

ORDER NO. 13 296

ENTERED AUG 20 2013

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 276

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

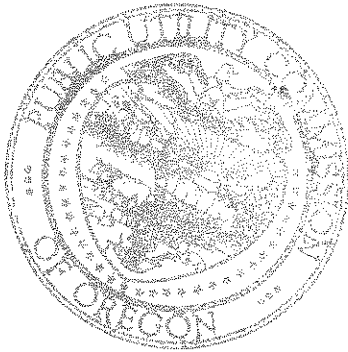
Amendment to Steam Contract between PGE
and Upper Columbia Mill, LLC.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on August 20, 2013, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

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ITEM NO. CA7

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT

PUBLIC MEETING DATE: August 20, 2013

REGULAR _____ CONSENT X EFFECTIVE DATE September 1, 2013

DATE: July 29, 2013

TO: Public Utility Commission

FROM: John Crider *Jc*

THROUGH: *I* Jason Eisdorfer, *ME* Maury Galbraith, and *aa* Aster Adams

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UE 276/Advice No. 2013-S5) Amends a special contract arrangement between PGE and Upper Columbia Mill, LLC, for delivery of steam.

STAFF RECOMMENDATION:

I recommend that the Commission allow Portland General Electric (PGE) Company's Advice No. 2013-S5 to go into effect, with less than statutory notice, for meter readings on or after September 1, 2013.

DISCUSSION:

The contract with Upper Columbia Mill (UCM) provides for steam deliveries from PGE's Coyote Springs plant. The current contract was put into place in 2008, with an amendment reducing the amount of delivered steam allowed into effect in May 2013. The contract is due to expire at the end of August 2013. Both parties to the contract have signed the amendment extending the current contract through November 30, 2013 while they negotiate a new contract.

The contract amendment included as part of this advice filing does not change any terms of the contract except the end date. Therefore the contract continues to satisfy the original four requirements of the steam contract:

- The revenue from the steam sales covers relevant costs,
- The contract is not discriminatory,
- PGE customers will be held harmless, and
- The contract incorporates opportunity-cost pricing where steam sales

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pricing is based on the market value of power that would otherwise be produced.

The Company has requested that the amended contract go into effect with meter readings on or before September 1, 2013. To allow this request requires a Commission waiver of OAR 860-022-0032¹.

STAFF RECOMMENDATION

I recommend that the Commission allow PGE Advice No. 2013-S5 to go into effect for meter readings on or after September 1, 2013.

PROPOSED COMMISSION MOTION:

The Commission waive OAR 860-022-0032 and allow PGE's Advice No. 2013-S5 to go into effect for meter readings on or after September 1, 2013.

¹ OAR 860-022-0032: "An energy or large telecommunications utility shall make all tariff changes applicable with service rendered on and after the effective date of the changes, unless the Commission by order provides otherwise."