

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 192

In the Matter of)

PORTLAND GENERAL ELECTRIC,)

2008 Annual Power Cost Update Tariff.)

REPLY BRIEF

OF THE

CITIZENS' UTILITY BOARD OF OREGON

September 18, 2007



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I. Introduction

CUB provides this short reply to PGE’s Opening Brief in order to correct a few misperceptions fostered by PGE.

II. Argument

In its Opening Brief, PGE asserts that CUB’s position: 1) does not comply with Order 07-015; 2) appears results driven; and 3) is inconsistent with the concept of a 4-year rolling average. PGE Op. Br. at 4-5.

A. CUB’s Argument Is Not Inconsistent With Order No. 07-015

CUB’s argument is not inconsistent with the Commission’s Order in UE 180. As we addressed in our Opening Brief, the Commission explicitly addressed only the 2005 portion of the Boardman deferral outage in Order 07-015, and examines neither the 2006 portion of that outage nor the periods before and after the outage. CUB Op. Br.

at 8. It is impossible for us to be inconsistent with an order when we address something that the order itself clearly did not. PGE's assertion is without merit.

B. CUB's Proposal Seeks A Reasonable Forecast Of Normal Operation

If, in asserting that CUB's position is results-driven, PGE means that we are hoping to foster a result that is rational and fair, we are guilty as charged. However, PGE is charging us with being unprincipled and self-serving, a charge we deny. PGE wants to believe that CUB is picking and choosing time periods to keep rates artificially low. We have clearly explained in our Testimony and our Opening Brief why the "pre-deferral" and "post-second outage" periods deviate so far from normal operations that their inclusion in Boardman's 4-year rolling average would make that metric useless for its intended purpose: to forecast normal plant operations.

CUB compares the 4-year rolling average filed by PGE (actually 3.4-year rolling average, due to the removal of the deferral and second-outage periods) to other Boardman 4-year rolling averages. CUB/100/Brown/8. We also compare Boardman's 2005 and 2006 annual forced outage rates (again, with the deferral and second-outage periods removed) to Boardman's annual forced outage rates in the years dating back to 1998. CUB/103/Brown/1. A reasonable conclusion, based on this comparison, is that the 3.4-year rolling average proposed by PGE is not a reasonable reflection of normal plant operation.

C. No Matter How You Slice It, Boardman's Past 4 Years Were Not Normal

Finally, PGE accuses us of being inconsistent with the practice of 4-year rolling averages. The Company says that, by removing Boardman's periods of abnormal operation before the official deferral period and after the second outage, and instead using

the last four years of normal Boardman operation, 2001 to 2004, we violate Schedule 125 which “states that forced outage rates are to be based on a four-year rolling average – and a rolling average does not include ignoring two recent years and substituting two earlier years.” PGE Op. Br. at 5, emphasis original.

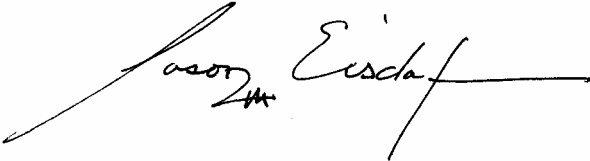
Of course, PGE does not appear concerned that its filing, too, violates this tariff direction in the Company’s proposed rolling 4-year average. PGE’s rolling 4-year average is not 4 years, but 3.4 years, because PGE removed – and we think appropriately so – the Boardman deferral and the second-outage periods. Both PGE and CUB are attempting to deal with an abnormal period of Boardman’s operation, but PGE is defining the period of abnormal operation as limited to only the deferral and second-outage periods, whereas CUB’s Testimony demonstrates that Boardman’s operation during the pre-deferral and post-second outage periods was also noticeably abnormal. Neither CUB’s nor PGE’s proposed 4-year rolling average for Boardman’s forced outage rate is ideal, but CUB’s proposal comes closer to the original purpose of a rolling 4-year forced outage rate, which is to forecast, using four consecutive years of normal operation, what a plant’s forced outage rate under normal operation might be.

III. Conclusion

PGE’s Opening Brief offers nothing of substance in opposing CUB’s proposal to use Boardman’s relatively normal performance from 2001-2004 to calculate the plant’s 4-year rolling average. Boardman’s forced outage rates in early 2005 and late 2006 were abnormally high, were impacted by the turbine’s cracked rotor, include a period of turbulent plant operation following an 8-month outage, and do not represent normal operating performance. We continue to recommend that the Commission use

Boardman's 2001-2004 modified equivalent forced outage rate, as proposed in CUB's Reply Testimony, to forecast Boardman's normal operation for 2008.

Respectfully Submitted,
September 18, 2007

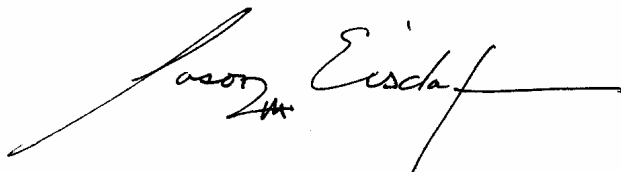
A handwritten signature in black ink, reading "Jason Eisdorfer". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Jason Eisdorfer #92292
Attorney for the Citizens' Utility Board of Oregon

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of September, 2007, I served the foregoing Reply Brief of the Citizens' Utility Board of Oregon in docket UE 192 upon each party listed below, by email and, where paper service is not waived, by U.S. mail, postage prepaid, and upon the Commission by email and by sending 6 copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

Respectfully submitted,



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W=Waive Paper service, C=Confidential, HC=Highly Confidential

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