



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

May 26, 2015

Via E-Mail/US Mail
puc.filingcenter@state.or.us

Filing Center
Oregon Public Utility Commission
3930 Fairview Industrial Dr., SE
Salem, Oregon 97308-1088

Attn: **Filing Center**

RE: Report No. 64 - 2014 Affiliated Interest Report (Reported May 2015)

In accordance with 757.005 and OAR 860-027-0100, enclosed is Portland General Electric's (PGE) Affiliated Interest Report for the twelve months ending December 31, 2014.

Attachment 1 shows amounts of annual billings between PGE and its affiliates. PGE billed approximately \$1.3 million to affiliates during 2014. Attachment 1 also provides billings from affiliates to PGE of approximately \$6.2 million. The largest of these billings was approximately \$5.0 million from 121 SW Salmon Corporation for the lease of the World Trade Center (WTC) Building.

Attachment 2 is PGE's Cost Allocation Manual pursuant to OAR 860-027-0048(6), which includes PGE's 2014 corporate allocation summary.

Attachment 3 references PGE's 2014 SEC form 10-K. Following Attachment 3 are Sections I through VII of the Affiliated Interest Report. Section I-A provides the related Organization chart. Section I-B provides lists of officers and directors for each company with inter-company transactions that exceeded \$25,000 during 2014. Section I-C provides affiliate financial information that PGE considers **Confidential and Subject** to treatments prescribed under OAR 860-001-0070 (Confidential Information) because it could be used to harm PGE, its customers, its affiliates, and/or their customers. Sections II through V provide information on Affiliated Transactions. Sections VI and VII provide information regarding employee transfers and intra-company allocations.

SunWay 1, LLC was dissolved effective January 8, 2014 and SunWay 2, LLC was dissolved effective January 5, 2015, and these projects are now part of PGE's rate base. For this reporting period, PGE provides financials for SunWay 2, LLC and SunWay 3, LLC, although they are not true affiliates, and have no appointed directors or officers. Portland General Electric Company, as Managing Member, directs the operations of SunWay 3, LLC.

PGE Affiliated Interest Report
For 12 months ending December 31, 2014
May 26, 2015
Page 2

For the reasons stated above, the affiliate financial statements (Section I-C) are noted as **Confidential and Subject** to treatments prescribed under OAR 860-001-0070 (Confidential Information). Therefore, this item is provided on yellow paper, and provided in a separate sealed envelope bearing the legend "**CONFIDENTIAL.**" Additionally, for this item, please do not release this information to anyone outside the Public Utility Commission Staff and please store this information in a locked file cabinet. If you are unable to honor these requests, please notify us immediately.

If you have any questions regarding this report, please feel free to contact me at (503) 464-7580.

Sincerely,



Patrick G. Hager
Manager, Regulatory Affairs

Encls.

US Mail (Section I-C, Conf)

RE 64 () e-FILING REPORT COVER SHEET

REPORT NAME:

2014 Affiliated Interest Report (Reporting May 2015)

COMPANY NAME: **PORTLAND GENERAL ELECTRIC COMPANY**

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? **Yes**

If known, please select designation: **UI Affiliated Interest**

Report is required by: **OAR 860-027-0100**

Statute

Order

Is this report associated with a specific docket/case? **No**

Key words:

Portland General Electric Company 2014 Affiliated Interest Report

If known, please select the PUC Section to which the report should be directed:

Economic and Policy Analysis

Electric and Natural Gas Revenue Requirements

Electric Rates and Planning

Utility Safety, Reliability & Security

Administrative Hearings Division

Attachment 1

PORTLAND GENERAL ELECTRIC COMPANY

2014 Analysis of Affiliated Interest Transactions

(Reported May 2015)

Portland General Electric
2014 Analysis of Affiliated Interest Transactions
Attachment 1
Reported May 2015
Actual Billings vs Estimated

Affiliate	Billings to PGE			Billings From PGE		
	2013 Actuals	2014 Actuals	2014 Estimates	2013 Actuals	2014 Actuals	2014 Estimates
121 SW Salmon Corp.	4,973,098	4,973,098	5,000,000	-	-	N/A
Salmon Springs Hospitality Group	871,641	930,800	844,000	1,133,857	1,220,050	786,000
PGE Foundation (PGEF)	-	-	N/A	113,606	74,181	120,000
SunWay 1, ¹	100,000	-	N/A	5,400	-	N/A
SunWay 2, LLC ¹	65,424	68,368	N/A	15,415	16,849	N/A
SunWay 3 LLC ²	193,116	201,372	N/A	22,583	23,141	N/A
WTC NW	-	-	N/A	-	-	N/A
Total Billings under PGE						
Master Service Agreement	6,203,279	6,173,638	5,844,000	1,290,861	1,334,221	906,000

¹ SunWay 1, LLC was dissolved on January 8, 2014 and is now part of PGE's Rate Base.

¹ SunWay 2, LLC was dissolved on January 5, 2015 and is now part of PGE's Rate Base.

² SunWay 3, LLC is reported, but not a PGE affiliate for 2013 or 2014. PGE is including it in this report as mentioned previously to OPUC Staff.

Attachment 2

PORTLAND GENERAL ELECTRIC COMPANY

2014 Cost Allocation Manual

per

OAR 860-027-0048(6)

(Reported May 2015)

PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2014

Introduction

This document discusses PGE's loadings, allocations and the respective methodologies that are used to redistribute costs to non-regulated activities and affiliates. For some services, typically those that benefit various functional areas, it is not practicable to charge the cost directly. Costs that cannot be reasonably directly charged are captured either on the balance sheet through deferred accounts or in specific income statement accounts. These costs are then redistributed to their ultimate destination.

PGE uses a series of automated reclassifications and loadings to distribute administrative and overhead costs to end use accounts. There are four groups of these: 1) Labor Loadings, 2) Service Provider Allocations, 3) Administrative Allocations, and 4) Overhead Stores Loadings.

PGE's Non-Regulated Activities

Non-Regulated Activities:

- Large Nonresidential Tradable Renewable Credit Rider (Schedule 54)
- Meter Information Services (Schedule 320)
- Electrical Equipment Services (Schedule 715)
- Power Quality Products and Services (Schedule 730)
- Service Maps (Schedule 800)

PGE Affiliates and Subsidiaries

Affiliates:

- Portland General Electric Foundation – Corporate foundation of PGE.

Subsidiaries:

- 121 SW Salmon Street Corporation – PGE makes its WTC lease payments to 121 SW Salmon, which makes payments to the leaseholder.
- World Trade Center Northwest Corporation – Inactive except for holding the World Trade Center franchise.
- Salmon Springs Hospitality Group, Inc. – SSHG provides catering within the WTC and also provides catering outside of the WTC. SSHG charges PGE its market rate less a discount for its catering. PGE charges SSHG labor costs based on man-hours utilized at fully allocated labor rates. Non-labor items are billed at cost, with the exception of office space, which is billed at market value. All profits/losses from SSHG flow back to PGE (regulated).

PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2014

Other:

- SunWay 2, LLC – SunWay 2 owns three photovoltaic solar power facilities approximating a total of 1,095 kW located on the rooftops of three different buildings in Portland, Oregon, which are owned by ProLogis (a Maryland real estate investment trust). The equipment is operated and maintained by PGE.

- SunWay 3, LLC – SunWay 3 owns seven photovoltaic solar power facilities approximating a total of 2,406 kW located on the rooftops of seven different buildings in Portland, Oregon, which are owned by ProLogis (a Maryland real estate investment trust). The equipment is operated and maintained by PGE.

Labor Loadings

There are eight categories of labor loadings: 1) Employee support; 2) Payroll Taxes; 3) Employee Benefits; 4) Corporate Incentives; 5) Injuries & Damages; 6) Paid Time Off (PTO); 7) Pension Service Cost; and 8) Net Periodic Pension Cost. The accounting entries created by the loading process are captured in accounts using Cost Elements (CE) specific to the loadings.

Employee Support

The Employee Support loading includes the cost of administering PGE's compensation program, EEO (Equal Employment Opportunity) and employee relations, employee training and development, and Human Resources administration.

Payroll Taxes

The Payroll Tax loading consists of employer-paid, labor-related taxes such as FICA (Social Security & Medicare), federal unemployment, state unemployment, and workers' compensation premiums.

Employee Benefits

The Employee Benefits loading includes the costs of retirement savings, health, dental, disability, and life insurance; and education and recreation programs.

Corporate Incentives

The incentive loading consists of the cost of PGE's general incentive pay program that is incurred in the Performance Incentive Compensation accounts.

Injuries & Damages

The Injuries & Damages loading includes the cost of administering PGE's health and safety programs plus claims from general liability damages, workers' compensation injuries, and auto accidents.

**PORTLAND GENERAL ELECTRIC
COST ALLOCATION MANUAL
FOR THE YEAR 2014**

Paid Time Off

Paid Time Off (PTO) consists of employee pay for vacation, holiday, sick leave, and funeral leave.

Pension Service Cost

Pension Service Cost is the actuarial estimate of the pension service cost earned by eligible participants. This loading is applied to PGE labor that gets billed to outside parties (i.e. co-owners of PGE's generating facilities and billings jobs) and nonutility activities.

Net Periodic Pension Cost

The Net Period Pension Costs (NPPC) loading includes the annual accounting expense associated with the PGE pension plan. The amount of NPPC that's applied to PGE's labor is reduced by the amount of Pension Service Costs billed to outside parties and charged to nonutility activities.

Following is a table which includes the actual labor loading rates for 2014:

Labor Loading Rates	2014 Actuals
Employee Support	.78%
Payroll Taxes	10.81%
Employee Benefits	34.39%
Corporate Incentives	8.15%
Injuries & Damages (PGE Only)	7.22%
Vacation (PTO)	17.97%
Pension Service Cost	8.01%
Net Periodic Pension Cost	15.07%

**PORTLAND GENERAL ELECTRIC
COST ALLOCATION MANUAL
FOR THE YEAR 2014**

Service Provider Allocations

Overview

PGE has several departments that provide services to most areas of the company. These services include World Trade Center facilities, Information Technology, Production Services, the corporate Helicopter, and Fleet Services.

World Trade Center Facilities

The World Trade Center Allocation is used to allocate the cost (lease, operations and maintenance, and cost of capital) between PGE (utility and non-utility) and non-PGE tenants. The amount allocated to PGE is apportioned by functional areas of PGE, including O&M, A&G, Capital and non-utility accounts.

WTC Cost Distribution (Actual)	
PGE (Utility/Non-Utility Tenants)	71.40%
Non-PGE Tenants	28.60%
Total Cost Pool	<u>\$13,277,342</u>
PGE's Share allocated	<u><u>\$9,480,022</u></u>

Below is a table of the actual distribution percentages of the 2014 WTC costs allocated to PGE:

World Trade Center Allocation	% Lease Cost
Boardman	0.41%
Coyote Springs	0.18%
Pelton	0.52%
Round Butte	0.49%
Utility Capital	14.75%
Trojan	0.25%
Utility Expense	79.83%
Non-Utility	3.57%
2014 Actual Total	100.00%

**PORTLAND GENERAL ELECTRIC
COST ALLOCATION MANUAL
FOR THE YEAR 2014**

Information Technology

PGE's Information Technology department provides services to all functional areas of the company. The allocation of these costs is based on several methods. Some costs are allocated based on counts of equipment, some use historical analysis, and others use the results of the spread of all of the previous methods.

Production Services

The Production Services portion of Service Providers includes the Printing & Mail Services group. The allocation of these costs is based on historical usage of services provided, which is tracked by the Printing & Mail Services group. This in turn is used to allocate costs to end use accounts.

Helicopter

The costs to operate the corporate helicopter (operations, maintenance, and depreciation) are charged to a clearing account (Account 184). The helicopter costs are allocated based on historical usage patterns. The helicopter is used primarily for transmission and distribution power line inspections and surveillance.

Included below is a table which lists the 2014 actual percentages and costs for the Service Provider Allocations:

	Information Technology	Production Services	Helicopter
Trojan	0.71%	0.10%	N/A
Boardman	3.36%	0.25%	N/A
Coyote Springs	1.11%	0.20%	N/A
Pelton / Round Butte	0.62%	0.40%	N/A
Generation ¹	9.28%	1.60%	N/A
Power Operations	2.10%	1.00%	N/A
Transmission	2.79%	7.00%	66.00%
Distribution	32.64%	15.50%	22.00%
Marketing	4.13%	2.25%	N/A
Customer Service	22.12%	32.00%	N/A
Admin & General	20.04%	38.00%	12.00%
Non-Utility	1.10%	1.70%	N/A
Totals	100.00%	100.00%	100.00%
2014 Actuals	\$36,451,729	\$701,950	\$423,817

¹ Generation includes Beaver, Faraday, North Fork, Oak Grove, River Mill, Sullivan, Port Westward and Biglow.

**PORTLAND GENERAL ELECTRIC
COST ALLOCATION MANUAL
FOR THE YEAR 2014**

Fleet Services Overview

PGE manages a fleet of vehicles and specialized equipment to support the wide variety of activities necessary to operate the company. The majority of these vehicles are dedicated to the work of PGE's line crews. In addition, PGE maintains a small pool of light-duty pickups and passenger vehicles which support employee transportation job requirements. The fleet is segregated into 9 vehicle types:

- Type 1 - Man-lift equipment
- Type 2 - Digger derrick equipment
- Type 3 - Cranes
- Type 4 - Heavy-duty trucks
- Type 5 - Medium-duty trucks
- Type 6 - Light-duty trucks
- Type 7 - Construction equipment
- Type 8 - Trailers
- Type 9 - Automobiles

Rates are determined for each vehicle class by analyzing historical cost and usage levels. For the Type 1 through 8 vehicles these rates are used to spread vehicle overhead costs to end-use accounting based on a combination of normalized annual usage based on the latest vehicle study and line crew labor costs. The vehicles located at the corporate headquarters (Type 9) are charged at market rates to end-use accounting provided by employees who use the vehicles.

The actual rates for Type 1-8 vehicles used during 2014 are included in the following table:

Transportation Rates	Hourly Rate
Type 1 - Man-lift Equipment	\$38.67
Type 2 - Digger Derrick Equipment	\$80.82
Type 3 - Cranes	\$71.77
Type 4 - Heavy Duty Trucks	\$95.68
Type 5 - Medium Duty Trucks	\$27.06
Type 6 - Light Duty Trucks	\$12.80
Type 7 - Construction Equipment	\$28.64
Type 8 - Trailers	\$12.75

Actual costs associated with operating and maintaining the company vehicle fleet for 2014 total \$13,641,319.

**PORTLAND GENERAL ELECTRIC
COST ALLOCATION MANUAL
FOR THE YEAR 2014**

Administrative Allocations

Corporate Governance

Certain A&G costs are distributed to PGE's capital, non-utility and the co-owned entities through the Corporate Governance allocation. These costs are incurred for activities such as Human Resources, Accounting, and other corporate functions that support all PGE activities. This is accomplished by pooling the corporate governance costs and allocating them to PGE capital, non-utility, and the co-owned entities capital and A&G accounts.

Activities charged to certain accounts and by certain departments have been identified as supporting all PGE, including the generating plant co-owners. The charges in these ledger segments are pooled together creating the "Corporate Governance Cost Pool". Certain departments, however, are excluded from the Cost Pool since their activities do not support the co-owners, such as tax and legal.

The basis for this allocation is labor costs for PGE and the co-owned entities (excluding PTO). For PGE, the allocation is made to capital and non-utility activity only. Costs remaining in A&G reflect amounts that are unallocated to PGE's O&M (income statement) expenses. For the co-owned entities, however, costs are distributed to capital, A&G, and decommissioning.

Included below is a table which shows the 2014 actual percentages and costs for the Corporate Governance Allocation:

Corporate Governance

	Capital	Decommissioning	Expense
Trojan	0.00%	0.66%	0.00%
Boardman	0.56%	N/A	5.96%
Pelton	0.13%	N/A	0.79%
Round Butte	0.37%	N/A	1.06%
Coyote Springs	0.13%	N/A	1.63%
Utility	28.73%	N/A	59.62%
Non-Utility	0.00%	N/A	0.08%
KB Pipeline	N/A	N/A	0.04%
Affiliates	N/A	N/A	0.24%
Totals	29.92%	0.66%	69.42%

2014 Actual Total \$18,987,188

PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2014

Corporate Allocation Summary

The pool of allocable dollars in 2014 related to Labor Loadings, Service Provider Allocations, and Corporate Governance, all of which were discussed above, totaled \$249,756,340 of which \$163,777,817 was allocated to capital, non-utility and other expenses. The below table provides a summary of the allocation targets. All unallocated dollars remain in their respective A&G or O&M accounts.

2014 Corporate Allocation Summary

Trojan	0.79%
Boardman	5.57%
Pelton	0.97%
Round Butte	1.37%
Coyote Springs	1.42%
KB Pipeline	0.04%
Salmon Springs Hospitality Group	0.33%
Portland General Electric Foundation	0.03%
Utility Capital	34.54%
Utility Expense	53.95%
Non-Utility	0.99%
Total	100.00%

Affiliate Billings

The affiliate billings include labor loadings plus the allocations (Corporate Governance, WTC Floor Space and Service Provider costs). The direct costs incurred to provide services (i.e. labor costs) are accumulated in a billing job account along with the associated loadings and allocations; these costs are then billed to each affiliate and the billing job is relieved. If any balance remains in the billing job account, these costs are cleared to a nonutility account.

Other Utility Administrative Allocations

PGE has other administrative allocations that are intra-company allocations and stay within utility operations; these include:

- Distribution Operations Supervision Engineering (DOSE)
- Generation Operations Supervision/Engineering (GOSE)
- PSES Administrative Overhead Allocation (GGF)
- West Side Hydro Operations (Hydro/Hydro2)
- Construction Loadings (allocation of administrative costs to utility capital)

These allocations do not impact affiliate, nonutility or subsidiary activities.

PORTLAND GENERAL ELECTRIC COST ALLOCATION MANUAL FOR THE YEAR 2014

Stores Loadings

Overview

PGE uses two stores loading rates: Boardman and PGE general inventory. The Boardman rate applies only to the operating trust; the PGE general inventory rate is applied to all other stores issues and returns.

PGE General Inventory

The Stores loading (also referred to as the materials loading) is used to spread the cost of operating and maintaining material storerooms to the accounts that receive materials issues.

The costs incurred to operate each storeroom relate to both the maintenance of items in inventory and issuance of inventory to end-users. The balance remaining in stores overhead has a parallel relationship to the balance in stores inventory, so as the level of inventory increases, so would the balance in stores overhead. The calculation of the loading rate utilizes a 2-year rolling average of gross purchases, issues and returns divided into a 2-year rolling average of the operating costs. This ratio, multiplied by the dollar value of the physical inventory at a given point in time, determines the net amount of dollars that will remain in the stores overhead accounts (1630001). The stores loading process and manual adjustments keep the overhead balance at the appropriate level.

The 2014 loading rates are as follows:

PGE Materials	20%
Boardman	23%

Attachment 3

PORTLAND GENERAL ELECTRIC COMPANY

Form 10-K for the year ended

December 31, 2014

A hardcopy will not be provided as PGE files the Annual Report on Form 10-K with SEC and places the electronic document on the Portland.General.com website.

See PGE WEB URL Path:

<http://investors.portlandgeneral.com/secfiling.cfm?filingID=784977-15-5>

PORTLAND GENERAL ELECTRIC COMPANY
2014 Affiliated Interest Report
(Reported May 2015)

Section I:

- Organization Chart
- Listing of 2014 Officers and Directors of each company doing business with PGE in excess of \$25,000 per year
- Balance Sheet and Income Statement for each company doing business

Portland General Electric Company
2014 Affiliated Interest Report
(Reported May 2015)

Section I - A

Organizational Chart

For

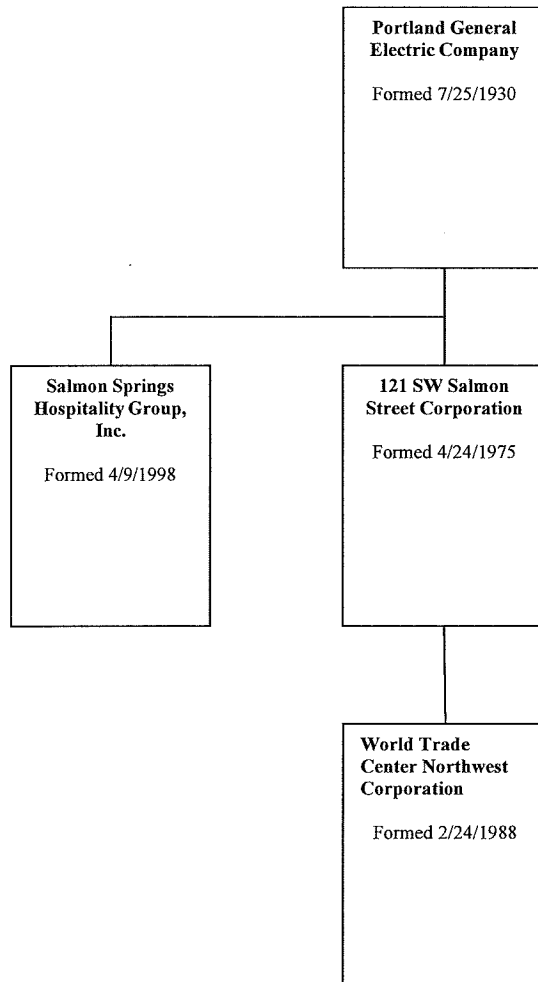
PGE Affiliates

Portland General Electric and Related Companies

Organization Chart

As of December 31, 2014

(Reported May 2015)



SunWay 1, LLC (dissolved January 8, 2014)

SunWay 2, LLC (dissolved January 5, 2015)

SunWay 3, LLC are not depicted above because they are not affiliates of PGE.

PORTLAND GENERAL ELECTRIC COMPANY
2014 Affiliated Interest Report
(Reported May 2015)

Section I-B
Officers and Directors of
Portland General Electric Company
and
Affiliates
(as of December 31, 2014)

Directors and Officers

Portland General Electric Company

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1 2014 forward)</u>
Jack E. Davis	Chairman	
John W. Ballantine	Director	
Rodney L. Brown, Jr.	Director	
David A. Dietzler	Director	
Kirby A. Dyess	Director	
Mark B. Ganz	Director	
Kathryn J. Jackson	Director	
Neil J. Nelson	Director	
M. Lee Pelton	Director	
Charles W. Shivery	Director	
James J. Piro	Director	
James J. Piro	President and Chief Executive Officer	
James F. Lobdell	Senior Vice President, Finance Chief Financial Officer and Treasurer	
William O. Nicholson	Senior Vice President, Customer Service, Transmission and Distribution	
Maria M. Pope	Senior Vice President, Power Supply & Operations, and Resource Strategy	
Arleen N. Barnett	Vice President, Human Resources, Diversity and Inclusion, and Administration	

Directors and Officers

Portland General Electric Company

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1 2014 forward)</u>
Larry N. Bekkedahl	Vice President, Transmission and Distribution Services	Hire Date: August 25, 2014 Bruce Carpenter Resignation: July 6, 2014
Carol A. Dillin	Vice President, Customer Strategies and Business Development	
J. Jeffrey Dudley	Vice President, General Counsel, Corporate Compliance Officer and Assistant Secretary	
Campbell A. Henderson	Vice President, Information Technology and Chief Information Officer	
Stephen M. Quennoz	Vice President, Nuclear and Power Supply / Generation	Announced Retirement Date: September 30, 2015
W. David Robertson	Vice President, Public Policy	
Kristin A. Stathis	Vice President, Customer Service Operations	
Brett C. Greene	Director of Finance and Assistant Treasurer	
Kirk M. Stevens	Controller and Assistant Treasurer	
Marc S. Bocci	Associate General Counsel and Corporate Secretary	
Nora E. Arkonovich	Assistant Corporate Secretary	
Cheryl A. Chevis	Assistant Corporate Secretary	
Karen J. Lewis	Assistant Corporate Secretary	

Directors and Officers

121 SW Salmon Street Corporation

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2014 forward)</u>
James F. Lobdell	Chairman of the Board	
Carol A. Dillin	Director	
J. Jeffrey Dudley	Director	
Cindy A. Laurila	President	
James F. Lobdell	Treasurer	
Marc S. Bocci	Secretary	

Directors and Officers

Salmon Springs Hospitality Group, Inc.

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2014 forward)</u>
James F. Lobdell	Chairman of the Board	
Carol A. Dillin	Director	
J. Jeffrey Dudley	Director	
Cindy A. Laurila	President	
James F. Lobdell	Treasurer	
Marc S. Bocci	Secretary	

Directors and Officers

PGE Foundation

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2014 forward)</u>
Gwyneth Gamble Booth	Chairman	
David K. Carboneau	Director	
Carol A. Dillin	Director	
Peggy Y. Fowler	Director	
Randolph L. Miller	Director	
James J. Piro	Director	
William David Robertson	Director	
DeAngelo Wells	Director	
Carole E. Morse	President	Resignation: May 12, 2014
William David Robertson	President	Appointed President: May 13, 2014
James F. Lobdell	Treasurer	
Rosalie M. Duron	Secretary	
Kregg Arnston	Executive Director	Appointed: May 8, 2014

Finance Committee

David K. Carboneau, Chair	
Randolph L. Miller	
James F. Lobdell	
O. Bruce Carpenter	Resignation: May 8, 2014
Gwyneth Gamble Booth	
Campbell A. Henderson	Appointment: May 9, 2014

Directors and Officers

World Trade Center Northwest Corporation

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2014 forward)</u>
James F. Lobdell	Chairman of the Board	
Carol A. Dillin	Director	
J. Jeffrey Dudley	Director	
Cindy A. Laurila	President	
James F. Lobdell	Treasurer	
Marc S. Bocci	Secretary	

SunWay 2, LLC

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2014 forward)</u>
No Directors or Officers		Dissolved - January 5, 2015

Sun Way 3, LLC¹

<u>NAME</u>	<u>TITLE</u>	<u>Comments/Changes (June 1, 2014 forward)</u>
No Directors or Officers		None

¹ Portland General Electric Company, as Managing Member, directs the operations of SunWay 3, LLC.

PORTLAND GENERAL ELECTRIC COMPANY

2014 Affiliated Interest Report

(Reported May 2015)

Section I-C

Financial Statements

for

PGE Affiliates

121 SW Salmon Street Corporation
PGE Foundation
Salmon Springs Hospitality Group
World Trade Center Northwest Corporation
Sunway 2, LLC
Sunway 3, LLC

(Confidential- Under Separate Cover)

Confidential Information Rule OAR 860-001-0070

Sections II - VII

PORTLAND GENERAL ELECTRIC COMPANY

2014 Transactions By Affiliates

(Reported May 2015)

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

(Reported May 2015)

**Transactions by Affiliate
Sections II -VII**

	<u>Page Number</u>
121 SW Salmon Street Corp. (121 SW Salmon).....	2
Salmon Springs Hospitality Group, Inc. (SSHG).....	4
PGE Foundation (PGEF)	6
SunWay 2, LLC.....	8
SunWay 3, LLC.....	10
PGE – Intra-Company Headquarters Allocation	12
PGE – Intra-Company Corporate Governance Allocation.....	13
PGE – Intra-Company Service Provider Allocation.....	13

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

Name of Company: 121 SW Salmon Street Corp. (121 SW Salmon)

II. Services Billed to PGE:

Amount

None

Services Billed to 121 SW Salmon:

Amount

None

III. For intercompany loans to the utility from 121 SW Salmon or loans to 121 SW Salmon from the utility, provide:

A. The month-end amounts outstanding separately for short-term and long-term loans:

No loans currently outstanding.

B. The highest amount during the year separately for short-term and long-term loans.

Refer to III A.

C. A description of the terms and conditions for loans including the basis for interest rates.

Refer to III A.

D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans.

Refer to III A.

E. Specify the Commission Order(s) approving the transactions where such approval is required by law.

Refer to III A.

IV. If the utility guarantees any debt of affiliates, identify the entities involved, the nature of the debt, the original amount of the debt, the maximum amounts during the year, the balance as of the end of the year, and the Commission Order(s) approving the transactions where such approval is required by law:

Entities: Portland General Electric, 121 SW Salmon Street Corporation

Nature of the debt: PGE guarantees the annual principal and interest payments for the headquarters complex leased by 121 SW Salmon.

	Amount
Original amount of the debt	\$ 57,063,276
Maximum amount for the year	\$ 29,205,080
Ending balance for December 2014	\$ 26,839,366

Commission Order(s):

This transaction approved by Commission Order 75-953, as amended by Commission Orders 77-381, 78-646 and 98-193.

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

- V. Report other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) as follows (repeat format for each affiliate):

Other Items Billed to PGE:

Account 418 - Lease Payments

Amount
\$ 4,973,098

Description of Basis of Pricing:

121 SW Salmon bills PGE the same amount it pays to lease the building from a third party.

Commission Order(s) Approving Transactions Where Such Approval is Required by Law:

These transactions approved by Commission Order 75-953, as amended by Commission Orders 77-381, 78-646 and 98-193.

Other Items Billed to 121 SW Salmon:

Amount
None

- VI. By affiliate and job title, provide the total number of executive, management, and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

Number of Employees Transferred from PGE to 121 SW Salmon _____
None

Number of Employees Transferred from 121 SW Salmon to PGE _____
None

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

Name of Company: Salmon Springs Hospitality Group, Inc. (SSHG)

II. Service Billed to PGE:

	<u>Amount</u>
Account 921 - Catering Services	\$ 925,612
Account 426.5 - Nonutility Catering Services	\$ 5,188

Description of Basis of Pricing:

Non-labor items are billed at market value.

Service Billed to SSHG:

	<u>Amount</u>
Account 186 - Administrative Support	\$ 945,050

Description of Basis of Pricing:

Labor costs are based on man-hours utilized at fully allocated labor rates. Non-labor items are billed at cost, with the exception of office space, which is billed at market value.

III. For intercompany loans to the utility from affiliates or loans from affiliates to the utility, provide:

A. The month-end amounts outstanding separately for short-term and long-term loans.

No loans currently outstanding.

B. The highest amount during the year separately for short-term and long-term loans.

Refer to III A.

C. A description of the terms and conditions for loans including the basis for interest rates.

Refer to III A.

D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans.

Refer to III A.

E. Specify the Commission Order(s) approving the transactions where such approval is required by law.

Refer to III A.

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

- IV. If the utility guarantees any debt of affiliates, identify the entities involved, the nature of the debt, the original amount of the debt, the maximum amounts during the year, the balance as of the end of the year, and the Commission Order(s) approving the transactions where such approval is required by law:

PGE does not guarantee any SSHG debt, nor does SSHG guarantee any PGE debt.

- V. Report other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) as follows (repeat format for each affiliate):

Other Items Billed to PGE:

Amount

None

Other Items Billed to SSHG:

Amount

Account 123.1 – Investment in Subsidiary (Dividend)

\$ 275,000

Description of Basis of Pricing:

Dividends paid.

- VI. By affiliate and job title, provide the total number of executive, management, and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

Number of Employees Transferred from PGE to SSHG

None

Number of Employees Transferred from SSHG to PGE

None

PORTLAND GENERAL ELECTRIC COMPANY
2014 AFFILIATED INTEREST REPORT

Name of Company: PGE Foundation (PGEF)

II. Service Billed to PGE:

Amount

None

Service Billed to PGEF:

Account 186 - Administrative Support

Amount

\$ 74,181

Description of Basis of Pricing:

Labor costs are based on man-hours utilized at fully allocated labor rates. Non-labor items are billed at cost, with the exception of office space, which is billed at market value.

III. For intercompany loans to the utility from affiliates or loans from affiliates to the utility, provide:

A. The month-end amounts outstanding separately for short-term and long-term loans.

No loans currently outstanding.

B. The highest amount during the year separately for short-term and long-term loans.

Refer to III A.

C. A description of the terms and conditions for loans including the basis for interest rates.

Refer to III A.

D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans.

Refer to III A.

E. Specify the Commission Order(s) approving the transactions where such approval is required by law.

Refer to III A.

IV. If the utility guarantees any debt of affiliates, identify the entities involved, the nature of the debt, the original amount of the debt, the maximum amounts during the year, the balance as of the end of the year, and the Commission Order(s) approving the transactions where such approval is required by law:

PGE does not guarantee any PGEF debt, nor does PGEF guarantee any PGE debt.

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

- V. Report other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) as follows (repeat format for each affiliate):

Other Items Billed to PGE:

Amount

None

Other Items Billed to PGEF:

Amount

None

- VI. By affiliate and job title, provide the total number of executive, management, and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

Number of Employees Transferred from PGE to PGEF

None

Number of Employees Transferred from PGEF to PGE

None

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

Name of Company: SunWay 2, LLC (SunWay 2)

II. Service Billed to PGE:

Amount

None

Service Billed to SunWay 2:

Amount

None

III. For intercompany loans to the utility from affiliates or loans from affiliates to the utility, provide:

A. The month-end amounts outstanding separately for short-term and long-term loans.

No loans currently outstanding.

B. The highest amount during the year separately for short-term and long-term loans.

Refer to III A.

C. A description of the terms and conditions for loans including the basis for interest rates.

Refer to III A.

D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans.

Refer to III A.

E. Specify the Commission Order(s) approving the transactions where such approval is required by law.

Refer to III A.

IV. If the utility guarantees any debt of affiliates, identify the entities involved, the nature of the debt, the original amount of the debt, the maximum amounts during the year, the balance as of the end of the year, and the Commission Order(s) approving the transactions where such approval is required by law:

PGE does not guarantee any SunWay 2 debt, nor does SunWay 2 guarantee any PGE debt.

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

- V. Report other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) as follows (repeat format for each affiliate):

Other Items Billed to PGE:

	Amount
Account 555 – Purchased Power	\$ 68,368

Description of Basis of Pricing:

Purchased power is priced under Schedule 201 “Qualified Facility 10 MW or Less – Avoided Cost Purchase Power Information”.

Other Items Billed to SunWay 2:

	Amount
Account 442 – Commercial and Industrial Sales	\$ 360
Account 921 – Administrative and Management Fees & Administrative Support	\$ 16,489

Description of Basis of Pricing:

Account 442 – Monthly service charge per Schedule 201 due to separately metered QF not associated with a retail customer account.

Account 921 – Administrative and Management Fees as specified in the Operating Agreement. Labor costs are based on man-hours utilized at fully allocated labor rates. Non-labor items are billed at cost.

- VI. By affiliate and job title, provide the total number of executive, management, and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

Number of Employees Transferred from PGE to SunWay 2 _____
None

Number of Employees Transferred from SunWay 2 to PGE _____
None

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

Name of Company: SunWay 3, LLC (SunWay 3)

II. Service Billed to PGE:

Amount

None

Service Billed to SunWay 3:

Amount

None

III. For intercompany loans to the utility from affiliates or loans from affiliates to the utility, provide:

A. The month-end amounts outstanding separately for short-term and long-term loans.

No loans currently outstanding.

B. The highest amount during the year separately for short-term and long-term loans.

Refer to III A.

C. A description of the terms and conditions for loans including the basis for interest rates.

Refer to III A.

D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans.

Refer to III A.

E. Specify the Commission Order(s) approving the transactions where such approval is required by law.

Refer to III A.

IV. If the utility guarantees any debt of affiliates, identify the entities involved, the nature of the debt, the original amount of the debt, the maximum amounts during the year, the balance as of the end of the year, and the Commission Order(s) approving the transactions where such approval is required by law:

PGE does not guarantee any SunWay 3 debt, nor does SunWay 3 guarantee any PGE debt.

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

- V. Report other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) as follows (repeat format for each affiliate):

Other Items Billed to PGE:

	<u>Amount</u>
Account 555 – Purchased Power	\$ 201,372

Description of Basis of Pricing:

Account 555 – Purchased power is priced under Schedule 201 “Qualified Facility 10 MW or Less – Avoided Cost Purchase Power Information”.

Other Items Billed to SunWay 3:

	<u>Amount</u>
Account 442 – Commercial and Industrial Sales	\$ 840
Account 921 – Administrative and Management Fees	\$ 22,301

Description of Basis of Pricing:

Account 442 - Monthly service charge per Schedule 201 due to separately metered QF not associated with a retail customer account.

Account 921 – Administrative and Management Fees as specified in the Operating Agreement.

- VI. By affiliate and job title, provide the total number of executive, management, and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

Number of Employees Transferred from PGE to SunWay 3 _____
None

Number of Employees Transferred from SunWay 3 to PGE _____
None

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

Name of Company: PGE - Intra-Company Headquarters Allocation

VII. A description of each intra-company cost allocation procedure, and a schedule of cost amounts transferred between regulated and non-regulated segments of the company.

Corporate Headquarters Lease (World Trade Center Operations)

PGE leases, operates and maintains its corporate headquarters office. Portions of the building are subleased to third parties (non-utility tenants). Costs incurred to lease and operate the building are recorded in non-utility accounts. Amounts related to PGE utility operations are allocated above the line to various Operating and Maintenance Expense accounts.

Allocation of costs between utility and non-utility operations is based on square footage of space used. Operating costs which are identifiable to specific utility or non-utility operations are directly allocated.

	<u>Amount</u>
Total 2014 World Trade Center Operations:	\$ 13,277,342
Amount transferred to utility operations during 2014:	
Account 107 - Construction Work in Progress – Electric	\$ 1,422,003
Account 184 - Clearing Accounts (Service Providers)	1,407,398
Account 557 - Miscellaneous Power Expense	908,170
Account 920 - Administrative & General Expense – Labor	73,512
Account 921 - Administrative & General Expense – Non-labor	1,410,895
Account 930.2 - Miscellaneous General Expense	17,261
Account 931 - Rents	3,878,312
Total allocated to utility in 2014:	<u>\$ 9,117,551</u>

PORTLAND GENERAL ELECTRIC COMPANY

2014 AFFILIATED INTEREST REPORT

Name of Company: PGE - Intra-Company Corporate Governance Allocation

VII. A description of each intra-company cost allocation procedure, and a schedule of cost amounts transferred between regulated and non-regulated segments of the company.

Corporate Governance A&G Allocation

Corporate Governance is a pool of Administrative and General costs, a portion of which are reclassified (or allocated) from PGE Expense to the following: PGE capital, jointly-owned projects capital and expense, billing jobs and non-utility operations.

	<u>Amount</u>
Amount transferred to non-utility operations during 2014 Accounts 417, 418, 421 & 426:	\$ 126,373

Name of Company: PGE - Intra-Company Service Provider Allocation

VII. A description of each intra-company cost allocation procedure, and a schedule of cost amounts transferred between regulated and non-regulated segments of the company.

Service Provider Allocation

PGE has several departments that provide services to most areas of the company. These services include computer support, information processing, printing and mailing and telecommunications. These departments charge their support service expenses to FERC 184 and then these are reclassified (or allocated) to the areas of the company receiving the services.

	<u>Amount</u>
Amount transferred to non-utility operations during 2014 Account 421:	\$ 280,678