



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

November 13, 2015

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, S.E.
P.O. Box 1088
Salem, OR 97308-1088

RE: Advice No. 15-27, Miscellaneous Regulatory Adjustment Updates and Capital Projects Adjustment

Portland General Electric (PGE) submits this filing pursuant to Oregon Revised Statutes (ORS) 757.205 and 757.210, and Oregon Administrative Rule (OAR) 860-022-0025, for filing proposed tariff sheets associated with Tariff P.U.C. No. 18 with a requested effective date of **January 1, 2016**:

Eleventh Revision of Sheet No. 105-1
Fifteenth Revision of Sheet No. 105-2
Fourteenth Revision of Sheet No. 105-3
Second Revision of Sheet No. 144-1
Fourth Revision of Sheet No. 144-2
Fourth Revision of Sheet No. 144-3

Schedule 105

Schedule 105, Regulatory Adjustments is composed of parts A and B. Part A includes the proposed amortization of the difference in revenue requirements related to the difference between the actual capital costs, and the capital costs estimated in UE 283 for the Port Westward 2 (PW2) and Tucannon River Wind Farm (Tucannon) generating stations. Part A also includes the effects of the UE 283 stipulation regarding the economic benefits of PGE's acquisition of the Power Resources Cooperative (PRC) share of the Boardman plant. The proposed refund amounts for the two Part A components are \$2.6 million and \$3.1 million respectively. Both Part A components are spread to cost-of-service customers on the basis of generation revenues.

Consistent with the stipulation approved in Order No. 14-422, PGE compared the actual gross plant amounts for PW2 and Tucannon to the gross plant amounts included in the final revenue requirement: \$323.227 million for PW2 and \$524.617 million for Tucannon. The PW2 gross plant amount is less than the above amount and is subject to a refund. The Tucannon gross plant amount is higher than the above amount and is not subject to a refund.

The table below shows the actual gross plant amounts for PW2 and Tucannon compared to the gross plant amounts included in UE 283.

	<u>Tucannon</u>	<u>PW2</u>
Final Gross Plant	526,191,967	308,071,257
UE 283 Gross Plant	524,617,000	323,227,000
Difference	1,574,967	(15,155,743)

PGE performed an internal audit of the two generation projects to review construction costs, procedures, and controls associated with construction of PW2 and Tucannon. The audit found no issues with either project and that the projects were well documented, with costs that were properly supported, reviewed, and approved. The audit report is included in the work papers supporting this filing. Work papers supporting the revenue requirement calculation using the actual gross plant amount are also included. The revenue requirement reflects the actual gross plant amount with adjustments to depreciation expense, accumulated depreciation, deferred taxes, and property taxes.

Schedule 105, Part B is a charge to applicable customers of approximately \$676,000 related to the 2015 deferred Large Nonresidential Load True-up consistent with the provisions of Schedule 128. This amount is spread to large nonresidential customers on an equal cents per kWh basis.

The 2016 revenues resulting from proposed Schedule 105 prices is approximately (\$5.0) million. This represents an increase of approximately \$5.5 million relative to current Schedule 105 prices that would provide revenues of (\$10.5) million.

Schedule 144

Because PGE anticipates that the deferred costs of the four capital projects currently being amortized through Schedule 144 will be nearly fully amortized by the end of 2015, PGE proposes to set the Schedule 144 prices to zero effective January 1, 2016. Setting the Schedule 144 prices to zero will result in a reduction of revenues of approximately \$26.2 million. PGE includes the Schedule 144 balancing account detail in the work papers. Any remaining Schedule 144 balances will be transferred to the residual balancing account during 2016.

To satisfy the requirements of OAR 860-022-0025(2), PGE provides the following responses:

The changes in the Schedule 105 and 144 prices result in an approximate \$20.6 million reduction in revenues. For the 857,000 projected 2016 customers, the result is an approximate 1.1% overall average rate decrease. A typical Schedule 7 residential customer consuming 840 kWh monthly will see a bill decrease of \$1.12 inclusive of the Public Purpose Charge or 1.1%. The enclosed work papers include detailed bill comparisons.

To satisfy the requirements of ORS 757.259(6), PGE provides the following responses:

PGE's 2014 annual cycle revenues were approximately \$1729 million. The sum of PGE's current and proposed 2016 amortization of deferrals including the proposed applicable amortization in Schedules 105 is approximately zero. The proposed amortization amount related to the Large Nonresidential True-up in this filing is approximately 0.04% of 2014 revenues. A list of the applicable current and proposed amortizations is provided in the work papers.

Work papers are comprised of;

- A) Schedule 105
- B) PW2 and Tucannon
- C) Schedule 144 Balancing Account
- D) Detailed Bill Comparisons

Please direct any questions regarding this filing to Marc Cody at (503) 464-7434 or Rob Macfarlane at (503) 464-8954.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,



Karla Wenzel
Manager, Pricing & Tariffs

Enclosures

**SCHEDULE 105
REGULATORY ADJUSTMENTS**

PURPOSE

The purpose of this schedule is to reflect the effects of regulatory adjustments such as net gains from nonrecurring property transactions, and costs associated with the implementation of SB 1149, and miscellaneous nonrecurring items.

APPLICABLE

To all bills for Electricity Service calculated under all schedules and contracts, except those Customers explicitly exempted.

PART A – MISCELLANEOUS ADJUSTMENTS

Part A will be adjusted annually as necessary to recover nonrecurring Regulatory Adjustments.

PART B – LARGE NON-RESIDENTIAL LOAD TRUE-UP

Part B consists of costs associated with the Schedule 128 Large Nonresidential Load Shift True-up after the November annual open enrollment window.

ADJUSTMENT RATES

The Adjustment Rates, applicable for service on and after the effective date of this schedule, will be:

<u>Schedule</u>	<u>Part A</u>	<u>Part B</u>	<u>Adjustment Rate</u>
7	(0.034)	0.000	(0.034) ¢ per kWh
15	(0.027)	0.000	(0.027) ¢ per kWh
32	(0.032)	0.000	(0.032) ¢ per kWh
38	(0.032)	0.007	(0.025) ¢ per kWh
47	(0.039)	0.000	(0.039) ¢ per kWh
49	(0.038)	0.007	(0.031) ¢ per kWh
75			
Secondary	(0.029)	0.007	(0.022) ¢ per kWh ⁽¹⁾
Primary	(0.029)	0.007	(0.022) ¢ per kWh ⁽¹⁾
Subtransmission	(0.029)	0.007	(0.022) ¢ per kWh ⁽¹⁾

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(1) Applicable only to the Baseline and Scheduled Maintenance Energy.

SCHEDULE 105 (Continued)

ADJUSTMENT RATES (Continued)

<u>Schedule</u>	<u>Part A</u>	<u>Part B</u>	<u>Adjustment Rate</u>
83	(0.032)	0.007	(0.025) ¢ per kWh
85			
Secondary	(0.031)	0.007	(0.024) ¢ per kWh
Primary	(0.031)	0.007	(0.024) ¢ per kWh
89			
Secondary	(0.029)	0.007	(0.022) ¢ per kWh
Primary	(0.029)	0.007	(0.022) ¢ per kWh
Subtransmission	(0.029)	0.007	(0.022) ¢ per kWh
90	(0.028)	0.007	(0.021) ¢ per kWh
91	(0.027)	0.007	(0.020) ¢ per kWh
92	(0.029)	0.007	(0.022) ¢ per kWh
95	(0.027)	0.007	(0.020) ¢ per kWh
485			
Secondary	0.000	0.007	0.007 ¢ per kWh
Primary	0.000	0.007	0.007 ¢ per kWh
489			
Secondary	0.000	0.007	0.007 ¢ per kWh
Primary	0.000	0.007	0.007 ¢ per kWh
Subtransmission	0.000	0.007	0.007 ¢ per kWh
490	0.000	0.007	0.007 ¢ per kWh
491	0.000	0.007	0.007 ¢ per kWh
492	0.000	0.007	0.007 ¢ per kWh
495	0.000	0.007	0.007 ¢ per kWh

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SCHEDULE 105 (Concluded)

ADJUSTMENT RATES (Continued)

<u>Schedule</u>	<u>Part A</u>	<u>Part B</u>	<u>Adjustment Rate</u>
515	(0.027)	0.000	(0.027) ¢ per kWh
532	(0.032)	0.000	(0.032) ¢ per kWh
538	(0.032)	0.007	(0.025) ¢ per kWh
549	(0.038)	0.007	(0.031) ¢ per kWh
575			
Secondary	(0.029)	0.007	(0.022) ¢ per kWh ⁽¹⁾
Primary	(0.029)	0.007	(0.022) ¢ per kWh ⁽¹⁾
Subtransmission	(0.029)	0.007	(0.022) ¢ per kWh ⁽¹⁾
583	(0.032)	0.007	(0.025) ¢ per kWh
585			
Secondary	(0.031)	0.007	(0.024) ¢ per kWh
Primary	(0.031)	0.007	(0.024) ¢ per kWh
589			
Secondary	(0.029)	0.007	(0.022) ¢ per kWh
Primary	(0.029)	0.007	(0.022) ¢ per kWh
Subtransmission	(0.029)	0.007	(0.022) ¢ per kWh
590	(0.028)	0.007	(0.021) ¢ per kWh
591	(0.027)	0.007	(0.020) ¢ per kWh
592	(0.029)	0.007	(0.022) ¢ per kWh
595	(0.027)	0.007	(0.020) ¢ per kWh

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(1) Applicable only to the Baseline and Scheduled Maintenance Energy.

**SCHEDULE 144
CAPITAL PROJECTS ADJUSTMENT**

PURPOSE

The purpose of this schedule is to implement in rates the revenue requirements of certain deferred capital projects specified in OPUC Order 10-478.

APPLICABLE

To all bills for Electricity Service calculated under all schedules and contracts, except those Customers explicitly exempted.

PART A – GENERATION ADJUSTMENTS

Part A consists of the amortization of the deferred revenue requirements associated with Boardman pollution control equipment and specific upgrades at Coyote Springs.

PART B – IT ADJUSTMENTS

Part B consists of the amortization of the deferred revenue requirements of 2020 Vision and Cyber Security.

ADJUSTMENT RATES

The Adjustment Rates, applicable for service on and after the effective date of this schedule, will be:

	<u>Schedule</u>	<u>Part A</u>	<u>Part B</u>	<u>Adjustment Rate</u>
7		0.000	0.000	0.000 ¢ per kWh
15		0.000	0.000	0.000 ¢ per kWh
32		0.000	0.000	0.000 ¢ per kWh
38		0.000	0.000	0.000 ¢ per kWh
47		0.000	0.000	0.000 ¢ per kWh
49		0.000	0.000	0.000 ¢ per kWh
75				
	Secondary	0.000	0.000	0.000 ¢ per kWh ⁽¹⁾
	Primary	0.000	0.000	0.000 ¢ per kWh ⁽¹⁾
	Subtransmission	0.000	0.000	0.000 ¢ per kWh ⁽¹⁾

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(1) Applicable only to the Baseline and Scheduled Maintenance Energy.

SCHEDULE 144 (Continued)

ADJUSTMENT RATES (Continued)

<u>Schedule</u>	<u>Part A</u>	<u>Part B</u>	<u>Adjustment Rate</u>
83	0.000	0.000	0.000 ¢ per kWh
85			
Secondary	0.000	0.000	0.000 ¢ per kWh
Primary	0.000	0.000	0.000 ¢ per kWh
89			
Secondary	0.000	0.000	0.000 ¢ per kWh
Primary	0.000	0.000	0.000 ¢ per kWh
Subtransmission	0.000	0.000	0.000 ¢ per kWh
90	0.000	0.000	0.000 ¢ per kWh
91	0.000	0.000	0.000 ¢ per kWh
92	0.000	0.000	0.000 ¢ per kWh
95	0.000	0.000	0.000 ¢ per kWh
485			
Secondary	0.000	0.000	0.000 ¢ per kWh
Primary	0.000	0.000	0.000 ¢ per kWh
489			
Secondary	0.000	0.000	0.000 ¢ per kWh
Primary	0.000	0.000	0.000 ¢ per kWh
Subtransmission	0.000	0.000	0.000 ¢ per kWh
490	0.000	0.000	0.000 ¢ per kWh
491	0.000	0.000	0.000 ¢ per kWh
492	0.000	0.000	0.000 ¢ per kWh
495	0.000	0.000	0.000 ¢ per kWh

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SCHEDULE 144 (Concluded)

ADJUSTMENT RATES (Continued)

<u>Schedule</u>	<u>Part A</u>	<u>Part B</u>	<u>Adjustment Rate</u>	
515	0.000	0.000	0.000	¢ per kWh
532	0.000	0.000	0.000	¢ per kWh
538	0.000	0.000	0.000	¢ per kWh
549	0.000	0.000	0.000	¢ per kWh
575				
Secondary	0.000	0.000	0.000	¢ per kWh ⁽¹⁾
Primary	0.000	0.000	0.000	¢ per kWh ⁽¹⁾
Subtransmission	0.000	0.000	0.000	¢ per kWh ⁽¹⁾
583	0.000	0.000	0.000	¢ per kWh
585				
Secondary	0.000	0.000	0.000	¢ per kWh
Primary	0.000	0.000	0.000	¢ per kWh
589				
Secondary	0.000	0.000	0.000	¢ per kWh
Primary	0.000	0.000	0.000	¢ per kWh
Subtransmission	0.000	0.000	0.000	¢ per kWh
590	0.000	0.000	0.000	¢ per kWh
591	0.000	0.000	0.000	¢ per kWh
592	0.000	0.000	0.000	¢ per kWh
595	0.000	0.000	0.000	¢ per kWh

(1) Applicable only to the Baseline and Scheduled Maintenance Energy.

BALANCING ACCOUNT

The Company will maintain a balancing account to track the difference between the Schedule 144 Revenue Requirements and the actual Schedule 144 revenues. This difference will accrue interest at the Commission-authorized rate for deferred accounts.