

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**
3 **UE 184**

4 In the Matter of

5 PORTLAND GENERAL ELECTRIC
6 COMPANY

7 Request for General Rate Revision relating to
8 the Port Westward plant.

STAFF RESPONSE TO MOTION TO
CONSOLIDATE WITH DOCKET UE 180

8 On March 15, 2006, Portland General Electric Company (“PGE”) filed Advice No. 06-8,
9 requesting approval of revised tariff schedules that if approved, would increase PGE’s revenues
10 by approximately \$130 million (8.9 percent overall).¹ The requested increase includes recovery
11 for PGE’s Port Westward plant that is expected to become operational in March 2007.² In the
12 brief accompanying Advice No. 06-8, PGE explained its proposal for Port Westward as follows:

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14 PGE requests that the Commission decide in this case the cost changes
15 associated with Port Westward and allow PGE to file compliance tariffs affecting
16 revenue requirement change when the plant begins commercial operation. If that
17 date is significantly different from PGE’s forecast of March 1, 2007, however, it
18 may be necessary to re-forecast the plants effect on NVPC.

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20 Because Port Westward will at times generate power at prices less than
21 prevailing market prices, the dispatch of Port Westward will decrease net variable
22 power costs. The ratebase addition of the plant and operating costs will, of
23 course, increase costs. The net effect is an increase of about 2.9% commencing
24 when Port Westward becomes operational. (Pretrial Brief of PGE at 5.)

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26 As noted in its motion to consolidate, a party to Docket No. UE 180 has raised a concern
with PGE’s. The concern is that PGE is asking the Commission to determine the rate treatment
of a plant that is not yet in service. Notably, PGE has not addressed that concern by filings

24 ¹ Staff responds to the motion to consolidate pursuant to OAR 860-013-0031 and the
25 administrative law judge’s April 25, 2006 ruling.

26 ² When Port Westward is not considered, the requested increase is \$85 million, or 5.8 percent
overall. The rate increase associated with Port Westward is \$44 million, or 2.9 percent.

1 separately filing tariffs to recover Port Westward costs. This is because the suspension period for
2 the tariffs filed in this docket, UE 184, can end no later than February 24, 2007, which still
3 precedes the date Port Westward is scheduled to be on-line.

4 Notwithstanding, staff does not oppose PGE's action of separately filing tariffs associated
5 with Port Westward in another advice filing and does not oppose PGE's request to consolidate
6 the docket associated with that filing with UE 180. Furthermore, staff does not necessarily
7 oppose PGE's proposal that the Commission decide the appropriate rate treatment of Port
8 Westward in this docket, and allow PGE to file compliance tariffs when the plant is on-line.
9 Staff intends to address the merits of that proposal in its testimony.

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DATED this 8th day of May 2006.

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Respectfully submitted,

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HARDY MYERS
Attorney General

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/s/Stephanie S. Andrus
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Assistant Attorney General
Of Attorneys for Staff of the Public
Utility Commission of Oregon

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1 **CERTIFICATE OF SERVICE**

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3 I certify that on May 8, 2006, I served the foregoing upon all parties of record in this
4 proceeding by delivering a copy by electronic mail and by mailing a copy by postage prepaid
5 first class mail or by hand delivery/shuttle mail to the parties accepting paper service.

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