



**Portland General Electric Company**  
Legal Department  
121 SW Salmon Street • Portland, Oregon 97204  
(503) 464-8926 • Facsimile (503) 464-2200

**Douglas C. Tingey**  
Assistant General Counsel

July 31, 2007

*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 192 – 2008 Annual Power Cost Update Tariff**

Attention Filing Center:

Enclosed for filing in the captioned dockets are an original and one copy of:

- 1. MOTION TO ADMIT TESTIMONY OF PORTLAND GENERAL ELECTRIC COMPANY;**
- 2. AFFIDAVITS OF**
  - **MARC CODY;**
  - **JAY TINKER;**
  - **L. ALEX TOOMAN; and**
  - **STEPHEN SCHUE.**

Please note that the affidavits of Jay Tinker, L. Alex Tooman and Stephen Schue also contain Attachments A and B, which show deletions from the previously filed testimony (PGE/300/pages 10, 14).

These documents are 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 it to me in the envelope provided.

Thank you in advance for your assistance.

Sincerely,

DOUGLAS C. TINGEY

DCT:jbf  
Enclosure

cc: Service List-UE 192

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **MOTION TO ADMIT TESTIMONY and AFFIDAVITS OF L. ALEX TOOMAN, JAY TINKER, STEPHEN SCHUE and MARC CODY** on behalf of **PORTLAND GENERAL ELECTRIC COMPANY** 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.

Dated at Portland, Oregon, this 31<sup>st</sup> day of July 2007.

  
\_\_\_\_\_  
DOUGLAS C. TINGEY

**SERVICE LIST  
UE 192**

Lowrey R. Brown Utility Analyst Citizens' Utility Board of Oregon <a href="mailto:lowrey@oregoncub.org">lowrey@oregoncub.org</a> (*waived paper service)	Jason Eisdorfer Energy Program Director Citizens' Utility Board of Oregon <a href="mailto:jason@oregoncub.org">jason@oregoncub.org</a> (*waived paper service)
Robert Jenks Citizens' Utility Board of Oregon <a href="mailto:bob@oregoncub.org">bob@oregoncub.org</a> (*waived paper service)	S. Bradley Van Cleve Davison Van Cleve PC 333 SW Taylor Suite 400 Portland, Oregon 97204 <a href="mailto:mail@dvclaw.com">mail@dvclaw.com</a>
Stephanie S. Andrus Assistant Attorney General Department of Justice Regulated Utility and Business Section 1162 Court NE Salem, OR 97301 -4096 <a href="mailto:stephanie.andrus@state.or.us">stephanie.andrus@state.or.us</a>	Maury Galbraith Oregon Public Utility Commission Natural Gas/R & P PO Box 2148 Salem, OR 97308 <a href="mailto:maury.galbraith@state.or.us">maury.galbraith@state.or.us</a>
Randall J. Falkenberg RFI Consulting Inc. PMB 362 8343 Roswell Road Sandy Springs, GA 30350 <a href="mailto:consultingrfi.aol.com">consultingrfi.aol.com</a>	

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 192**

In the Matter of  PORTLAND GENERAL ELECTRIC COMPANY  2008 Annual Power Cost Update Tariff  _____	) ) ) ) ) ) ) )	<b>MOTION TO ADMIT                  TESTIMONY OF PORTLAND                  GENERAL ELECTRIC                  COMPANY</b>
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Portland General Electric Company moves that the following pre-filed testimony and exhibits, as amended, be admitted into the record of this proceeding:

Testimony	Witness(es)
PGE/100-101C	L. Alex Tooman Jay Tinker Stephen Schue
PGE/200-201	Marc Cody
PGE/300-302C	L. Alex Tooman Jay Tinker Stephen Schue

The affidavits of the above persons, attesting to the truth and accuracy of the testimony and exhibits, are attached. The Affidavits of Jay Tinker, L. Alex Tooman, and Stephen Schue make certain deletions from the previously filed testimony (PGE/300/pages 10, 14). In its response to ICNU Data Request 57, PGE stated that it would make these deletions. That data response was provided to the parties before the deadline for submitting cross-examination statements, and ICNU has offered the data response as an exhibit.

DATED this 31<sup>st</sup> day of July 2007.

Respectfully submitted,

/s/ DOUGLAS C. TINGEY

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DOUGLAS C. TINGEY

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 192**

In the Matter of	)	<b>AFFIDAVIT OF MARC CODY</b>
	)	
PORTLAND GENERAL ELECTRIC	)	
COMPANY	)	
	)	
2008 Annual Power Cost Update Tariff	)	
_____	)	

I, Mark Cody, being first duly sworn on oath, depose and say:

1. My full name is Marc Cody. I am Senior Analyst in Pricing and Tariffs for Portland General Electric ("PGE").
2. I filed testimony and associated exhibits (PGE/200-201) on behalf of PGE in this matter.
3. To the best of my knowledge, my pre-filed testimony and exhibits are true and accurate. If I were asked the same questions today, my answers would be the same.

SIGNED this 31 day of July 2007.

Marc A. Cody  
MARC CODY

SUBSCRIBED AND SWORN to before me this 31 day of July 2007.



Sheila M. Cox  
Notary Public for Oregon  
My Commission Expires: 1-17-2010

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UE 192**

In the Matter of	)	<b>AFFIDAVIT OF STEPHEN</b>
	)	<b>SCHUE</b>
PORTLAND GENERAL ELECTRIC	)	
COMPANY	)	
	)	
2008 Annual Power Cost Update Tariff	)	
	)	
_____	)	

I, Stephen Schue, being first duly sworn on oath, depose and say:

1. My name is Stephen Schue. I am a Senior Analyst of Portland General Electric (“PGE”).
2. I filed testimony and associated exhibits (PGE/100-101C and PGE/300-302C) on behalf of PGE in this matter.
3. As noted in PGE’s Response to ICNU Data Request No. 057, as ICNU now states that it did not receive the information regarding the Cold Snap contract, PGE withdraws portions of its testimony accordingly. No testimony is added. Specifically, we make the following corrections:
  - a. Page 10, lines 2 through 8 of Exhibit 300 will now read: “No. An extrinsic value analysis for the Cold Snap contract comparable to that adopted by the Commission for the Super Peak contract showed an extrinsic value of less than zero. PGE Confidential Exhibit 301C is a copy. OPUC Staff Exhibit 204”  
[continuing as filed].

b. Additionally, the testimony on Lines 1-3 of Page 14 of PGE Exhibit 300 will now read: "The ICNU analysis disregards the contractual year maximum 'take' provision of the Cold Snap contract."

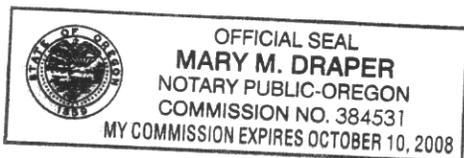
4. Attached hereto as Attachment "A" are red-line copies of pages 10 and 14 of PGE Exhibit 300 showing the specific deletions from the pre-filed testimony. Attached hereto as Attachment "B" are clean, substitute pages 10 and 14 of PGE Exhibit 300.

5. With the corrections set forth above, to the best of my knowledge, my pre-filed testimony and exhibits are true and accurate. If I were asked the same questions today, my answers would be the same.

SIGNED this 30 day of July 2007.

Stephen Schue  
STEPHEN SCHUE

SUBSCRIBED AND SWORN to before me this 30 day of July 2007.



Mary M Draper  
Notary Public for Oregon  
My Commission Expires: 10/10/2008

# **ATTACHMENT A**

1 **Q. Do you agree with ICNU's assertions?**

2 A. No. ~~As part of its Response to ICNU Data Request No. 020 in Docket UE 180, PGE~~  
3 ~~provided~~ an extrinsic value analysis for the Cold Snap contract comparable to that adopted  
4 by the Commission for the Super Peak contract. ~~Both came from the scoring process that~~  
5 ~~PGE used to rank capacity products bid into its 2003 Request for Proposals. The Cold Snap~~  
6 ~~analysis~~ showed an extrinsic value of less than zero. PGE Confidential Exhibit 301C is a  
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10 that the Cold Snap contract had no extrinsic value. PGE Confidential Exhibit 302C is a  
11 copy of Staff Exhibit 204 in Docket UE 180.

12 **Q. Did ICNU find that the Cold Snap contract had positive extrinsic value in Docket**  
13 **UE 180?**

14 A. No. ICNU Witness Falkenberg stated "For the other capacity tolling contract (PPM Cold  
15 Snap), I performed an extrinsic value analysis but found no extrinsic value." (UE 180,  
16 ICNU 103 at 10, Lines 11-12).

17 **Q. Does the OPUC Staff address the inclusion of no extrinsic value adjustment for the**  
18 **Cold Snap contract in Order No. 07-015?**

19 A. Yes. Referring to the evidence presented above, Staff states that it "believes the  
20 Commission resolved the issue of the extrinsic value of the Cold Snap contract based on this  
21 evidence." (Staff 100 at 3, Lines 14-15).

22 **Q. If there were new information available on possible extrinsic value of the Cold Snap**  
23 **contract, would this be the appropriate docket for its consideration?**

1 A. The ICNU analysis disregards the contractual year maximum “take” provision of the Cold  
2 Snap contract, ~~a copy of which PGE provided to ICNU in its response to ICNU Data~~  
3 ~~Request No. 020 in Docket UE 180.~~

4 **Q. What is the effect of disregarding the contract’s maximum “take” provision?**

5 A. ICNU’s result is dependent on a measure of extrinsic value for the “contract year” in 2000  
6 and 2001. However, ICNU’s analysis allows the contract to “dispatch” almost 10 times the  
7 number of hours allowed by the contract.

8 **Q. Please summarize your findings regarding ICNU’s proposal.**

9 A. ICNU’s proposal

- 10 1. Seeks to re-litigate a matter decided in Order No. 07-015.
- 11 2. Violates the limited update provisions of Schedule 125.
- 12 3. Incorrectly uses the period of the Western Power Crisis to justify an adjustment.
- 13 4. Does not use post-power crisis data.
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- 15 6. Directly contradicts ICNU’s own testimony in Docket UE 180.

16 The best forecast for the Cold Snap contract’s 2008 extrinsic value is zero, i.e. no  
17 extrinsic value adjustment is appropriate. As we noted above, Order No. 07-015 directs that  
18 unexpected events, such as PGE dispatching the Cold Snap contract, be handled by the  
19 PCAM mechanism, not the AUT forecast of net variable power costs.

20 **Q. You assert that the extrinsic value of the Cold Snap contract is zero. Is ICNU’s claim**  
21 **that this contract adds a “dead weight’ to the model, with no offsetting benefits for**  
22 **ratepayers” (ICNU 100 at 6, Lines 9-10) then true?**

# **ATTACHMENT B**

1 **Q. Do you agree with ICNU's assertions?**

2 A. No. An extrinsic value analysis for the Cold Snap contract comparable to that adopted by  
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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UE 192**

In the Matter of	)	<b>AFFIDAVIT OF JAY TINKER</b>
	)	
PORTLAND GENERAL ELECTRIC	)	
COMPANY	)	
	)	
2008 Annual Power Cost Update Tariff	)	
	)	
_____	)	

I, Jay Tinker, being first duly sworn on oath, depose and say:

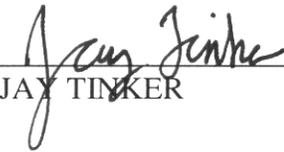
1. My name is Jay Tinker. I am Project Manager, Rates and Regulatory Affairs, of Portland General Electric (“PGE”).
2. I filed testimony and associated exhibits (PGE/100-101C and PGE/300-302C) on behalf of PGE in this matter.
3. As noted in PGE’s Response to ICNU Data Request No. 057, as ICNU now states that it did not receive the information regarding the Cold Snap contract, PGE withdraws portions of its testimony accordingly. No testimony is added. Specifically, we make the following corrections:
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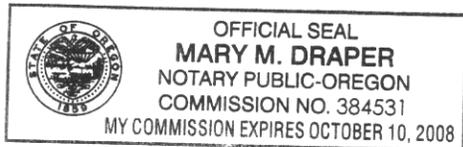
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SIGNED this 30 day of July 2007.

  
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JAY TINKER

SUBSCRIBED AND SWORN to before me this 30 day of July 2007.



  
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Notary Public for Oregon  
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# **ATTACHMENT A**

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**BEFORE THE PUBLIC UTILITY COMMISSION**

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**UE 192**

In the Matter of	)	<b>AFFIDAVIT OF L. ALEX</b>
	)	<b>TOOMAN</b>
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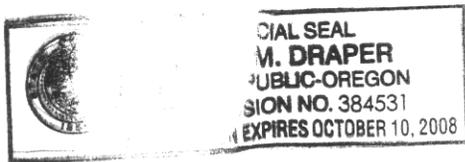
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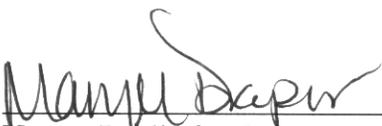
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# **ATTACHMENT A**

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21 **that this contract adds a “dead weight’ to the model, with no offsetting benefits for**  
22 **ratepayers” (ICNU 100 at 6, Lines 9-10) then true?**

# **ATTACHMENT B**

1 **Q. Do you agree with ICNU's assertions?**

2 A. No. An extrinsic value analysis for the Cold Snap contract comparable to that adopted by  
3 the Commission for the Super Peak contract showed an extrinsic value of less than zero.  
4 PGE Confidential Exhibit 301C is a copy. OPUC Staff Exhibit 204 in Docket UE 180 relied  
5 on the same analysis that PGE used to rank capacity products bid into its 2003 Request for  
6 Proposals, and Staff concluded that the Cold Snap contract had no extrinsic value. PGE  
7 Confidential Exhibit 302C is a copy of Staff Exhibit 204 in Docket UE 180.

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12 **Q. Did ICNU find that the Cold Snap contract had positive extrinsic value in Docket**  
13 **UE 180?**

14 A. No. ICNU Witness Falkenberg stated "For the other capacity tolling contract (PPM Cold  
15 Snap), I performed an extrinsic value analysis but found no extrinsic value." (UE 180,  
16 ICNU 103 at 10, Lines 11-12).

17 **Q. Does the OPUC Staff address the inclusion of no extrinsic value adjustment for the**  
18 **Cold Snap contract in Order No. 07-015?**

19 A. Yes. Referring to the evidence presented above, Staff states that it "believes the  
20 Commission resolved the issue of the extrinsic value of the Cold Snap contract based on this  
21 evidence." (Staff 100 at 3, Lines 14-15).

22 **Q. If there were new information available on possible extrinsic value of the Cold Snap**  
23 **contract, would this be the appropriate docket for its consideration?**

1 A. The ICNU analysis disregards the contractual year maximum “take” provision of the Cold  
2 Snap contract.

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4 **Q. What is the effect of disregarding the contract’s maximum “take” provision?**

5 A. ICNU’s result is dependent on a measure of extrinsic value for the “contract year” in 2000  
6 and 2001. However, ICNU’s analysis allows the contract to “dispatch” almost 10 times the  
7 number of hours allowed by the contract.

8 **Q. Please summarize your findings regarding ICNU’s proposal.**

9 A. ICNU’s proposal

- 10 1. Seeks to re-litigate a matter decided in Order No. 07-015.
- 11 2. Violates the limited update provisions of Schedule 125.
- 12 3. Incorrectly uses the period of the Western Power Crisis to justify an adjustment.
- 13 4. Does not use post-power crisis data.
- 14 5. Ignores the contract’s operational constraints.
- 15 6. Directly contradicts ICNU’s own testimony in Docket UE 180.

16 The best forecast for the Cold Snap contract’s 2008 extrinsic value is zero, i.e. no  
17 extrinsic value adjustment is appropriate. As we noted above, Order No. 07-015 directs that  
18 unexpected events, such as PGE dispatching the Cold Snap contract, be handled by the  
19 PCAM mechanism, not the AUT forecast of net variable power costs.

20 **Q. You assert that the extrinsic value of the Cold Snap contract is zero. Is ICNU’s claim**  
21 **that this contract adds a “dead weight” to the model, with no offsetting benefits for**  
22 **ratepayers” (ICNU 100 at 6, Lines 9-10) then true?**

1 **Q. Do you agree with ICNU's assertions?**

2 A. No. ~~As part of its Response to ICNU Data Request No. 020 in Docket UE 180, PGE~~  
3 ~~provided~~ an extrinsic value analysis for the Cold Snap contract comparable to that adopted  
4 by the Commission for the Super Peak contract. ~~Both came from the scoring process that~~  
5 ~~PGE used to rank capacity products bid into its 2003 Request for Proposals. The Cold Snap~~  
6 ~~analysis~~ showed an extrinsic value of less than zero. PGE Confidential Exhibit **301C** is a  
7 copy of the ~~Cold Snap contract portion of its Response to ICNU Data Request No. 020 in~~  
8 ~~UE 180~~. OPUC Staff Exhibit 204 in Docket UE 180 relied on the same analysis that PGE  
9 used to rank capacity products bid into its 2003 Request for Proposals, and Staff concluded  
10 that the Cold Snap contract had no extrinsic value. PGE Confidential Exhibit **302C** is a  
11 copy of Staff Exhibit 204 in Docket UE 180.

12 **Q. Did ICNU find that the Cold Snap contract had positive extrinsic value in Docket**  
13 **UE 180?**

14 A. No. ICNU Witness Falkenberg stated "For the other capacity tolling contract (PPM Cold  
15 Snap), I performed an extrinsic value analysis but found no extrinsic value." (UE 180,  
16 ICNU 103 at 10, Lines 11-12).

17 **Q. Does the OPUC Staff address the inclusion of no extrinsic value adjustment for the**  
18 **Cold Snap contract in Order No. 07-015?**

19 A. Yes. Referring to the evidence presented above, Staff states that it "believes the  
20 Commission resolved the issue of the extrinsic value of the Cold Snap contract based on this  
21 evidence." (Staff 100 at 3, Lines 14-15).

22 **Q. If there were new information available on possible extrinsic value of the Cold Snap**  
23 **contract, would this be the appropriate docket for its consideration?**

1 A. The ICNU analysis disregards the contractual year maximum “take” provision of the Cold  
2 Snap contract, ~~a copy of which PGE provided to ICNU in its response to ICNU Data~~  
3 ~~Request No. 020 in Docket UE 180.~~

4 **Q. What is the effect of disregarding the contract’s maximum “take” provision?**

5 A. ICNU’s result is dependent on a measure of extrinsic value for the “contract year” in 2000  
6 and 2001. However, ICNU’s analysis allows the contract to “dispatch” almost 10 times the  
7 number of hours allowed by the contract.

8 **Q. Please summarize your findings regarding ICNU’s proposal.**

9 A. ICNU’s proposal

- 10 1. Seeks to re-litigate a matter decided in Order No. 07-015.
- 11 2. Violates the limited update provisions of Schedule 125.
- 12 3. Incorrectly uses the period of the Western Power Crisis to justify an adjustment.
- 13 4. Does not use post-power crisis data.
- 14 5. Ignores the contract’s operational constraints.
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17 extrinsic value adjustment is appropriate. As we noted above, Order No. 07-015 directs that  
18 unexpected events, such as PGE dispatching the Cold Snap contract, be handled by the  
19 PCAM mechanism, not the AUT forecast of net variable power costs.

20 **Q. You assert that the extrinsic value of the Cold Snap contract is zero. Is ICNU’s claim**  
21 **that this contract adds a “‘dead weight’ to the model, with no offsetting benefits for**  
22 **ratepayers” (ICNU 100 at 6, Lines 9-10) then true?**

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7 number of hours allowed by the contract.

8 **Q. Please summarize your findings regarding ICNU’s proposal.**

9 A. ICNU’s proposal

- 10 1. Seeks to re-litigate a matter decided in Order No. 07-015.
- 11 2. Violates the limited update provisions of Schedule 125.
- 12 3. Incorrectly uses the period of the Western Power Crisis to justify an adjustment.
- 13 4. Does not use post-power crisis data.
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