



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

March 3, 2008

Email / US Mail

Commission Filing Center
Public Utility Commission of Oregon
550 Capital Street, N.E.
Salem, OR 97310-1380

Re: LC-43 – PORTLAND GENERAL ELECTRIC COMPANY 2007 Integrated Resource Plan

Attention Filing Center:

Enclosed for filing in docket LC 43, please find one original and one copy of:

- **RESPONSE OF PORTLAND GENERAL ELECTRIC COMPANY TO STAFF'S MOTION TO SUSPEND PROCEDURAL SCHEDULE AND REQUEST FOR PREHEARING CONFERENCE**

This document is being filed by electronic mail with the Filing Center.

An extra copy of this cover letter is enclosed. Please date stamp the extra copy and return to me in the envelope provided.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Richard George", written in a cursive style.

J. RICHARD GEORGE
Assistant General Counsel

JRG: smc
cc: LC-43 Service List

CERTIFICATE OF SERVICE

I hereby certify that on March 3, 2008, I caused **PORTLAND GENERAL ELECTRIC'S RESPONSE TO STAFF'S MOTION TO SUSPEND PROCEDURAL SCHEDULE AND REQUEST FOR PREHEARING CONFERENCE** to be served by electronic mail to those whose email addresses appear on the attached Service List, and by First Class US Mail, postage prepaid and properly addressed, to those parties who have not waived paper service in OPUC Docket LC 43.

Dated at Portland, Oregon, this 3rd day of March, 2008



J. RICHARD GEORGE
Assistant General Counsel

JRG:smc
Enclosures

cc: LC 43 Service List

LC 43 Service List as of 3/3/08

**W=Waive Paper
service**

**C=Confidential
HC=Highly Confidential**

W

**CITIZENS' UTILITY BOARD OF
OREGON**

LOWREY R BROWN
UTILITY ANALYST

610 SW BROADWAY - STE 308
PORTLAND OR 97205
lowrey@oregoncub.org

JASON EISDORFER
ENERGY PROGRAM
DIRECTOR

610 SW BROADWAY STE 308
PORTLAND OR 97205
jason@oregoncub.org

ROBERT JENKS

610 SW BROADWAY STE 308
PORTLAND OR 97205
bob@oregoncub.org

W

DAVISON VAN CLEVE PC

S BRADLEY VAN CLEVE

333 SW TAYLOR - STE 400
PORTLAND OR 97204
mail@dvclaw.com

W

DEPARTMENT OF JUSTICE

JANET L PREWITT **(C)**
ASST AG

1162 COURT ST NE
SALEM OR 97301-4096
janet.prewitt@doj.state.or.us

MICHAEL T WEIRICH **(C)**
ASSISTANT ATTORNEY
GENERAL

REGULATED UTILITY & BUSINESS SECTION
1162 COURT ST NE
SALEM OR 97301-4096
michael.weirich@doj.state.or.us

W

ESLER STEPHENS & BUCKLEY

JOHN W STEPHENS

888 SW FIFTH AVE STE 700
PORTLAND OR 97204-2021
stephens@eslerstephens.com

W

**NORTHWEST ENERGY
COALITION**

STEVEN WEISS
SR POLICY ASSOCIATE

4422 OREGON TRAIL CT NE
SALEM OR 97305
steve@nwenergy.org

W

**OREGON DEPARTMENT OF
ENERGY**

PHILIP H CARVER **(C)**
SENIOR POLICY ANALYST

625 MARION ST NE STE 1
SALEM OR 97301-3742
philip.h.carver@state.or.us

**OREGON PUBLIC UTILITY
COMMISSION**

LISA C SCHWARTZ **(C)**
SENIOR ANALYST

PO BOX 2148
SALEM OR 97308-2148
lisa.c.schwartz@state.or.us

W	PACIFIC POWER & LIGHT	<p>MICHELLE R MISHOE LEGAL COUNSEL</p> <p>825 NE MULTNOMAH STE 1800 PORTLAND OR 97232 michelle.mishoe@pacificorp.com</p>
W	PACIFICORP	<p>GREG N DUVALL DIRECTOR - IRP & REGULATORY STRATEGY</p> <p>825 NE MULTNOMAH - STE 600 PORTLAND OR 97232 greg.duvall@pacificorp.com</p>
W	PACIFICORP OREGON DOCKETS	<p>OREGON DOCKETS</p> <p>825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com</p>
	PORTLAND GENERAL ELECTRIC	<p>PATRICK HAGER RATES & REGULATORY AFFAIRS (C)</p> <p>121 SW SALMON ST 1WTC0702 PORTLAND OR 97204 pge.opuc.filings@pgn.com</p>
	PORTLAND GENERAL ELECTRIC COMPANY	<p>J RICHARD GEORGE (C)</p> <p>121 SW SALMON ST 1WTC1301 PORTLAND OR 97204 richard.george@pgn.com</p>
	PUBLIC UTILITY COMMISSION OF OREGON	<p>LORI KOHO (C)</p> <p>PO BOX 2148 SALEM OR 97308 lori.koho@state.or.us</p>
W	RENEWABLE NORTHWEST PROJECT	<p>KEN DRAGOON</p> <p>917 SW OAK, SUITE 303 PORTLAND OR 97205 ken@rnp.org</p> <p>ANN ENGLISH GRAVATT</p> <p>917 SW OAK - STE 303 PORTLAND OR 97205 ann@rnp.org</p>
W	RFI CONSULTING INC	<p>RANDALL J FALKENBERG</p> <p>PMB 362 8343 ROSWELL RD SANDY SPRINGS GA 30350 consultrfi@aol.com</p>

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

LC 43

In the Matter of the) **RESPONSE OF PORTLAND GENERAL**
) **ELECTRIC COMPANY TO STAFF'S**
PORTLAND GENERAL ELECTRIC) **MOTION TO SUSPEND PROCEDURAL**
COMPANY) **SCHEDULE AND REQUEST FOR**
) **PREHEARING CONFERENCE**
2007 Integrated Resource Plan)
)

Portland General Electric Company (“PGE”) hereby submits this reply to Staff’s motion to suspend the schedule in LC 43. We strongly object to an indefinite suspension of the procedural schedule in this docket and cancellation of the currently scheduled March 11, 2008 Special Public Meeting set for acknowledgement of PGE’s Integrated Resource Plan (“IRP”). In its motion, Staff has provided no basis for its request, other than needing “an extended, but still undetermined, amount of time to complete its review.” Moreover, granting such a request could be harmful to PGE’s customers and does not seem appropriate given the extended amount of time Staff has already had in which to complete its review of PGE’s proposed IRP.

The IRP process began almost two years ago. The attached exhibit shows a timeline of the considerable public process. During this period, Staff had considerable opportunity to provide input and raise issues with PGE’s resource planning approach. At each point where Staff raised issues or had questions, PGE responded to such concerns. PGE made several modifications to its resource planning analysis to accommodate Staff’s input, including to make a good-faith effort at being in full compliance with new IRP guidelines put in place on January 8, 2007, after PGE had completed the majority of its public process and IRP analysis.

PGE filed its proposed IRP on June 29, 2007, initiating the formal docket. Staff also has had ample opportunity to review and provide comments during the last eight months of formal docket proceedings.¹ The procedural schedule provided for a workshop, an interim public meeting, opportunities to provide written comment, and for ample data discovery. After Staff's motion to amend the original proposed schedule, which PGE did not oppose, the revised schedule (set forth in the Sept. 27, 2007 Prehearing Conference Memorandum) called for Staff *final* comments, recommendations, and a proposed draft of order by January 4, 2008. On that date, Staff submitted lengthy comments and a corresponding order recommending acknowledgement of PGE's IRP, subject to certain conditions pertaining entirely to PGE's *next* IRP. PGE and RNP (the only other party to comment) replied to Staff's comments with concerns regarding these conditions, and subsequently, these issues were resolved.. On Thursday, February 21, 2008 Staff distributed to the service list a final set of conditions that PGE finds acceptable.

Suspension of the docket in order to provide Staff more time to review PGE's IRP is not reasonable, given the opportunity Staff has already had to perform such a review. We are unsure of what last-minute concern of Staff requires a complete halt to this docket. We are not aware and have heard from no party that anyone disputes or questions our proposed resource Action Plan. We have generally received consistent positive feedback from stakeholders and from the Commission itself at the interim public meeting, regarding our proposed "Bridging Strategy."

If the concern is that Staff believes that PGE is not in compliance with one or more of the guidelines from Order No. 07-047, notwithstanding whether or not that suggestion is true, we do

¹ This time exceeds the time allotted for review in the IRP procedural guidelines adopted by the Commission in

not believe that this is something that should require significantly more evaluation or prevent the Commission from considering acknowledgement of PGE's IRP. The least cost planning process is inherently flexible and should allow for consideration of well-reasoned approaches, such as our Bridging Strategy, that make sense and provide the best combination of risk and cost in this time of significant energy supply uncertainty.

Least-Cost planning is an informative process, not a rate making process, and the Commission has discretion to grant acknowledgment regardless of the guidelines. As Staff's counsel pointed out in its November 27, 2007 motion to amend the procedural schedule, "the Commission retains discretion to modify [guidelines] for good cause."

We think our IRP as proposed, despite any potential areas of disagreement regarding technical requirements, reflects the best approach to risk and cost, and is ready for acknowledgment. In the event suspension of the schedule in this docket is granted, there is a potential for customer harm. As we have addressed in this docket itself, in our August 27, 2007 submittal "Report on the Competitive Dynamics of Renewable Resources," demand for renewable resources is very high. Thus, timing of execution of our resource procurement strategy is of the essence. In addition to California utilities competing for renewable resources in the Northwest several other Northwest utilities are currently engaged in least-cost planning processes. Further delay of IRP acknowledgment could delay our RFP process (docket UM 1345) and put PGE at a disadvantage in a competitive RFP market. The result could be that PGEs' customers will bear higher resource procurement costs.

Order No. 07-047. Guideline 3.c from that order provides: "Commission staff and parties should complete their comments and recommendations within six months of IRP filing."

For the reasons discussed above, PGE requests that indefinite suspension of the procedural schedule in this docket and cancellation of the March 11, 2008 special public meeting not be granted. Similarly, PGE asks that any temporary delay be very minimal.²

DATED this 3rd day of March 2008.

Respectfully submitted,

/S/ J. RICHARD GEORGE

J. Richard George, OSB #974691
Assistant General Counsel
PORTLAND GENERAL ELECTRIC COMPANY
121 SW Salmon Street, 1WTC1301
Portland, Oregon 97204
(503) 464-7611 (telephone)
(503) 464-2200 (telecopier)
richard.george@pgn.com

² In the event a short delay is allowed, PGE requests that the already-reserved March 11, 2008 date be retained for the prehearing conference requested by Staff.

2007 IRP Process Overview:

- ✓ 7 Public Meetings
- ✓ 1 meeting with Key Customers
- ✓ Studies:
 - Energy-relevant impacts of climate change in the PNW (University of Washington)
 - Black and Veatch Coal Technology Study
 - Cornforth Carbon Sequestration Study
 - Kema Customer Research
 - Quantec Load Control
- ✓ Public process took 18 months from start to filing, on June 2007
- ✓ Web site for public information

Public Meeting Schedule

April 12, 2006

- PGE's future resource needs
- Scope of the 2006 Integrated Resource Plan

May 8, 2006

- Customer outreach studies
- Demand-side management: options and incentives
- Potential state and federal issues: climate change policies, new renewable standards

June 12, 2006

- New generation options and costs: wind, next generation nuclear, natural gas, geothermal, traditional and gasified coal, biomass
- Fossil fuels fundamentals and forecasts

July 25, 2006

- 2006 IRP modeling approach: trial portfolios, risk metrics, stochastic inputs, scenarios, performance metrics
- Transmission considerations
- Capacity resource options

December 8, 2006

- Analysis of trial portfolio scenarios; performance by cost, risk, and other metrics
- Updates on regional resource adequacy standard, PGE capacity planning, demand response, EE, and Oregon RPS.

February 27, 2007

- Updated resource gap and portfolio analysis
- Loss of load probability analysis, capacity analysis, timing for filing draft IRP

- Candidate Energy Action Plan
- April 6, 2007
- Updates to EE, LOLP, and portfolio analysis; PGE system flexibility,
 - Capacity analysis, Boardman RH BART, IRP timing;

IRP Filing Timeline:

- June 5, 2007: PGE issues draft IRP for comment
- June 26, 2007: PGE receives comments from OPUC Staff on 2007 Draft IRP; no other parties filed comments on the draft.
- June 29, 2007: Final IRP filed with Commission
- July 26, 2007: Pre-hearing conference to set IRP schedule

Data Requests:

- October 3, 2007: Staff issues PGE data requests #1-6
- October 5, 2007: CUB issues data request No. 001 asking for responses to Staff data requests #1-5.
- October 17, 2007: PGE issues responses to Staff data requests #1-6
- October 18, 2007: PGE issues response to CUB data request No. 001
- November 8, 2007: Staff issues data request #7
- November 14, 2007: ODOE issues first data request asking for response to Staff DR #7
- November 26, 2007: PGE issues response to staff DR #7
- November 27, 2007: PGE issues response to ODOE data request #001
- December 5, 2007: PGE issues revised response to Staff data request #7
- December 6, 2007: PGE issues revised response to ODOE data request #001

Original Acknowledgment Schedule (Issued July 27, 2007)

August 9, 2007	Petitions to intervene due
August 16, 2007	Proposed budgets for intervener funding due
September 19, 2007	PGE presents results at Commission meeting
September 19, 2007	Workshop
October 19, 2007	Parties file comments; RNP only party to file comments;
November 9, 2007	PGE reply comments due
December 4, 2007	Staff final comments, recommendations, draft order
December 20, 2007	Reply to staff comments due
January 15, 2008	Staff public meeting report due
January 29, 2008	Staff presents recommendation at public meeting

Staff Motion to Amend Procedural Schedule (Motion filed November 27, 2007; memorandum revising schedule issued November 28, 2007)

January 4, 2008	Staff final comments, recommendation, draft order
January 22, 2008	Reply to staff comments
February 19, 2008	Staff public meeting report due
March 11, 2008	Staff public meeting presentation

Staff Motion to Amend Procedural Schedule (Motion filed February 14, 2008; Schedule modified February 15, 2008)

February 27, 2008	Staff public meeting report due
March 11, 2008 (no change)	Staff public meeting presentation

Staff Motion to Suspend Procedural Schedule (Issued February 28, 2008)

Staff asks the ALJ to suspend the schedule for the remaining events.