 - Low Income			Mo					
West Linn City			\$					
<b>Total Cost (\$/kWh)</b>			kWh					

**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 3

Month **September 19**  
 Period Start **Sep 04, 2019**  
 Period End **Oct 04, 2019**

Rates	Base	Sensitivity
Rate 1	2019.07.89T.C	2019.07.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge		Mo.						
Transmission		kW.on						
Distribution		kW.on						
Facilities Block 1		F.kW.1						
Facilities Block 2		F.kW.2						
On-Peak \$/kWh		kWh.on						
Off-Peak \$/kWh		kWh.Off						
Wheeling		kW.on						
System Usage \$/MWh		kWh1						
Reactive Demand		kVa.B						
Volumtrc Surchs \$/kWh		kWh1						
Sch 108 - Public Purpose		\$						
Sch 115 - Low Income		Mo						
West Linn City		\$						
<b>Total Cost (\$/kWh)</b>		kWh						

**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 4

Month **October 19**  
 Period Start **Oct 04, 2019**  
 Period End **Nov 02, 2019**

Rates	Base	Sensitivity
Rate 1	2019.07.89T.C	2019.07.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge			Mo.					
Transmission			kW.on					
Distribution			kW.on					
Facilities Block 1			F.kW.1					
Facilities Block 2			F.kW.2					
On-Peak \$/kWh			kWh.on					
Off-Peak \$/kWh			kWh.Off					
Wheeling			kW.on					
System Usage \$/MWh			kWh1					
Reactive Demand			kVa.B					
Volumtrc Surchs \$/kWh			kWh1					
Sch 108 - Public Purpose			\$					
Sch 115 - Low Income			Mo					
West Linn City			\$					
<b>Total Cost (\$/kWh)</b>			kWh					

**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 5

Month **November 19**  
 Period Start **Nov 02, 2019**  
 Period End **Dec 05, 2019**

Rates	Base	Sensitivity
Rate 1	2019.11.89T.C	2019.11.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge		Mo.						
Transmission		kW.on						
Distribution		kW.on						
Facilities Block 1		F.kW.1						
Facilities Block 2		F.kW.2						
On-Peak \$/kWh		kWh.on						
Off-Peak \$/kWh		kWh.Off						
Wheeling		kW.on						
System Usage \$/MWh		kWh1						
Reactive Demand		kVa.B						
Volumtrc Surchs \$/kWh		kWh1						
Sch 108 - Public Purpose		\$						
Sch 115 - Low Income		Mo						
West Linn City		\$						
<b>Total Cost (\$/kWh)</b>		kWh						



**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 6

Month **December 19**  
 Period Start **Dec 05, 2019**  
 Period End **Jan 06, 2020**

Rates	Base	Sensitivity
Rate 1	2019.11.89T.C	2019.11.489T
Rate 2	2020.01a.89T.C	2020.01a.489T

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge			Mo.					
Transmission			kW.on					
Distribution			kW.on					
Facilities Block 1			F.kW.1					
Facilities Block 2			F.kW.2					
On-Peak \$/kWh			kWh.on					
Off-Peak \$/kWh			kWh.Off					
Wheeling			kW.on					
System Usage \$/MWh			kWh1					
System Usage \$/MWh			kWh2					
Reactive Demand			kVa.B					
Volumtrc Surchs \$/kWh			kWh1					
Volumtrc Surchs \$/kWh			KWh2					
Sch 108 - Public Purpose			\$					
Sch 115 - Low Income			Mo					
West Linn City			\$					
<b>Total Cost (\$/kWh)</b>			kWh					



**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 8

Month **February 20**  
 Period Start **Feb 04, 2020**  
 Period End **Mar 04, 2020**

Rates	Base	Sensitivity
Rate 1	2020.02.89T.C	2020.02.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge			Mo.					
Transmission			kW.on					
Distribution			kW.on					
Facilities Block 1			F.kW.1					
Facilities Block 2			F.kW.2					
On-Peak \$/kWh			kWh.on					
Off-Peak \$/kWh			kWh.Off					
Wheeling			kW.on					
System Usage \$/MWh			kWh1					
Reactive Demand			kVa.B					
Volumtrc Surchs \$/kWh			kWh1					
OCAT			\$					
Sch 108 - Public Purpose			\$					
Sch 115 - Low Income			Mo					
West Linn City			\$					
<b>Total Cost (\$/kWh)</b>			kWh					



**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 10

Month **April 20**  
 Period Start **Apr 07, 2020**  
 Period End **May 06, 2020**

Rates	Base	Sensitivity
Rate 1	2020.02.89T.C	2020.02.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge			Mo.					
Transmission			kW.on					
Distribution			kW.on					
Facilities Block 1			F.kW.1					
Facilities Block 2			F.kW.2					
On-Peak \$/kWh			kWh.on					
Off-Peak \$/kWh			kWh.Off					
Wheeling			kW.on					
System Usage \$/MWh			kWh1					
Reactive Demand			kVa.B					
Volumtrc Surchs \$/kWh			kWh1					
Ocat			\$					
Sch 108 - Public Purpose			\$					
Sch 115 - Low Income			Mo					
West Linn City			\$					
<b>Total Cost (\$/kWh)</b>			kWh					

**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 11

Month **May 20**  
 Period Start **May 06, 2020**  
 Period End **Jun 03, 2020**

Rates	Base	Sensitivity
Rate 1	2020.02.89T.C	2020.02.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge			Mo.					
Transmission			kW.on					
Distribution			kW.on					
Facilities Block 1			F.kW.1					
Facilities Block 2			F.kW.2					
On-Peak \$/kWh			kWh.on					
Off-Peak \$/kWh			kWh.Off					
Wheeling			kW.on					
System Usage \$/MWh			kWh1					
Reactive Demand			kVa.B					
Volumtrc Surchs \$/kWh			kWh1					
Ocat			\$					
Sch 108 - Public Purpose			\$					
Sch 115 - Low Income			Mo					
West Linn City			\$					
<b>Total Cost (\$/kWh)</b>			kWh					

**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 12

Month **June 20**  
 Period Start **Jun 03, 2020**  
 Period End **Jul 05, 2020**

Rates	Base	Sensitivity
Rate 1	2020.06.89T.C	2020.06.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge			Mo.					
Transmission			kW.on					
Distribution			kW.on					
Facilities Block 1			F.kW.1					
Facilities Block 2			F.kW.2					
On-Peak \$/kWh			kWh.on					
Off-Peak \$/kWh			kWh.Off					
Wheeling			kW.on					
System Usage \$/MWh			kWh1					
Reactive Demand			kVa.B					
Volumtrc Surchs \$/kWh			kWh1					
OCA			\$					
Sch 108 - Public Purpose			\$					
Sch 115 - Low Income			Mo					
West Linn City			\$					
<b>Total Cost (\$/kWh)</b>			kWh					

**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Period:** 13

Month **July 20**  
 Period Start **Jul 05, 2020**  
 Period End **Aug 03, 2020**

Rates	Base	Sensitivity
Rate 1	2020.06.89T.C	2020.06.489T
Rate 2		

	Schedule 89			Schedule 489			Delta	
	Detr.	Rate	Dollars	Detr.	Rate	Dollars	Rate	Dollars
<b>PGE Cost</b>								
Basic Charge			Mo.					
Transmission			kW.on					
Distribution			kW.on					
Facilities Block 1			F.kW.1					
Facilities Block 2			F.kW.2					
On-Peak \$/kWh			kWh.on					
Off-Peak \$/kWh			kWh.Off					
Wheeling			kW.on					
System Usage \$/MWh			kWh1					
Reactive Demand			kVa.B					
Volumtrc Surchs \$/kWh			kWh1					
Ocat			\$					
Sch 108 - Public Purpose			\$					
Sch 115 - Low Income			Mo					
West Linn City			\$					
<b>Total Cost (\$/kWh)</b>			kWh					



**WILLAMETTE FALLS PAPER COMPANY**

Schedule 89-T to 489-T

PGE Account 5138146227, Meter 60770154SW, SPID 9130567661

**Impact of Billing Error Corrections (Whole Dollars)**

Schedule 89-T to 89-T Corrected								
Month	Schedule 89			Schedule 89 Corrected			Delta	
	KWh	\$/KWh	\$	KWh	\$/KWh	\$	\$/KWh	\$
Jul 2019								
Aug 2019								
Sep 2019								
Oct 2019								
Nov 2019								
Dec 2019								
Jan 2020								
Total								

**BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON**

**UM 2107**

WILLAMETTE FALLS PAPER COMPANY )  
and WEST LINN PAPER COMPANY, )  
 )  
Complainants, )  
 )  
vs. )  
 )  
PORTLAND GENERAL ELECTRIC )  
COMPANY, )  
 )  
Defendant. )  
 )  
 )  
 )  
\_\_\_\_\_ )

**EXHIBIT 204  
WLP Direct Access Service Agreement**

**CONFIDENTIAL**  
Confidential Pursuant  
To General Protective Order

**August 31, 2020**