

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

UE 267

In the Matter of)
)
PACIFICORP)
)
Five-Year Cost of Service Opt-Out Program)
_____)

EXHIBIT ICNU/103

**SECOND PARTIAL STIPULATION IN DOCKET NO. UE 262;
JOINT TESTIMONY IN SUPPORT OF
SECOND PARTIAL STIPULATION IN DOCKET NO. UE 262**

September 13, 2013

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 262

In the Matter of)
)
PORTLAND GENERAL ELECTRIC) **SECOND PARTIAL STIPULATION**
COMPANY)
)
Request for a General Rate Revision)

This Second Partial Stipulation ("Stipulation") is between Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board of Oregon ("CUB"), the City of Portland ("COP"), Fred Meyer Stores and Quality Food Centers, Division of Kroger Co. ("Kroger"), the Industrial Customers of Northwest Utilities ("ICNU"), Wal-Mart Stores, Inc., and Noble Americas Energy Solutions LLC ("Noble") (collectively, the "Stipulating Parties"). PacifiCorp intervened to monitor this docket and did not participate in settlement negotiations.

Many of the Stipulating Parties previously entered into and filed a Partial Stipulation in this docket that settled all issues except PGE's test year pension-related costs, proposed changes to PGE's direct access program, aspects of PGE's decoupling mechanism, and three streetlight related issues raised by the COP: ownership and maintenance responsibility of associated circuits, certain luminaire charges, and pole maintenance charges.

On July 2, 2013, the Stipulating Parties participated in a Settlement Conference regarding all remaining issues in this docket except pension expense. All parties were invited to participate. A subsequent settlement conference was held on July 9, 2013. Counsel for the Northwest and Intermountain Power Producers Coalition ("NIPPC") participated in this

Settlement Conference. As a result of those discussions the Stipulating Parties have reached a compromise settlement of all remaining issues in this docket except pension-related cost, as described in detail below.

TERMS OF PARTIAL STIPULATION

1. This Partial Stipulation resolves all remaining issues in this docket except PGE's test year pension-related costs.

LONG-TERM DIRECT ACCESS ISSUES

2. To address disputed issues of potential undue cost shifting and fairness to all customers, the Stipulating Parties agree to the following changes to PGE's long-term direct access programs. The Stipulating Parties intend for these changes to be implemented after expiration of the currently effective stipulation approved by the Commission in Order No. 12-057, which makes the current program available through the 2013 election window for service commencing in 2014 and thereafter.
3. With respect to the five-year cost of service opt-out option in PGE's tariffs, the Stipulating Parties agree that commencing with elections made in 2014 for service commencing in 2015 and thereafter:
 - a. The portion of the Schedule 129 transition adjustments related to net variable costs, applicable supplemental adjustments, and the market price of power will be calculated in advance of the applicable enrollment window and will not be subject to updates during the five-year period for which the transition adjustments are applicable. This portion of the transition adjustments will be levelized over the five-year period.

- b. The initial Schedule 129 transition adjustments will reflect current Commission-approved fixed generation costs, and the transition adjustments will not be levelized over the five-year period.
 - c. During the five-year period the portion of Schedule 129 transition adjustments related to fixed generation costs will be updated consistent with Commission orders related to general rate cases or Renewable Resource Automatic Adjustment Clause proceedings.
 - d. Beginning in year six from the election transition adjustments will be zero.
 - e. PGE will continue to differentiate Schedule 129 transition adjustments by schedule and delivery voltage for Schedules 485 and 489.
 - f. Consistent with the agreements below regarding streetlight issue, new tariff Schedules 491, 492, and 495 will be implemented. Schedules 491, 492 and 495 will each be subject to the same Schedule 129 transition adjustments.
 - g. Customers electing the five-year opt-out under Schedules 485, 489, 491, 492, and/or 495, must give PGE not less than three years notice to return to cost of service.
4. With respect to the three-year cost of service opt-out option in PGE's tariffs, and also commencing with elections made in 2014 for service commencing in 2015 and thereafter:
- a. PGE will offer fixed Schedule 129 transition adjustments in accordance with OAR 860-038-0275(5) that are not subject to update.
 - b. PGE will calculate these transition adjustments by including the projected monthly revenue requirements of existing and new resources, if any, that are expected to begin providing service to customers during the three-year period. If

the new resources are expected to commence service to customers on a date other than January 1, the revenue requirements for the resource will be appropriately prorated for the year.

- c. The Schedule 129 transition adjustments will be levelized and differentiated by tariff schedule and delivery voltage.
5. Customers that enrolled in a five-year opt-out prior to the 2015 service year will not be subject to the changes to the calculation of the transition adjustment implemented by the Stipulation, and instead will continue to be responsible for the fixed transition adjustments contained in the rate schedules in effect at the time of the direct access election.
6. PGE will offer long-term direct access for customers on tariff Schedules 91, 92, and 95 commencing with the 2015 service year. These new long-term direct access tariffs will be Schedules 491, 492 and 495. To be eligible for Schedules 491 and 495, the minimum number of lights will be 30,000. To be eligible for Schedule 492, the minimum number of intersections will be 500. To be eligible for participation in any of these schedules, all lights corresponding to an individual municipal department (e.g. transportation, water, or parks departments within a municipality) must be included in the long-term direct access election. Participation in the new Schedules 491, 492, and 495 will be subject to the 300 aMW direct access participation cap.
7. The overall long-term direct access participation limit will remain at 300 aMW.
8. PGE agrees to consider in good faith the possibility of providing an option that would allow direct access customers to remain in the direct access program after relocating to

another location within PGE's service territory, and the Stipulation Parties agree that implementing such a change to the direct access program will not violate this Stipulation.

9. It is the intent of the Stipulating Parties that the terms of this Stipulation regarding long-term direct access issues will be in effect for the four service years 2015 through 2018. The Stipulating Parties agree that they will not propose or support changes to PGE's long-term direct access program during this period, unless agreed to by all Stipulating Parties. The Stipulating Parties further agree that if PGE seeks a waiver of OAR 860-038-0275 as a result of the 300 aMW limit, the Stipulating Parties will not oppose PGE's request.

DECOUPLING ISSUES

10. PGE's Schedule 123 Decoupling Adjustment will be extended through 2016 with the following changes:
 - a. Commencing in 2014 PGE will file its decoupling results for the previous year by November 1, for prices effective January 1. For example, PGE will file its 2013 decoupling results by November 1, 2014, for prices effective January 1, 2015.
 - b. For Schedule 7, a secondary fixed monthly charge will be applied only to customer counts that exceed the test period customer counts. This secondary fixed charge will be calculated by taking 76 percent of the final Schedule 7 Monthly Fixed Charge per customer in order to develop the secondary fixed monthly charge.
 - c. The fixed monthly charge and the secondary fixed monthly charge will be updated in general rate cases. The secondary fixed monthly charge will be a percentage factor multiplied by the fixed monthly charge. The percentage factor

will be the average of the annualized consumption for new (connecting) residential customers during a two-year period, compared to the final forecast Schedule 7 use per customer in the rate case test period. The two-year period shall begin three years prior to the initial filing date and end one year prior to the filing date.

STREETLIGHT ISSUES

11. The previously stipulated overall rate of return will be applied to lighting pole and investment prices.
12. The costs of maintenance of associated circuits will be reassigned from distribution to the maintenance prices for Schedule 91 Option A and B, Schedule 95 Option A, and Schedule 15 prices.
13. Schedule 91 Option B pole prices will be calculated using a 0.20% replacement rate.
14. PGE and the City of Portland commit to resolve concerns regarding the Option C demarcation points and the points of delivery for streetlight associated circuits in the City of Portland. PGE and the City of Portland commit to resolving concerns regarding ownership and responsibilities regarding these associated circuits, including but not limited to code compliance, accessibility and safety, outside of this proceeding.

GENERAL PROVISIONS

15. The Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of all remaining issues in this docket except PGE's test-year pension related costs.
16. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable and will meet the standard in ORS 756.040.

17. The Parties agree that this Stipulation represents a compromise in the positions of the parties. Without the written consent of all parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.
18. The Stipulating Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Party reserves its right: (i) to withdraw from the Stipulation, upon written notice to the Commission and the other Parties within five (5) business days of service of the final order that rejects this Stipulation, in whole or material part, or adds such material condition; (ii) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (iii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission order. Nothing in this paragraph provides any Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.
19. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation (if

specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

20. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 24th day of July, 2013.



PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

CITY OF PORTLAND

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20. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 20 day of July, 2013.

PORTLAND GENERAL ELECTRIC
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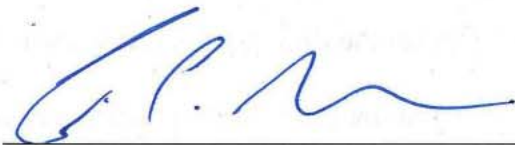
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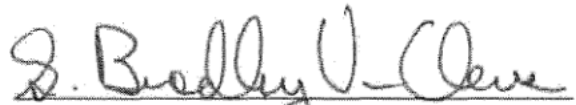
DATED this day of July, 2013.

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OF OREGON

Benjamin Walters, Chief Deputy
7/24/13 CITY OF PORTLAND



INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

THE KROGER CO.

WAL-MART STORES, INC.

NOBLE AMERICAS ENERGY
SOLUTIONS LLC

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES



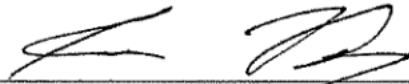
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INDUSTRIAL CUSTOMERS OF
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THE KROGER CO.

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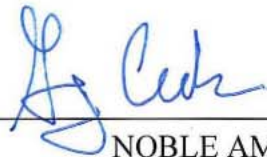
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WAL-MART STORES, INC.



NOBLE AMERICAS ENERGY
SOLUTIONS LLC

CERTIFICATE OF SERVICE

I hereby certify that I served the Joint Parties **Second Partial Stipulation**, by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UE 262.

DATED at Portland, Oregon, this 25th day of July, 2013.



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**SERVICE LIST – 07/25/13
OPUC DOCKET # UE 262**

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**SERVICE LIST – 07/25/13
OPUC DOCKET # UE 262**

ICNU/103
Schoenbeck/18

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UE 262/Stipulating Parties/200-201
Compton – Kaufman – Deen - Jenks – Higgins – Hendrix - Cody

**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

UE 262

PORTLAND GENERAL ELECTRIC COMPANY

Joint Testimony in Support of Second Partial Stipulation

*George Compton
Lance Kaufman
Michael Deen
Bob Jenks
Kevin Higgins
Chris Hendrix
Marc Cody*

August 20, 2013

Table of Contents

Table of Contents	i
I. Introduction.....	1
II. Resolved Direct Access Issues	3
III. Resolved Decoupling Issues.....	8
IV. Resolved Streetlighting Issues.....	11
V. Exhibit 201	13

I. Introduction

1 **Q. Please state your names and positions.**

2 A. My name is George Compton. I am a Senior Economist, employed in the Rates, Finance,
3 and Audit Section of the Energy Division of the Oregon Public Utility Commission
4 (OPUC). My qualifications appear in OPUC Exhibit 301.

5 My name is Lance Kaufman. I am a Utility Economist, employed in the Rates, Finance,
6 and Audit Section of the Energy Division of the OPUC. My qualifications appear in OPUC
7 Exhibit 401.

8 My name is Michael Deen. I am employed by Regulatory and Cogeneration Services,
9 Inc. (RCS), a utility rate and consulting firm. I am testifying on behalf of the Industrial
10 Customers of Northwest Utilities (ICNU). My qualifications appear in ICNU Exhibit 101.

11 My name is Bob Jenks. I am the Executive Director of the Citizens' Utility Board of
12 Oregon (CUB). My qualifications appear in CUB Exhibit 101.

13 My name is Kevin Higgins. I am a principal in the firm Energy Strategies, LLC and am
14 testifying on behalf of both Noble Americas Energy Solutions LLC (Noble) and The Kroger
15 Co. My qualifications appear in Noble Exhibit 100.

16 My name is Chris Hendrix. I am the Director of Markets and Compliance for Wal-Mart
17 Stores, Inc. (Wal-Mart). My qualifications are also contained in Exhibit 201 to this
18 testimony.

19 My name is Marc Cody. I am a Senior Analyst for Portland General Electric (PGE).
20 My qualifications appear in PGE Exhibit 1500.

21 **Q. What is the purpose of your testimony?**

UE 262 / Stipulating Parties / 200
Compton – Kaufman – Deen – Jenks – Higgins – Hendrix – Cody / 2

1 A. Our purpose is to describe the Second Partial Stipulation (the Stipulation) reached among
2 the OPUC Staff (Staff); CUB; ICNU; the City of Portland (COP); Noble; Wal-Mart; and
3 PGE (the Stipulating Parties) regarding the direct access, decoupling, and streetlighting
4 issues in this docket (UE 262). While there are other parties to this case, we are not aware
5 of any who oppose this Partial Stipulation.

6 **Q. Please describe the process that led to this Stipulation.**

7 A. PGE filed this general rate case on February 15, 2013. During the next three to four months,
8 Staff, CUB, ICNU, and other parties submitted over 750 data requests regarding PGE's
9 filing. On May 16, Staff provided an initial analysis of issues and the Stipulating Parties
10 participated in Settlement Conferences on May 29, June 3 and June 6, during which other
11 parties also identified issues. Staff and the COP submitted testimony on June 14 regarding
12 PGE's long-term direct access program and decoupling, and the COP submitted testimony
13 on several streetlighting issues. The Stipulating Parties participated in additional Settlement
14 Conferences on July 2 and July 9. During those Settlement Conferences, proposals were
15 advanced and modified by the Stipulating Parties and ultimately compromises were made
16 and a resolution satisfactory to all was reached.

II. Resolved Direct Access Issues

1 **Q. Please summarize the long-term direct access issues raised by either Staff or the COP?**

2 A. Staff or the COP variously made the following proposals:

3 1) Revise Schedule 129 Long-term Transition Adjustment to better capture fixed generation
4 costs.

5 2) Spread the Schedule 129 revenues to all rate schedules instead of just Schedules 85 and
6 89 and their direct access equivalents.

7 3) Simplify the Schedule 129 price structure such that the prices for different enrollment
8 vintages would no longer be differentiated.

9 4) Provide for annual updating of the Schedule 129 transition adjustments.

10 5) Change the advance notification for customers desiring a return to cost-of-service (COS)
11 energy pricing from the current two years to five years.

12 6) Consider changing the participation limits.

13 7) Offer long-term direct access to streetlight and traffic signal customers who meet certain
14 size thresholds.

15 **Q. Why did Staff initially propose to revise Schedule 129?**

16 A. Staff proposed to revise Schedule 129 because of a concern that long-term direct access
17 customers are not being assigned an adequate share of fixed generation costs, to the
18 detriment of COS customers.

19 **Q. How did the Parties resolve this issue?**

20 A. For the five-year option, the Parties agree to allow updates to fixed generation costs during
21 the period for which transition adjustments apply. These updates will reflect Commission-

UE 262 / Stipulating Parties / 200
Compton – Kaufman – Deen – Jenks – Higgins – Hendrix – Cody / 4

1 approved fixed generation costs that are recovered in COS customer rates. For the three-
2 year option, PGE will calculate Schedule 129 transition adjustments by including an amount
3 equal to a projection of the revenue requirements of new generation resources expected to be
4 brought online and put in rates during the three-year period for which the transition
5 adjustments will be applicable. Including this amount helps to prevent the unwarranted
6 shifting of costs to other retail electricity consumers of the electric company, as required
7 under ORS 757.607(1). The three-year option will not be subject to any updates; hence it
8 will conform to Oregon Administrative Rule 860-038-0275(5), which specifies that, “[a]t
9 least once each year, electric companies must offer customers a multi-year direct access
10 program with an associated fixed transition adjustment.”

11 **Q. Regarding the three-year option, how will the appropriate supplemental amount be**
12 **determined if the commercial operation date of a projected new resource is other than**
13 **January 1 of each year?**

14 A. If the commercial operation date of an expected new resource is other than January 1, PGE
15 will include an amount that is equal to the applicable first year revenue requirement,
16 prorated to account for the anticipated commercial operation date. For any succeeding year,
17 PGE will include an amount equal to the entirety of the annual revenue requirement
18 associated with the new resource for such year..

19 **Q. Why did Staff propose to spread the Schedule 129 revenues to all rate schedules?**

20 A. Staff proposed this on the basis of equity. PGE currently allocates the Schedule 129
21 revenues (which currently are positive) as credits to Schedules 85 and 89 and their direct
22 access equivalent schedules. When customers choose long-term direct access, the fixed
23 generation costs are spread to a reduced amount of COS energy; therefore, transition

1 adjustments (whether positive or negative) are appropriately allocated to all COS customers
2 going forward.

3 **Q. Did the Parties resolve this issue?**

4 A. The Parties resolved this issue in the First Partial Stipulation filed on July 10.

5 **Q. Why did Staff propose to simplify the Schedule 129 price structure and how was this
6 issue resolved?**

7 A. Staff, partially through PGE's Response to OPUC Data Request No. 311, identified PGE's
8 Schedule 129 pricing structure as overly complex and burdensome. The Parties agreed to
9 continue differentiating the Schedule 129 transition adjustments by schedule and delivery
10 voltage. However, in order to reduce the number of Schedule 129 transition adjustments in
11 any one enrollment window, the Parties agreed to levelize some (power costs for the five-
12 year option) or all (for the three-year option) of these transition adjustments across the
13 applicable period during which transition adjustments would apply (three or five years).
14 This levelization of transition adjustments should reduce some of the administrative burden
15 associated with each individual long-term direct access vintage while continuing to provide
16 for the appropriate cost differences between the rate schedules and delivery voltages.

17 **Q. How does the settlement prevent cost shifting and reduce administrative burden?**

18 A. The levelization of prices should, as mentioned above, address some of the Schedule 129
19 administrative burden. Updating fixed generation costs for the five-year option will help
20 address cost-shifting and accuracy. This is also true with supplementing the transition
21 charge for the three-year option to account for the cost-shifting that occurs if new resources
22 are brought online during the three years a direct access customer is not a COS customer.

1 **Q. Why did Staff propose to change the notice period for returning to COS from two**
2 **years to a minimum of five years and how was this issue resolved?**

3 A. Staff proposed this change because it better represents how PGE adjusts its long-term
4 resource portfolio to accommodate changes (mostly increases) in load. The Parties, in the
5 interest of settlement agreed to change the advance notification provision from two years to
6 three years for customers who select the five-year option for service beginning in the 2015
7 service year. This change is more consistent with PGE's long-term planning process and
8 also provides some measure of reassurance to potential new direct access participants that
9 they may access PGE energy pricing in the future.

10 **Q. Why did Staff suggest that the long-term direct access participation limits could be**
11 **increased?**

12 A. Staff proposed a nonspecific change in the participation limits based on reduced risk of cost-
13 shifting resulting from adoption of the Staff proposals including the change in the advance
14 notification for the five-year option.

15 **Q. How did the Parties resolve the participation limit issue?**

16 A. The Parties agreed to maintain the current overall participation limits of 300 aMW in the
17 interest of settlement of all the direct access issues specified above.

18 **Q. What did the COP propose regarding long-term direct access?**

19 A. The COP proposed that streetlight customers with at least 3,000 luminaires and traffic signal
20 customers with at least 200 intersections be allowed to participate in long-term direct access.
21 This proposal would create new Rate Schedules 491, 492, and 495.

22 **Q. How was this issue resolved?**

UE 262 / Stipulating Parties / 200
Compton – Kaufman – Deen – Jenks – Higgins – Hendrix – Cody / 7

1 A. The Parties agreed that PGE will create these new rate schedules for customers with at least
2 30,000 lights and 500 intersections effective January 1, 2014 for the 2015 service year. This
3 compromise will allow the COP to choose long-term direct access for their streetlight and
4 signal accounts, while helping to mitigate the large set-up costs that PGE will incur in
5 providing the option to applicable streetlight and signal customers.

6 **Q. For what period of time do the Parties recommend the direct access portion of the**
7 **Stipulation remain in effect?**

8 A. The Parties agree the direct access portion of the Stipulation remain in effect for the four
9 service years, 2015-2018. The Parties further agree that they will not propose or support
10 changes to PGE's long-term direct access program during this period unless agreed to by all
11 the Stipulating Parties. In addition, the Parties agree that they will not oppose PGE's request
12 to seek a waiver of OAR 860-038-0275(5) as a result of the 300 aMW limit.

13 **Q. For what service year are the direct access stipulated changes above expected to take**
14 **effect?**

15 A. The Parties agree that the changes discussed above will take effect commencing with the
16 enrollment window in 2014 for the 2015 service year. Customers who enroll in long-term
17 direct access on or before the 2014 service year will not be subject to fixed generation cost
18 true-ups, and will continue to have a two-year advance notification period for return to COS
19 pricing.

20

1

III. Resolved Decoupling Issues

2 **Q. Please describe PGE's initial decoupling mechanism proposal.**

3 A. In direct testimony, PGE proposed that decoupling as specified in Schedule 123 continue
4 indefinitely in the same manner as it is currently, with provision for updates to the fixed
5 costs recovered volumetrically during general rate proceedings. PGE also proposed changes
6 to the time and manner of its Schedule 123 filings such that the effective dates will be
7 moved back seven months from June 1 of the succeeding year, to the following January 1.

8 **Q. What changes to PGE's decoupling mechanism did Staff propose in its Opening
9 Testimony?**

10 A. Staff proposed that PGE's decoupling mechanism be extended for three years, to 2016, and
11 that Schedule 123 contain an additional Secondary Fixed Monthly Charge applicable to
12 Schedule 7 Residential customers. This Secondary Fixed Monthly Charge would only be
13 applicable when residential customer counts exceed the monthly customer count contained
14 in the load forecast used to set rates in a general rate case. Staff also recommended a change
15 to the Nonresidential Lost Revenue Recovery Adjustment (LRRRA). This change was
16 incorporated into the First Partial Stipulation dated July 10.

17 **Q. Why does Staff propose a Secondary Monthly Fixed Charge and how does Staff
18 propose to calculate it?**

19 A. Staff proposed that the Secondary Monthly Fixed Charge be calculated by dividing the Base
20 Monthly Fixed Charge (the monthly fixed costs recovered through volumetric charges), by
21 the average annual residential energy use and multiplying by average annual energy use for
22 customers connected within the previous year. Staff makes this proposal because they

1 believe that the current decoupling mechanism allows PGE to recover more than its fixed
2 costs when the Schedule 7 customer count exceeds that contained in the load forecast used
3 to set the Base Monthly Fixed Charge. The Secondary Monthly Fixed Charge would apply
4 only to monthly customer counts that exceed those contained in the final UE 262 load
5 forecast. Staff supports their belief by citing PGE's declining use-per-customer for new
6 connections. For the specific calculation, Staff used recent annualized consumption of
7 customers connected during 2012 as the basis for calculating the Secondary Monthly Fixed
8 Charge.

9 **Q. How did the Parties resolve decoupling?**

10 A. The Parties agree to modify the time and manner of filing Schedule 123 as proposed by PGE
11 and to extend Schedule 123 for three years as proposed by Staff. In the interest of
12 settlement, the Parties also agree to implement a Secondary Monthly Fixed Charge as
13 recommended by Staff when reconciling Schedule 7 monthly revenues through Schedule
14 123. However, instead of using the annualized consumption for residential customers
15 connected in 2012, the Parties agree to use a two-year average of weather-adjusted
16 annualized consumption (for the twelve months ending February 2013) for customers
17 connected during 2010 and 2011. This annualized weather-adjusted consumption is equal
18 to 76% of the average annual residential consumption contained in PGE's initial load
19 forecast. Hence, the Secondary Monthly Fixed Charge will be 76% of the Base Monthly
20 Fixed Charge.

21 **Q. Please describe how the Secondary Fixed Monthly Charge will be updated in the event**
22 **PGE files a general rate case with either a 2015 or 2016 test period.**

1 A. The Parties agree that both the Base Fixed Monthly Charge and the Secondary Fixed
2 Monthly Charge will be updated during general rate cases. The Secondary Fixed Monthly
3 Charge will be a percentage of the Base Fixed Monthly Charge. The percentage factor will
4 be the average of the annualized consumption for new (connecting) residential customers
5 during a two-year period, compared to the final Schedule 7 use per customer in the rate case
6 test period. The two-year period shall begin three years prior to the initial filing date and
7 end one year prior to the filing date.

8 To exemplify, should PGE file a 2015 test period general rate case in early 2014, PGE
9 would calculate the Secondary Monthly Fixed Charge percentage rate by annualizing the
10 2013 consumption of residential customers who newly connected during 2011 and 2012.

IV. Resolved Streetlighting Issues

1 **Q. Please describe the Partial Stipulation regarding application of the stipulated overall**
2 **rate of return to lighting and pole prices.**

3 A. The Stipulating Parties agree to apply the stipulated cost of capital to determine the prices
4 for street and area light luminaire and pole investment prices rather than applying the cost of
5 capital used in PGE's initial filing. The application of the stipulated cost of capital provides
6 consistency with PGE's returns among its rate base assets.

7 **Q. Please describe the partial stipulation regarding the reassignment of the cost of**
8 **maintenance of associated circuits from distribution to the maintenance prices for**
9 **Schedule 91 Options A and B, Schedule 95 Option A, and Schedule 15 prices.**

10 A. The stipulating parties agree to directly assign the maintenance of associated circuits rather
11 than recover the costs through distribution. PGE had proposed, with its initial filing, to
12 change the way circuit maintenance is recovered by including it in general distribution
13 O&M.

14 **Q. How does PGE currently recover the maintenance of associated circuits?**

15 PGE currently directly assigns the maintenance costs of associated circuits. The stipulating
16 parties agree to disregard PGE's proposal to change the method used to recover the cost of
17 maintaining associated circuits.

18 **Q. Please describe the Partial Stipulation regarding the Option B pole price calculation.**

19 A. The Stipulating Parties agree to use a replacement rate of 0.2% for calculating the Option B
20 pole price for the purposes of settlement. The price for Option B poles is calculated by
21 multiplying the Option A pole price by the 0.2% pole replacement rate.

1 **Q. Please describe the Partial Stipulation regarding the resolution of the demarcation of**
2 **the point of delivery for Option C circuits.**

3 A. PGE and the COP commit to resolve the demarcation of the point of delivery on the circuit
4 for Option C streetlights that are converted from existing Option B streetlights. Some
5 Option B installations were done before the current standards. PGE and the COP commit to
6 resolving the appropriate location on the circuit to demarcate the change in ownership and
7 concerns including but not limited to code compliance, accessibility, and safety. The
8 resolution will take place outside of the UE 262 proceeding.

9 **Q. What is the significance of the demarcation of the point of delivery for Option C**
10 **circuits?**

11 A. The point of delivery determines the location on the circuit that ownership changes between
12 PGE and the customer. PGE maintains the circuit on their side of the point of delivery and
13 the customer maintains the circuit on their side of the point of delivery.

14 **Q. Will this partial stipulation cause changes to the UE 262 revenue requirements?**

15 A. No.

16 **Q. Does this conclude your testimony?**

17 A. Yes.

UE 262 / Stipulating Parties / 201
Compton – Kaufman – Deen – Jenks – Higgins – Hendrix – Cody / i

EXHIBIT 201

QUALIFICATIONS OF CHRIS W. HENDRIX

Chris W. Hendrix

Director of Markets & Compliance
Wal-Mart Stores, Inc.
Business Address: 2001 SE 10th Street, Bentonville, AR, 72716-5530
Business Phone: (479) 204-0845
Email: chris.hendrix@wal-mart.com

EXPERIENCE

2003 – Present
Wal-Mart Stores, Inc., Bentonville, AR
Director of Markets & Compliance (2009 – Present)
General Manager (2003 – 2009)

2002 –2003
TXU Energy, Dallas, TX
Manager – Retail Pricing (2002 –2003)

1997 - 2001
Enron Energy Services, Houston, TX
Manager – Target Markets (2002 –2003)
Manager – Product Development/Structuring (1999 – 2001)
Senior Specialist (1997 – 1999)

1990 - 1997
Tenneco Energy, Houston, TX
Senior Rate Analyst (1994 – 1997)
Accounting Analyst (1992 – 1994)
Accountant (1991 – 1992)

EDUCATION

1994	University of Houston	M.B.A, Finance & International Business
1991	University of Houston	B.B.A, Accounting (Magna Cum Laude)

INDUSTRY ORGANIZATIONS

COMPETE Coalition
Board Member (2008 – present)

National Energy Marketers Association
Executive Committee and Policy Chair (2006 – present)

NEPOOL (ISO New England)
Participants Committee (2011 – present)
Markets Committee (2011 – present)
Consumer Liaison Group (2011 – present)

PJM Interconnection
Members Committee (2011 – present)

Electric Reliability Council of Texas (ERCOT)
Technical Advisory Committee - TAC (2004 – 2006)

**UE 262 / Stipulating Parties / 201
Compton – Kaufman – Deen – Jenks – Higgins – Hendrix – Cody / i**

TESTIMONY

1998

Oklahoma Corporation Commission Cause No. PUD 980000177: Joint Application of Oklahoma Natural Gas Company, A Division of Oneok, Inc., Oneok Gas Transportation, a Division of Oneok, Inc., and Kansas Gas Service Company, a Division of Oneok, Inc., for Approval of Their Unbundling Plan for Natural Gas Services Upstream of the Citygates or Aggregation Points.

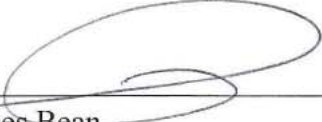
2012

Arizona Docket No. E-01345A-11-0224: Settlement Testimony in the Matter of the Application of Arizona Public Service Company for a Hearing to Determine the Fair Value of the Utility Property of the Company for Ratemaking Purposes, to Fix a Just and Reasonable Rate of Return Thereon, and to Approve Rate Schedules Designed to Develop Such Return.

CERTIFICATE OF SERVICE

I hereby certify that I served the **Joint Testimony in Support of Second Partial Stipulation** by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UE 262.

DATED at Portland, Oregon, this 20th day of August, 2013.



James Bean

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**SERVICE LIST – 08/20/13
OPUC DOCKET # UE 262**

ICNU/103
Schoenbeck/37

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Davison Van Cleve PC

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333 SW Taylor
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May 16, 2014

Via E-mail and Federal Express

Public Utility Commission of Oregon
Attn: Filing Center
3930 Fairview Industrial Dr SE
Salem, OR 97302-1166

Re: PacifiCorp 5-Year Cost of Service Opt-Out
Docket No. UE 267

Dear Filing Center:

Enclosed for filing in the above-referenced docket, please find the original and five (5) copies of the corrected version of the Industrial Customers of Northwest Utilities' ("ICNU") Exhibit No. ICNU/103.

Please note that the original version of this exhibit, filed by ICNU on September 13, 2013, included the Second Partial Stipulation filed in Docket No. UE 262, but did not include an errata page to the Stipulation that was filed by Portland General Electric on August 20, 2013. In order to ensure an accurate record in this proceeding, ICNU now submits Exhibit No. ICNU/103 with the corrected page to the Stipulation. The exhibit is otherwise unchanged.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact our office.

Sincerely,



Jesse O. Gorsuch

Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the attached **Exhibit No.**

ICNU/103 upon all parties in this proceeding by causing a copy to be sent via electronic mail to the following parties at the following addresses.

Dated at Portland, Oregon, this 16th day of May, 2014.



Jesse O. Gorsuch

<p>(W) CARL FINK 628 SW CHESTNUT ST, STE 200 PORTLAND OR 97219 cmfink@blueplanetlaw.com</p>	<p>(W) EDWARD FINKLEA EXECUTIVE DIRECTOR 326 FIFTH ST LAKE OSWEGO OR 97034 efinklea@nwigu.org</p>
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