



Portland General Electric Company
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July 1, 2011

Via Electronic Filing and U.S. Mail
Oregon Public Utility Commission
Attention: Filing Center
550 Capitol Street NE, #215
PO Box 2148
Salem OR 97308-2148

Re: UE ___ - 2010 Annual Power Cost Variance Mechanism

Attention Filing Center:

Enclosed for filing in the above-captioned docket please find the following:

Original and five copies of testimony of:

- **Alex Tooman and Christopher Liddle (PGE/100-102, PGE/104)**

Original and three copies of:

- **Work Papers (non-confidential portions only)**

Original and two copies of:

- **Portland General Electric Company's Motion for Protective Order (with Proposed Protective Order)**

Exhibit PGE/103C is confidential and will be submitted, along with the confidential work papers, after entry of a Protective Order.

These documents are being filed electronically. Hard copies will be sent via U.S. mail. An extra copy of this cover letter is enclosed. Please date stamp the extra copy and return it to me in the envelope provided.

Thank you in advance for your assistance.

Sincerely,

Patrick G. Hager, III
Manager, Regulatory Affairs

PGH:cbm
Enclosures
cc: UE 221 Service List

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

**Motion for Approval of
Protective Order**

PORTLAND GENERAL ELECTRIC COMPANY

July 01, 2011

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE _____

In the Matter of Portland General Electric
Company's Application for Annual
Adjustment to Schedule 126 Under the Terms
of the Annual Power Cost Variance
Mechanism

MOTION FOR PROTECTIVE ORDER

Pursuant to ORCP 36(C)(7) and OAR 860-001-0080, Portland General Electric Company ("PGE") requests the issuance of a Protective Order in this proceeding. PGE believes good cause exists for the issuance of such an order to protect confidential market information and confidential business information, plans and strategies. In support of this Motion, PGE states:


1. Along with this motion, PGE has filed its 2010 Annual Power Cost Variance under Tariff Schedule 126. PGE has filed testimony regarding the power cost variance and the operation of the mechanism to the 2010 power cost variance. An exhibit to the testimony and certain work papers that support the testimony filed by PGE in this docket include confidential, sensitive business information, including PGE's timing of and prices for electricity purchases and sales, fuel purchases and other contracts. PGE anticipates that there may be requests for further confidential information during this docket as well. PGE desires to provide the requested information, but the information is confidential, sensitive business information and of significant commercial value, and its public disclosure could be detrimental to PGE and its customers.

2. The Commission should therefore issue a Protective Order to protect the confidentiality of that material. The requested order, identical to the one that the Commission customarily issues, is attached.

For the reasons stated above, PGE requests that a protective order be issued in this proceeding.

DATED this 1st day of July, 2011.

Respectfully submitted,



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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM _____

In the Matter of Portland General Electric
Company's Application for Annual
Adjustment to Schedule 126 Under the
Terms of the Annual Power Cost Variance
Mechanism

**GENERAL
PROTECTIVE
ORDER**

DISPOSITION: MOTION FOR PROTECTIVE ORDER GRANTED

On July 1, 2011, Portland General Electric Company ("PGE") filed a motion for a general protective order with the Public Utility Commission of Oregon (Commission). PGE states that the order is needed to protect confidential customer information and confidential business plans and strategies. Specifically, PGE states that an exhibit to its filed testimony and certain work papers supporting the testimony include confidential, sensitive business information, including PGE's timing of and prices for electricity purchases and sales, fuel purchases and other contracts. PGE adds that the public release of this information could prejudice PGE and its customers. PGE anticipates that there may be requests for further confidential information during this docket as well.

I find that good cause exists to issue a general protective order, which is attached as Appendix A. The order permits the broadest possible discovery consistent with the need to protect confidential information. It shields no specific documents and makes no judgment about whether any particular document contains a trade secret or commercially sensitive information. Rather, the order adopts a process for resolving discovery disputes that include sensitive information.

The order permits any party to designate information as confidential if the party reasonably believes that the information falls within the scope of ORCP 36(C)(7). The confidential designation must be made in good faith and be limited to only those portions of the document that qualify as a protected trade secret or other confidential research, development, or commercial information. Any other party may challenge the designation of information as confidential. The designating party bears the burden of showing that the challenged information is covered by ORCP 36(C)(7).

Confidential information may be disclosed only to a “qualified person” as defined in paragraph 3 of the general protective order. The authors of the confidential material, the Commission, Administrative Law Judges (ALJs), Commission Staff, and counsel of record for a party or persons directly employed by counsel are “qualified persons” and may review confidential information without individually signing the general protective order. Other persons wanting access to confidential information must become qualified under paragraph 10.

To receive confidential information, all parties except Commission Staff must sign the “consent to be bound” in section I of Appendix B. This includes the party that moved for issuance of the general protective order because any party may designate information as confidential under the order. By signing the “consent to be bound,” a party agrees to be bound by the terms of the general protective order and certifies that it has an interest in the proceedings that is not adequately represented by other parties to the proceedings.

All persons given access to confidential information must monitor their own conduct to ensure compliance with the general protective order. Without the written permission of the designating party, no person may use or disclose the information for any purpose other than participating in these proceedings. All qualified persons must take reasonable precautions to keep confidential information secure. Questions regarding whether a particular person is a “qualified person” under the general protective order may be directed to the Administrative Hearings Division at (503) 378-6678.

ORDER

IT IS ORDERED that the General Protective Order, attached as Appendix A, governs the disclosure of confidential information in these proceedings.

Made, entered, and effective on _____.

[Judge’s name]
Administrative Law Judge

A party may appeal this order to the Commission under OAR 860-001-0420.

GENERAL PROTECTIVE ORDER
DOCKET NO. []

Scope of this Order:

1. This order governs the acquisition and use of Confidential Information in these proceedings.

Definitions:

2. "Confidential Information" is information that falls within the scope of ORCP 36(C)(7) ("a trade secret or other confidential research, development, or commercial information").

3. A "Qualified Person" is an individual who is:

- a. An author, addressee, or originator of Confidential Information;
- b. A Commissioner, Administrative Law Judge (ALJ), or Commission Staff;
- c. Counsel of record for a party;
- d. A person employed directly by counsel of record; or
- e. A person qualified under paragraph 10, including parties and their employees.

Designation of Confidential Information:

4. A party providing Confidential Information must inform other parties that the material has been designated confidential by placing the following legend on the material:

CONFIDENTIAL
SUBJECT TO GENERAL PROTECTIVE ORDER

To the extent practicable, the party may designate as confidential only the portions of the material covered by ORCP 36(C)(7).

5. A party may designate as confidential any information previously provided by giving written notice to the other parties. Parties in possession of newly designated Confidential Information must, when feasible, ensure that all copies of the information bear the above legend if requested by the designating party.

6. Any other party may challenge the designation of information as confidential by notifying the designating party. Once notified, the designating party bears the burden of showing that the challenged information is covered by ORCP 36(C)(7).

Information Given to the Commission:

7. Confidential Information filed or provided to the Commission or its Staff must be printed on yellow paper and placed in a sealed envelope or other appropriate container. **Only the portions of a document that fall within ORCP 36(C)(7) may be placed in the envelope/container.** The envelope/container must bear the legend:

THIS ENVELOPE IS SEALED UNDER ORDER NO. _____ AND
CONTAINS CONFIDENTIAL INFORMATION. THE
INFORMATION MAY BE SHOWN ONLY TO QUALIFIED
PERSONS AS DEFINED IN THE ORDER.

Disclosure of Confidential Information:

8. To receive Confidential Information, all parties except Commission Staff must sign the "consent to be bound" in section I of Appendix B. Confidential Information may not be disclosed to any person other than a Qualified Person. When feasible, Confidential Information must be delivered to counsel. In the alternative, Confidential Information may be made available for inspection and review by Qualified Persons in a place and time agreeable to the parties or as directed by the ALJ.

9. A Qualified Person may disclose Confidential Information to any other Qualified Person associated with the same party, unless the designating party objects under paragraph 11.

10. To become a Qualified Person under paragraph 3(e), a person must:

- a. Read a copy of this general protective order;
- b. Execute a statement acknowledging that the order has been read and agreeing to be bound by the terms of the order;
- c. Date the statement;
- d. Provide a name, address, employer, and job title; and
- e. If the person is a consultant or advisor for a party, provide a description of the nature of the person's consulting or advising practice, including the identity of current, past, and expected clients.

Counsel must deliver a copy of the signed statement including the information in (d) and (e) to the designating party and to all parties of record. The notification may be made by electronic mail or facsimile. A person qualified under paragraph 3(e) may not have access to Confidential Information sooner than seven days after the designating party receives a copy of the signed statement.

11. All Qualified Persons may have access to Confidential Information unless the designating party objects as provided in this paragraph. The designating party must provide written notice to the Qualified Person and counsel for the party associated with the Qualified Person as soon as the designating party becomes aware of reasons to restrict access. The

parties must promptly confer and attempt to resolve any dispute over access to Confidential Information on an informal basis before filing a motion with the ALJ. After receipt of the written notice as required in this paragraph, the specific Confidential Information may not be disclosed to the Qualified Person until the issue is resolved.

Preservation of Confidentiality:

12. Without the written permission of the designating party, any person given access to Confidential Information under this order may not use or disclose Confidential Information for any purpose other than participating in these proceedings. All Qualified Persons must take reasonable precautions to keep Confidential Information secure. Disclosure of Confidential Information for purposes of business competition is strictly prohibited.

A Qualified Person may reproduce Confidential Information to the extent necessary to participate in these proceedings. A Qualified Person may disclose Confidential Information only to other Qualified Persons associated with the same party.

Duration of Protection:

13. The Commission will preserve the confidentiality of Confidential Information for a period of five years from the date of the final order in these proceedings, unless extended by the Commission at the request of the designating party. The Commission will notify the designating party at least two weeks prior to the release of Confidential Information.

Destruction After Proceedings:

14. Counsel of record may retain memoranda, pleadings, testimony, discovery, or other documents containing Confidential Information to the extent reasonably necessary to maintain a file of these proceedings or to comply with requirements imposed by another governmental agency or court order. The information retained may not be disclosed to any person. Any other person retaining Confidential Information must destroy or return it to the designating party within 90 days after final resolution of these proceedings unless the designating party consents in writing to retention of the Confidential Information. This paragraph does not apply to the Commission or its Staff.

Appeal to the Presiding Officer:

15. Any party may request that the ALJ conduct a conference to help resolve disputes related to this protective order.

A party challenging the designation of information as confidential may file an objection with the ALJ that identifies the information in dispute and includes a certification that reasonable efforts to achieve an informal resolution have been unsuccessful. Within seven days of the objection, unless otherwise ordered by the ALJ, the designating party must

either remove the confidential designation or file a written response identifying the legal basis for the claim of confidentiality. The challenging party may file a written reply to any response within seven days. If the designating party does not timely respond to the motion, the Commission will remove the confidential designation from the challenged information.

Additional Protection:

16. If a designating party seeks additional protection for Confidential Information, the party may move for any of the remedies in ORCP 36(C). The motion must include:

- a. The parties involved;
- b. The exact nature of the information involved;
- c. The legal basis for the claim that the information is protected under ORCP 36(C)(7) or the Public Records Law;
- d. The exact nature of the relief requested;
- e. The specific reasons the requested relief is necessary;
and
- f. A detailed description of the intermediate measures, including selected redaction, explored by the parties and why these measures are insufficient.

Pending the Commission's ruling on a motion for additional protection, the information involved need not be released.

SIGNATORY PAGE
DOCKET NO. []

I. Consent to be Bound:

This general protective order governs the use of Confidential Information in these proceedings.

_____ (Party) agrees to be bound by the terms of the general protective order and certifies that it has an interest in these proceedings that is not adequately represented by other parties to the proceedings.

Signature: _____

Printed Name: _____

Date: _____

II. Persons Qualified under Paragraphs 3(a) through 3(d):

_____ (Party) identifies the following person(s) automatically qualified under paragraphs 3(a) through (d).

PRINTED NAME	DATE

SIGNATORY PAGE
DOCKET NO. []

III. Persons Qualified under Paragraph 3(e):

I have read the general protective order, agree to be bound by the terms of the order, and will provide the information identified in paragraph 10.

By: Signature: _____ Date: _____
Printed Name: _____
Address: _____
Employer: _____
Job Title: _____
 Paragraph 10(e) information also provided.

By: Signature: _____ Date: _____
Printed Name: _____
Address: _____
Employer: _____
Job Title: _____
 Paragraph 10(e) information also provided.


By: Signature: _____ Date: _____
Printed Name: _____
Address: _____
Employer: _____
Job Title: _____
 Paragraph 10(e) information also provided.

By: Signature: _____ Date: _____
Printed Name: _____
Address: _____
Employer: _____
Job Title: _____
 Paragraph 10(e) information also provided.

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **2010 POWER COST ADJUSTMENT TESTIMONY, EXHIBITS, WORK PAPERS, AND MOTION FOR APPROVAL OF PROTECTIVE ORDER [WITH PROPOSED PROTECTIVE ORDER]** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No. UE 221.

Dated at Portland, Oregon, this 1st day of July, 2011.



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

**UE _____
2010 PCAM**

PORTLAND GENERAL ELECTRIC COMPANY

Direct Testimony and Exhibits



Portland General Electric

July 01, 2011

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I. Introduction

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

2 A. My name is Alex Tooman. I am a project manager at PGE.

3 My name is Chris Liddle. I am a senior analyst at PGE.

4 Our qualifications appear at the end of this testimony.

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

6 A. The purpose of our testimony is two-fold. First, we describe the 2010 Power Cost Variance
7 (PCV), including base and actual power costs. Second, we describe how we determined the
8 deferred amount for power costs using the power cost adjustment mechanism (PCAM)
9 authorized by the Oregon Public Utility Commission (OPUC or Commission) in Order No.
10 07-015 (Docket UE 180) and established in PGE Schedule 126. In summary, because the
11 annual variance of (\$12.4 million)¹ (i.e., actual power costs were less than forecasted power
12 costs) is entirely within the power cost deadband, the 2010 PCV and deferral are zero.

13 **Q. Please summarize the process used in the PCAM.**

14 A. The first step in the process compares PGE's actual unit net variable power costs (NVPC)
15 with our Base Unit NVPC and then multiplies the difference by actual load to determine an
16 Annual Variance. We then apply an asymmetrical power cost deadband to the Annual
17 Variance followed by 90-10 sharing between customers and shareholders to develop the
18 PCV. After this, we apply a symmetrical return on equity (ROE) deadband to an earnings
19 test to determine whether the final PCV should be collected from or refunded to customers
20 (see PGE Exhibit 101 for a summary of the PCV calculation). If there is a collection from
21 or refund to customers, this amount is then posted to PGE's PCV account where it will

¹ In our testimony, credit amounts are signified as (\$_____).

1 accrue interest at PGE's authorized rate of return, until the Commission approves
2 amortization. Finally, if there is a collection from or refund to customers, PGE would
3 amortize the PCV balance through Schedule 126, which is an Automatic Adjustment Clause
4 as defined in ORS 757.210.

5 **Q. What is the PCV for 2010?**

6 A. For 2010, actual power costs were below base power costs, resulting in an Annual Variance
7 of approximately (\$12.4 million). Because this amount is within the specified power cost
8 deadband, the PCV is zero and neither the sharing percentages nor an earnings test are
9 applicable. For completeness, we note that our 2010 regulated adjusted ROE is 9.06%. This
10 is well below our authorized ROE plus 100 basis points or 11.0%, which is the applicable
11 comparison for credit PCVs. PGE Exhibit 102 provides the earnings test results for 2010.

12 **Q. Are there Minimum Filing Requirements (MFRs) associated with the PCAM?**

13 A. Yes. In PGE's 2007 PCAM (Docket No. UE 201), parties agreed to MFRs for future
14 PCAMs. The MFRs specify that work papers to PGE's PCAM filing include the following:

- 15 • Monthly transaction-level detail by ledger number that is used to summarize actual
16 power costs as provided in PGE Exhibit 103C.
- 17 • Detail regarding PGE's out-of-period adjustments.

18 As specified, confidential work papers to this filing include the required documentation.

19 **Q. How is your testimony organized?**

20 A. We begin by describing in greater detail how PGE calculated the PCV as determined by the
21 Annual Variance and the power cost deadband. We then briefly describe PGE's PCAM
22 earnings review although it is not applicable for 2010. The last section contains our
23 qualifications.

II. Calculation of PCV

A. Base Power Costs

1 **Q. What is the first step in calculating the PCV?**

2 A. The first step is to identify PGE's base NVPC, which are based on the final power cost
3 forecasts that PGE created for UE 208 (2010 annual update tariff filing) using our power
4 cost forecasting model, Monet.² The Monet result establishes the unadjusted base NVPC of
5 approximately \$784.1 million for 2010.

6 **Q. Did you apply any adjustments to derive these base costs?**

7 A. Yes. From the unadjusted base NVPC, we reduced power costs by another \$2.4 million to
8 recognize steam sales from our Coyote Springs plant (as forecasted in UE 197). We applied
9 this adjustment as directed by the Commission in Order No. 07-015 to achieve adjusted base
10 power costs.

11 **Q. Did you apply an adjustment for Ancillary Service Revenues as also directed by
12 Commission in Order No. 07-015?**

13 A. No. Because this revenue was incorporated directly into the Monet base power costs as filed
14 in UE 208, there is no Ancillary Service adjustment necessary to calculate the 2010 PCV.

15 **Q. Did you apply an adjustment related to direct access and variable price option load?**

16 A. Yes. PGE reduced power costs related to the additional 46.5 MWa of 2010 direct access
17 and variable price option load that had not been identified at the time the final Monet
18 forecast was prepared in November 2009. This reduced base power costs by another \$18.9
19 million and, of course, it also reduced the base loads used to determine unit NVPC.

² PGE has described the Monet model in the last five general rate proceedings (i.e., UE 115, UE 180, UE 188, UE 197, and UE 215) as well as previous RVM filings (Resource Valuation Mechanism – UE 139, UE 149, UE 161, and UE 172) and AUT filings (Annual Update Tariff – UE 192, UE 208, and UE 228). Consequently, we incorporate those descriptions by reference.

1 **Q. Please describe any other adjustments applied to the Monet output?**

2 A. PGE increased baseline power costs by approximately \$3.1 million in relation to the 2007
3 deferral of Port Westward gas transportation costs (Docket No. UM 1290 and approved by
4 Commission Order No. 07-452). In UM 1290, PGE deferred the lower actual gas
5 transportation costs than PGE had originally forecasted in PGE's 2007 general rate case,
6 UE 180, for later refund to customers. Because that refund was made via the 2010 AUT
7 (i.e., UE 208, where PGE's collections through Schedule 125 were reduced by \$3.1 million),
8 the deferral amortization was applied to PGE's revenue rather than power costs. The current
9 \$3.1 million PCAM adjustment coincides with the one made in the 2007 PCAM (i.e.,
10 UE 201, when the deferral was established) to offset the entry made to baseline power costs.
11 The effect of both PCAM entries reflects the fact that both the deferral and amortization
12 were recorded in PGE's revenue (through Schedule 125) and are excluded from power costs
13 in the PCAM to avoid double counting.

14 **Q. What were the final base NVPC?**

15 A. After the adjustments described above, base NVPC for 2010 were approximately \$765.9
16 million.

B. Actual Power Costs

17 **Q. What is the next step in calculating the PCV?**

18 A. The next step is to calculate PGE's actual NVPC for 2010. We begin this step by
19 identifying PGE's variable power costs as charged to the following FERC accounts: 501,
20 547, 555, and 565. We then include the amount of sales for resale, as charged to FERC 447.
21 For 2010, this net amount is \$741.7 million. To this amount, we apply a number of
22 adjustments as listed in Table 1, and described below.

Table 1

Adjustments to Actual 2010 Power Costs (\$000)

Actual NVPC per financial statements (see Exhibit 103C)		\$741,688
Excluded Items per Schedule 126:		
FAS 133/71, mark-to-market deferrals	subtract	119
Credit reserve activity	subtract	(74)
Out of period items	subtract	0
Other Excluded Items		
Biglow Canyon 3 net benefits	subtract	(5,383)
Green power costs billed directly to customers	subtract	7,386
Direct access 2009 deferral amortization	subtract	831
Colstrip WECO deferral amortization	subtract	1,368
Solar Feed-In Tariff - Sch205/206 avoided costs	subtract	1
Items to Include		
Coyote steam sales	add	(1,747)
Fuel Sales:		
Gas resale margin	add	(407)
Oil	add	(5,147)
Transmission resale revenues	add	(4,662)
Biglow availability credit	add	0
Energy revenues for variable price option customers	add	<u>(9,788)</u>
Adjusted Actual NVPC		715,699

1 **Q. Please describe the adjustments PGE applied to its actual NVPC per Schedule 126.**

2 A. PGE applied several adjustments that are specifically identified in Schedule 126. First, PGE
 3 removed the following items:

- 4 • A charge of \$119,000 for activity associated with FAS 133/71, mark-to-market deferrals.
 5 This charge is offset in the credit reserve line that follows.
- 6 • A credit of (\$74,000) for reserve activity related to non-retail customers during the
 7 PCAM period.
- 8 • Out-of-period items netted to zero in 2010, so there was no adjustment.

9 **Q. Did PGE exclude any other items?**

10 A. Yes. PGE also removed the following:

- 11 • A credit of (\$5.4 million) for Biglow Canyon 3 net benefits. Because the 2010
 12 costs and benefits of Biglow Canyon 3 were deferred according to the renewable

1 adjustment clause provisions of Tariff Schedule 122, they are specifically
2 excluded from the 2010 PCAM calculations. (See also Commission Order
3 No. 10-391 in Docket UE 220.)

- 4 • \$7.4 million for green power expenses that are billed directly to customers
5 through Schedules 7 and 32. Consequently, they should not be included when
6 calculating the PCV.
- 7 • A charge of \$831,000 for the 2009 direct access deferral amortization. This
8 charge was recorded to FERC account 447 (PGE ledger M22119) and represents
9 the deferral of incremental power costs associated with the large non-residential
10 load shift true up. This charge is recovered through a supplemental schedule.
- 11 • A charge of \$1.4 million for the Colstrip Western Energy Company (WECO)
12 deferral amortization. This charge was recorded to FERC account 501 (PGE
13 ledger N21221) and represents the deferral of prior year federal and state taxes
14 and royalty payments. This charge is recovered through a supplemental schedule.
- 15 • A charge of approximately \$1,000 for the avoided costs associated with PGE's
16 Solar Feed-In Tariff (SFIT – Schedules 205 and 206). To eliminate double
17 counting, this entry removes the increase to power costs that is associated with the
18 avoided cost benefit that is applied to the SFIT deferral.

19 **Q. What other adjustments did PGE make to actual NVPC?**

20 A. PGE included the following items that are specifically identified in Schedule 126:

- 21 • A credit of (\$1.7 million) for actual steam sale revenues from the Coyote
22 Springs 1 plant.
- 23 • A credit of (\$407,000) for gas resale margin.

- 1 • A credit of (\$5.1 million) for oil resale revenues. This credit occurred because
2 PGE was nearing the end of its 10-year oil-tank inspection cycle, which meant
3 that the tanks had to be emptied, cleaned, inspected, repaired, and relined.
4 Because PGE had to empty its tanks and market prices were above costs, PGE
5 was able to sell off the oil inventory at a profit in 2010.
- 6 • Biglow Canyon availability adjustment. This credit, when applicable, effectively
7 offsets higher purchased power costs due to Biglow Canyon having a lower
8 availability factor than contracted. For 2010, there is no applicable availability
9 credit.
- 10 • A credit of (\$9.7 million) for energy revenues from variable price option
11 customers.
- 12 • A credit of (\$4.7 million) for transmission resale revenues, net of lost
13 transmission revenues from direct access customers.

14 **Q. Why did you include a credit for transmission resale revenues in actual power costs?**

15 A. We did so because it is similar to gas and oil resales. In all of these categories, the
16 associated fuel and wheeling expense is in power costs but the resale revenue is recorded in
17 Other Revenue. To correctly reflect the net power costs associated with these categories, we
18 adjust power costs to reflect the resale revenue. Because these resale amounts are highly
19 variable from year to year, and in the case of gas and oil, can be both positive and negative,
20 we do not forecast them in base power costs.

21 **Q. Are sales of ancillary services included in actual NVPC?**

22 A. Yes. Approximately \$134,000 of revenues from sales of ancillary services are included as a
23 credit to actual NVPC in FERC account 447.

1 **Q. What were the final actual NVPC?**

2 A. After all the adjustments described above, the final actual NVPC total is approximately
3 \$715.7 million.

C. Unit Power Costs and Annual Variance

4 **Q. What is the next step in calculating the PCV?**

5 A. The next step is to unitize the base and actual NVPC so as to calculate a unit NVPC
6 variance. To accomplish this, we divide base NVPC and actual NVPC by base loads and
7 actual loads. In both cases, we use retail cost of service loads. The unit NVPC variance is
8 calculated by subtracting base unit NVPC from actual unit NVPC. We perform this step to
9 eliminate the power cost variance that would arise from changes in load.

10 **Q. What is the unit NVPC variance and how do you calculate the Annual Variance?**

11 A. Although PGE Exhibit 101 lists the PCV on a monthly basis, the unit NVPC variance for
12 purposes of the PCAM is based on annual amounts. For 2010, the unit NVPC variance is
13 approximately (\$0.71) per MWh. We then calculate the Annual Variance by multiplying the
14 unit NVPC variance times actual load. This produces an Annual Variance of approximately
15 (\$12.4 million).

D. PCV

16 **Q. What is the final step in calculating the PCV?**

17 A. The final step is to apply the deadband and sharing percentages, if applicable, to the Annual
18 Variance. Because we focus on the earnings test and ROE deadband in the next section, we
19 only discuss the power cost deadband here.

1 **Q. What is the power cost deadband?**

2 A. For the 2010 PCAM, the deadband should be calculated based on Commission Order No.
3 07-015, page 26. The power cost deadband is asymmetrical such that it will “range from 75
4 basis points ROE below the base level of NVPC included in rates, to 150 basis points ROE
5 above.” Because PGE realized actual power costs below base power costs in 2010, we
6 would use the 75 basis point ROE, resulting in a deadband of approximately (\$17.3 million).

7 **Q. How do you calculate this deadband?**

8 A. The specific calculation is provided in our work papers and consists of PGE’s currently
9 authorized rate base times our approved equity share to produce the applicable equity share
10 of rate base. This amount is then multiplied by:

- 11 • +1.50% for the after-tax deadband related to actual power costs greater than base
12 power costs; and
- 13 • -0.75% for the after-tax deadband related to actual power costs less than base power
14 costs.

15 These amounts are then multiplied by a gross-up factor to derive the pre-tax deadband,
16 which are then compared to the Annual Variance.

17 **Q. Will the deadband be calculated the same way for the 2011 PCAM?**

18 A. No. Based on Commission Order No. 10-478 (Appendix D, page 3 of 11) for power costs
19 beginning January 1, 2011, the PCAM deadband will be:

- 20 • \$30 million for a positive Annual Variance; and
- 21 • (\$15 million) for a negative Annual Variance.

22 This update is reflected in Schedule 126, which became effective January 1, 2011.

23 **Q. What was the final PCV after application of the sharing percents?**

- 1 A. Because PGE's annual variance of (\$12.4 million) is within the deadband amount of (\$17.3
- 2 million), we do not apply sharing percentages to determine a final PCV.

III. Earnings Review

1 **Q. Has PGE performed an earnings review with which to calculate the ROE deadband?**

2 A. Yes, although the annual variance lies entirely within the power cost deadbands and makes
3 the application of the ROE deadband moot. We performed this review initially as part of
4 our annual requirement to provide a Results of Operations (ROO) Report to the OPUC Staff,
5 which we submitted on May 27, 2011. Because the ROO incorporates all aspects of the
6 PCAM earnings review, PGE uses it as the basis for the ROE deadband. We include it as
7 PGE Exhibit 102.

8 **Q. What is the ROE deadband?**

9 A. The ROE deadband is +/-100 basis points of PGE's authorized ROE, which for 2010 is
10 10.0% (Commission Order No. 09-020). If PGE's earnings are below 9.0%, then we would
11 collect the PCV up to the point where the ROE is 9.0%. Alternatively, if PGE's earnings are
12 above 11.0%, then we would refund the PCV down to the point where the ROE is 11.0%.

13 **Q. What was PGE's final 2010 ROE including the PCV?**

14 A. PGE's final 2010 ROE was 9.06%,³ which is well below the 11.0% upper deadband
15 threshold. As noted in Section II.D. above, the annual variance is within the power cost
16 deadband, so no PCV is subject to an earnings review. Consequently, there is no customer
17 collection (or refund) associated with the 2010 PCAM.

18 **Q. Does PGE provide earnings test ROE results that separately identify the impact of the**
19 **PCAM amount as specified in item 4 of the UE 201 stipulation (see Commission Order**
20 **No. 08-551).**

³ This is the earnings test result that includes the relevant adjustments from Commission Order No. 09-020 and the OPUC letter regarding the calculation of ROOs dated March 25, 1992.

- 1 A. Yes. PGE Exhibit 104 provides the stipulated ROE results; however, because the final 2010
- 2 PCAM amount equaled zero, there is no impact from this entry.
- 3 **Q. What is the rate impact of the 2010 PCAM?**
- 4 A. There is no rate impact associated with the 2010 PCAM.

IV. Qualifications

1 **Q. Mr. Tooman, please state your educational background and experience.**

2 A. I received a Bachelor of Science degree in Accounting and Finance from the Ohio State
3 University in 1976. I received a Master of Arts degree in Economics from the University of
4 Tennessee in 1993 and a Ph.D. in Economics from the University of Tennessee in 1995. I
5 have held managerial accounting positions in a variety of industries and have taught
6 economics at the undergraduate level for the University of Tennessee, Tennessee Wesleyan
7 College, Western Oregon University, and Linfield College. Finally, I have worked for PGE
8 in the Rates and Regulatory Affairs department since 1996.

9 **Q. Mr. Liddle, please describe your qualifications.**

10 A. I received a Bachelor of Science degree in Business Administration with a finance emphasis
11 from the University of Oregon in 2004 and a Master of Business Administration degree
12 from Portland State University in 2009.

13 I have been employed at PGE since 2005, beginning as an analyst in PGE's Corporate
14 Finance Department. I then worked in PGE's Investor Relations Department. My current
15 position is Senior Analyst, Regulatory Affairs.

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

17 A. Yes.

List of Exhibits

<u>PGE Exhibit</u>	<u>Description</u>
101	Summary Calculation of PCV
102	2010 Results of Operations as filed May 27, 2011
103C	Actual Power Costs by Month and PGE Ledgers
104	2010 Results of Operations with segregated PCAM amount

PGE Power Cost Variance Mechanism (PCAM)

DECEMBER 2010

PCAM 2

w/ final VPO, final lost whlg revs

UE ____ / PGE Exhibit 101
Tooman - Liddle / 1

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
BASE													
MONET NVPC (\$000s)													
MONET NVPC (Nov16, Pre-Selection)	\$ 75,790	\$ 65,414	\$ 67,759	\$ 59,882	\$ 63,917	\$ 59,412	\$ 60,883	\$ 63,353	\$ 59,806	\$ 63,175	\$ 68,561	\$ 76,149	\$ 784,101
Adjust- from MONET to ORDER NVPC													
No outboard adjustments for 2010													\$ -
ORDER NVPC (PRE-SELECTION)	\$ 75,790	\$ 65,414	\$ 67,759	\$ 59,882	\$ 63,917	\$ 59,412	\$ 60,883	\$ 63,353	\$ 59,806	\$ 63,175	\$ 68,561	\$ 76,149	\$ 784,101
Adjust- from ORDER to BASE NVPC													
Coyote Steam Sales in AUT - Other Rev	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (201)	\$ (2,413)
2007 NWP and GTN Gas Trans Diff-not in NVPC	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260	\$ 3,124
Opt-Outs to MONET NVPC	\$ (1,669)	\$ (1,343)	\$ (1,435)	\$ (1,160)	\$ (1,060)	\$ (933)	\$ (1,966)	\$ (1,955)	\$ (1,709)	\$ (1,781)	\$ (1,823)	\$ (2,154)	\$ (18,889)
BASE NVPC (Post-Selection, COS)	\$ 74,280	\$ 64,130	\$ 66,384	\$ 58,781	\$ 62,916	\$ 58,538	\$ 58,976	\$ 61,457	\$ 58,156	\$ 61,453	\$ 66,797	\$ 74,055	\$ 765,923
BASE LOADS (MWHs)													
ORDER Retail Loads (Pre-Selection, COS)	1,787,156	1,544,865	1,599,606	1,468,749	1,462,171	1,423,586	1,548,530	1,543,846	1,411,589	1,485,190	1,580,472	1,784,627	18,640,387
Dec Opt-Outs to ORDER Retail Loads	(34,217)	(29,512)	(33,696)	(31,634)	(33,441)	(34,033)	(37,756)	(36,605)	(33,636)	(34,022)	(33,609)	(35,003)	(407,161)
BASE LOADS (Retail, w-DEC Opt-Outs, COS)	1,752,939	1,515,353	1,565,910	1,437,115	1,428,730	1,389,553	1,510,775	1,507,241	1,377,953	1,451,168	1,546,864	1,749,624	18,233,226
BASE UNIT NVPC	\$ 42.37	\$ 42.32	\$ 42.39	\$ 40.90	\$ 44.04	\$ 42.13	\$ 39.04	\$ 40.77	\$ 42.20	\$ 42.35	\$ 43.18	\$ 42.33	\$ 42.01

ACTUAL / FORECAST	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
Actual / Forecast NVPC (no Other Rev)	\$ 69,784	\$ 65,491	\$ 67,916	\$ 56,131	\$ 56,762	\$ 51,329	\$ 57,312	\$ 60,453	\$ 58,821	\$ 60,290	\$ 65,267	\$ 72,132	\$ 741,688

EXCLUDE:													
Credit Reserve - Expense	\$ 32	\$ (3)	\$ (1)	\$ 3	\$ (9)	\$ 8	\$ 22	\$ 7	\$ (7)	\$ (3)	\$ 0	\$ (4)	\$ 45
FAS 133/71 - MTM/Deferral	\$ (0)	\$ -	\$ (0)	\$ (0)	\$ (0)	\$ -	\$ -	\$ (0)	\$ 0	\$ (0)	\$ -	\$ -	\$ (0)
Costs/Revenues unrelated to period booked	\$ -	\$ -	\$ 2,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,040)	\$ -
PCAM 2010 accrual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Biglow 3 - net benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (39)	\$ (422)	\$ (1,651)	\$ (1,029)	\$ (813)	\$ (899)	\$ (530)	\$ (5,383)
Direct Access 09 deferral amortization	\$ 8	\$ 73	\$ 70	\$ 69	\$ 69	\$ 71	\$ 73	\$ 80	\$ 77	\$ 75	\$ 76	\$ 89	\$ 831
Green Power expenses in N11115 from JMS45D	\$ 793	\$ 676	\$ 624	\$ 591	\$ 549	\$ 548	\$ 549	\$ 582	\$ 558	\$ 537	\$ 601	\$ 778	\$ 7,386
Colstrip WECCO deferral amortization	\$ 92	\$ 183	\$ 172	\$ 165	\$ 157	\$ 168	\$ 162	\$ 174	\$ 104	\$ -	\$ -	\$ -	\$ 1,368
Solar Feed-In Tariff - Sch205/206 avoided costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
Subtotal Exclusions	\$ 925	\$ 929	\$ 2,906	\$ 827	\$ 765	\$ 747	\$ 384	\$ (608)	\$ (296)	\$ (205)	\$ (221)	\$ (1,705)	\$ 4,248

INCLUDE:													
Coyote Steam Sales-M34189	\$ (149)	\$ (114)	\$ (149)	\$ (131)	\$ (117)	\$ (126)	\$ (196)	\$ (140)	\$ (197)	\$ (151)	\$ (146)	\$ (132)	\$ (1,747)
Gas Resale Margin - M34183	\$ 287	\$ (44)	\$ (62)	\$ (204)	\$ 79	\$ (479)	\$ 32	\$ 83	\$ (36)	\$ 36	\$ (61)	\$ (38)	\$ (407)
Add Oil Sales - Revenue - M34187	\$ -	\$ -	\$ (1,215)	\$ (60)	\$ -	\$ (1,208)	\$ (1,740)	\$ (924)	\$ -	\$ -	\$ -	\$ -	\$ (5,147)
Biglow availability credit - N54401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Revenues from VPO customers	\$ (525)	\$ (529)	\$ (547)	\$ (504)	\$ (389)	\$ (255)	\$ (684)	\$ (623)	\$ (1,321)	\$ (1,343)	\$ (1,444)	\$ (1,625)	\$ (9,788)
Transmission resale revenues	\$ (575)	\$ (478)	\$ (375)	\$ (297)	\$ (436)	\$ (598)	\$ (475)	\$ (333)	\$ (292)	\$ (220)	\$ (280)	\$ (292)	\$ (4,651)
Subtotal Inclusions	\$ (962)	\$ (1,165)	\$ (2,348)	\$ (1,196)	\$ (863)	\$ (2,668)	\$ (3,063)	\$ (1,937)	\$ (1,846)	\$ (1,677)	\$ (1,931)	\$ (2,086)	\$ (21,741)

ACTUAL NVPC	\$ 67,897	\$ 63,396	\$ 62,661	\$ 54,108	\$ 55,134	\$ 47,917	\$ 53,865	\$ 59,324	\$ 57,271	\$ 58,818	\$ 63,557	\$ 71,751	\$ 715,699
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ACTUAL/FCST LOADS (Retail-COS-Calendar)	1,588,425	1,382,361	1,486,670	1,392,108	1,356,288	1,307,712	1,452,852	1,452,662	1,332,528	1,383,840	1,532,555	1,663,692	17,331,694
yt	2,970,788	4,457,458	5,849,564	7,205,852	8,513,565	9,968,417	11,419,079	12,751,607	14,135,447	15,688,002	17,331,694		

ACTUAL UNIT NVPC	\$ 42.74	\$ 45.86	\$ 42.15	\$ 38.87	\$ 40.65	\$ 36.64	\$ 37.08	\$ 40.84	\$ 42.98	\$ 42.50	\$ 41.47	\$ 43.13	\$ 41.29
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UNIT NVPC VARIANCE													
ACTUAL UNIT NVPC	\$ 42.74	\$ 45.86	\$ 42.15	\$ 38.87	\$ 40.65	\$ 36.64	\$ 37.08	\$ 40.84	\$ 42.98	\$ 42.50	\$ 41.47	\$ 43.13	\$ 41.29
BASE UNIT NVPC	\$ 42.37	\$ 42.32	\$ 42.39	\$ 40.90	\$ 44.04	\$ 42.13	\$ 39.04	\$ 40.77	\$ 42.20	\$ 42.35	\$ 43.18	\$ 42.33	\$ 42.01
ACTUALS ABOVE (BELOW) BASE UNIT NVPC	\$ 0.37	\$ 3.54	\$ (0.24)	\$ (2.03)	\$ (3.39)	\$ (5.49)	\$ (1.96)	\$ 0.06	\$ 0.77	\$ 0.16	\$ (1.71)	\$ 0.80	\$ (0.71)

ANNUAL VARIANCE (AV)	= UNIT NVPC VARIANCE X ACTUAL LOADS												
ACTUALS ABOVE (BELOW) BASE	\$ 588	\$ 4,894	\$ (363)	\$ (2,832)	\$ (4,592)	\$ (7,174)	\$ (2,850)	\$ 93	\$ 1,031	\$ 216	\$ (2,622)	\$ 1,333	\$ (12,353)

Positive Deadband - Actuals ABOVE Base	\$ 34,532
Negative Deadband - Actuals BELOW Base	\$ (17,266)
Variance at 100%	\$ -

ANNUAL POWER COST VARIANCE (PCV)	= (ANNUAL VARIANCE - DEADBAND) X 90%	POSITIVE (NEGATIVE) PCV = ACTUALS ABOVE (BELOW) POWER COST DEADBANDS	\$ -
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NO PCAM BOOKED. POWER COST VARIANCE WITHIN DEADBANDS.

PORTLAND GENERAL ELECTRIC
OPUC REGULATORY REPORTING
RESULTS OF OPERATIONS
January 1, 2010 - December 31, 2010
(Thousands of Dollars)

Regulatory adjustments based on Docket UE 197, Order 09-020	Actual	Type I	Regulated		Regulated		Pro Forma
	Utility Results	Accounting Adjustments	Utility Actuals	Type I Adjustments	Adjusted Results	Type II Adjustments	Results
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Operating Revenues							
Sales to Consumers	1,662,066	(5,511)	1,656,556	0	1,656,556	1,282	1,657,838
Sales for Resale	87,091	(87,091)	0	0	0	0	0
Other Operating Revenues	34,343	(11,951)	22,392	0	22,392	0	22,392
Total Operating Revenues	1,783,500	(104,553)	1,678,948	0	1,678,948	1,282	1,680,229
Operation & Maintenance							
Net Variable Power Cost	828,610	(99,042)	729,568	36	729,604	15,482	745,086
Total Fixed O&M	174,909	0	174,909	0	174,909	1,845	176,754
Other O&M	186,817	0	186,817	(16,716)	170,101	1,370	171,471
Total Operation & Maintenance	1,190,337	(99,042)	1,091,295	(16,680)	1,074,614	18,698	1,093,312
Depreciation & Amortization	233,905	72	233,977	0	233,977	996	234,973
Other Taxes / Franchise Fee	89,640	0	89,640	0	89,640	239	89,878
Income Taxes	49,525	3,884	53,409	6,416	59,825	(10,028)	49,797
Total Oper. Expenses & Taxes	1,563,407	(95,087)	1,468,320	(10,264)	1,458,056	9,905	1,467,961
Utility Operating Income	220,093	(9,466)	210,627	10,264	220,891	(8,623)	212,268
Rate of Return	7.49%		7.15%		7.50%		6.68%
Return on Equity	9.02%		8.31%		9.06%		7.38%
ROE based on actual capital structure.							
Average Rate Base							
Utility Plant in Service	5,894,073	0	5,894,073	(1,416)	5,892,656	366,050	6,258,706
Accumulated Depreciation	2,807,320	0	2,807,320	0	2,807,320	92,279	2,899,599
Accumulated Def. Income Taxes	323,710	0	323,710	46	323,756	36,196	359,952
Accumulated Def. Inv. Tax Credit	60	0	60	0	60	(46)	14
Net Utility Plant	2,762,982	0	2,762,982	(1,462)	2,761,520	237,621	2,999,141
Deferred Programs & Investments	13,617	5,524	19,141	118	19,259	(833)	18,426
Operating Materials & Fuel	56,099	0	56,099	0	56,099	(814)	55,285
Misc. Deferred Credits	36,505	0	36,505	0	36,505	(9,536)	26,968
Unamortized Ratepayer Gains	0	0	0	0	0	0	0
Working Cash	70,211	206	70,417	(534)	69,883	7,058	76,941
Total Average Rate Base	2,939,414	5,730	2,945,144	(1,878)	2,943,265	233,496	3,176,761

**PGE Exhibit 103C is Confidential and will be
provided upon execution of Protective Order**

PORTLAND GENERAL ELECTRIC
OPUC REGULATORY REPORTING
RESULTS OF OPERATIONS
January 1, 2010 - December 31, 2010
(Thousands of Dollars)

Regulatory adjustments based on Docket UE 197, Order 09-020	Actual Utility Results	Type I Accounting Adjustments	Regulated Utility Actuals	Type I Adjustments	Regulated Adjusted Results	2010 PCAM Accrual	Adjusted Results with PCAM
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Operating Revenues							
Sales to Consumers	1,662,066	(5,511)	1,656,556	0	1,656,556	0	1,656,556
Sales for Resale	87,091	(87,091)	0	0	0	0	0
Other Operating Revenues	34,343	(11,951)	22,392	0	22,392	0	22,392
Total Operating Revenues	1,783,500	(104,553)	1,678,948	0	1,678,948	0	1,678,948
Operation & Maintenance							
Net Variable Power Cost	828,610	(99,042)	729,568	36	729,604	0	729,604
Total Fixed O&M	174,909	0	174,909	0	174,909	0	174,909
Other O&M	186,817	0	186,817	(16,716)	170,101	0	170,101
Total Operation & Maintenance	1,190,337	(99,042)	1,091,295	(16,680)	1,074,614	0	1,074,614
Depreciation & Amortization	233,905	72	233,977	0	233,977	0	233,977
Other Taxes / Franchise Fee	89,640	0	89,640	0	89,640	0	89,640
Income Taxes	49,525	3,884	53,409	6,416	59,825	0	59,825
Total Oper. Expenses & Taxes	1,563,407	(95,087)	1,468,320	(10,264)	1,458,056	0	1,458,056
Utility Operating Income	220,093	(9,466)	210,627	10,264	220,891	(0)	220,891
Rate of Return	7.49%		7.15%		7.50%		7.50%
Return on Equity	9.02%		8.31%		9.06%		9.06%
ROE based on actual capital structure.							
Average Rate Base							
Utility Plant in Service	5,894,073	0	5,894,073	(1,416)	5,892,656	0	5,892,656
Accumulated Depreciation	2,807,320	0	2,807,320	0	2,807,320	0	2,807,320
Accumulated Def. Income Taxes	323,710	0	323,710	46	323,756	0	323,756
Accumulated Def. Inv. Tax Credit	60	0	60	0	60	0	60
Net Utility Plant	2,762,982	0	2,762,982	(1,462)	2,761,520	0	2,761,520
Deferred Programs & Investments	13,617	5,524	19,141	118	19,259	0	19,259
Operating Materials & Fuel	56,099	0	56,099	0	56,099	0	56,099
Misc. Deferred Credits	36,505	0	36,505	0	36,505	0	36,505
Unamortized Ratepayer Gains	0	0	0	0	0	0	0
Working Cash	70,211	206	70,417	(534)	69,883	0	69,883
Total Average Rate Base	2,939,414	5,730	2,945,144	(1,878)	2,943,265	0	2,943,265

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

Work Papers

Non-Confidential provided electronically (CD)

PORTLAND GENERAL ELECTRIC COMPANY

Alex Tooman – Chris Liddle

July 01, 2011

Deadband Calculation - Preliminary
Based on Order 08-601, Est. SWW, 2009/2010 RAC Update (Dec. 10), Est. Biglow III & SunWay 3
Dollars In \$000s

	2009 Estimated Approved Avg. Rate Base	2010 UE-204 SWW Avg.*	2010 UE-209 RAC Avg.	2010 RAC Biglow 3 Avg.	2010 RAC SunWay 3 Avg.**	2010 Estimated Approved Avg. Rate Base	
Approved Rate Base	2,418,469	69,816	151,407	199,845	-	2,839,537	
Equity Share of Rate Base	50.00%					50.00%	
Equity Share of Rate Base	1,209,234					1,419,768	Equals 50% * Approved Rate Base
150 Basis Points of ROE (After-Tax)	18,139					21,297	Equals 1.50% * Equity Share of Rate Base
75 Basis Points of ROE (After-Tax)	(9,069)					(10,648)	Equals 0.75% * Equity Share of Rate Base
Pre-SB 408 World (Gross Up After-Tax Calc above for Taxes):							
Gross-Up Factor (1/(1-38.328%))	1.6215					1.6215	
150 Basis Points of ROE (Pre-Tax)	29,411					34,532	
75 Basis Points of ROE (Pre-Tax)	(14,706)					(17,266)	

* Per 12/21 proposal.
** Project on hold.

From Christopher Liddle 2/9/10

BEFORE THE PUBLIC UTILITY COMMISSION

OF THE STATE OF OREGON

Confidential Work Papers
will be provided upon execution of Protective Order

PORTLAND GENERAL ELECTRIC COMPANY

Alex Tooman – Chris Liddle