

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 180**

In the Matter of	)	
	)	PREHEARING BRIEF OF THE
PORTLAND GENERAL ELECTRIC,	)	CITIZENS' UTILITY BOARD
	)	OF OREGON
Request for a General Rate Revision.	)	
_____	)	

The Citizens' Utility Board interprets the value underlying this filing as an opportunity to identify the unsettled issues that may be raised in cross-examination, in oral argument or in post hearing briefs. We will not present facts already presented in testimony, nor will we begin to make arguments that are appropriate for the post hearing briefs.

The unsettled issues the Citizens' Utility Board addresses in this docket are as follows:

1. PGE's cost of capital, including return on equity. This issue speaks for itself.
2. PGE's proposed regulatory mechanisms, especially the Company's proposed annual power cost update, and power cost adjustment mechanism (Annual Power Cost Variance).
3. The appropriate sharing of risk between shareholders and customers. This issue is a larger policy debate that flows from PGE's power cost adjustment mechanism.

4. The rationale and importance of a deadband and sharing bands in a power cost adjustment mechanism. The parties here are debating the specific application of the power cost adjustment consistent with the sharing policies determined by the Commission.
5. The prudence of Port Westward in light of PGE's Integrated Resource Plan. An issue remains unresolved concerning how the Commission finds a single resource decision prudent in the absence of the acquisition of other resources that make up an acknowledged IRP action plan. If a resource is deemed prudent in the absence of other acknowledged actions, is it realistic to believe that a future Commission will later impute the costs based on the failure to acquire the other resources many years down the road. If that is not realistic and the acquired resource is deemed prudent, what is the point of a holistic action plan?
6. How ratemaking would handle a delay of the start date for Port Westward. PGE has agreed in part to CUB's proposal, but disagrees with our other recommendations.
7. The treatment of Port Westward in power costs when it comes on line in the middle of the test year. This issue concerns how the power cost model fills in the period of time when Port Westward has come on-line. Should the power cost model assume market purchases even after Port Westward has come on-line, is included in rates and has begun serving customers?
8. The calculation of forced outage rates. This is a stand-alone power cost modeling issue.
9. The extrinsic value of capacity resources and capacity contracts. This is a stand-alone power cost modeling issue.

A significant issue that will not continue to be part of this docket is PGE's proposed advanced metering infrastructure. In surrebuttal testimony, PGE removed this issue from the case. PGE/3000/Carpenter-Tooman.

Dated this 27<sup>th</sup> day of October, 2006  
Respectfully submitted,

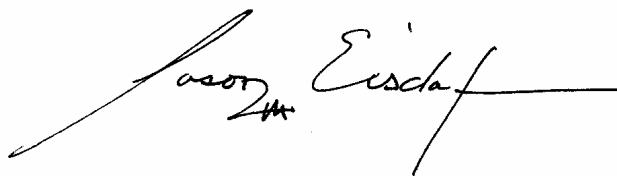
A handwritten signature in black ink that reads "Jason Eisdorfer". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Jason Eisdorfer #92292  
Attorney for Citizens' Utility Board of Oregon

## CERTIFICATE OF SERVICE

I hereby certify that on this 27<sup>th</sup> day of October, 2006, I served the foregoing Prehearing Brief of the Citizens' Utility Board of Oregon in docket UE 180 upon each party listed below, by email and U.S. mail, postage prepaid, and upon the Commission by email and by sending 6 copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

Respectfully submitted,



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**W=Waive Paper service, Q=Confidential**

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