

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1129

In the Matter of )  
)  
PUBLIC UTILITY COMMISSION OF ) POST-HEARING MEMORANDUM  
OREGON )  
)  
Staff's Investigation Relating to Electric )  
Utility Purchases From Qualifying Facilities. )

On February 8, 2006, a hearing, continued from February 2, 2006, was held in this docket in Salem, Oregon. The following parties made appearances in person, or by telephone: Inara Scott, on behalf of Portland General Electric Company (PGE); Lisa Rackner, on behalf of Idaho Power Company (Idaho Power); John Eriksson, on behalf of PacifiCorp; Mike Weirich and Lisa Schwartz, on behalf of Staff of the Public Utility Commission of Oregon (Commission); Janet Prewitt, on behalf of the Oregon Department of Energy (ODOE); Peter Richardson, on behalf of Sherman County Court and J. R. Simplot Company (Sherman County/Simplot); and Irion Sanger, on behalf of the Industrial Customers of Northwest Utilities (ICNU).

ODOE made a motion, which was granted, requesting that the Commission take official notice, pursuant to OAR 860-14-0050(1)(e) of a portion of PGE's Final Action Plan from its 2002 Integrated Resource Plan (IRP), dated March 2004. ODOE indicated that it would file the specific pages at issue, and did so on February 9, 2006. ODOE requested that the Commission take official notice of pages 61 through 71 of PGE's 2002 IRP.<sup>[1]</sup> ODOE also filed a motion, on February 6, 2006, to admit a Partial Stipulation resolving Issue Number 4. The motion is granted, and the Stipulation is accepted into the record.

The Commission will also take official notice of the advice filings of PGE (Advice Nos. 05-10, 05-12 and 05-16), PacifiCorp (Advice Nos. 05-10, 05-11) and Idaho Power (Advice No. 05-06), which submitted proposed standard contracts for Staff's review for compliance with Order No. 05-854. The compliance of each of these filings is now at issue in this part of the docket.

The record was left open at the close of the hearing to allow parties to file affidavits, or a motion to substitute a declaration, supporting pre-filed testimony of witnesses that were not sworn at the hearing. The Fair Rate Coalition (FRC) filed an affidavit by Doug Pegar, as well as declaration by Steve Sanders, and a motion to substitute a declaration for an affidavit in support of Mr. Sanders' pre-filed testimony. FRC's motion is granted and Mr. Sanders' testimony is admitted into the record. Staff filed the affidavits of Michael

<sup>[1]</sup> The full text of PGE's 2002 IRP is available at:  
[http://www.portlandgeneral.com/about\\_pge/regulatory\\_affairs/pdfs/2002\\_irp/actionPlan\\_final](http://www.portlandgeneral.com/about_pge/regulatory_affairs/pdfs/2002_irp/actionPlan_final)

Dougherty and J. R. Gonzalez in support of their pre-filed testimony. ICNU filed an affidavit by Randall J. Falkenberg in support of his pre-filed testimony.

A list of all exhibits received into the record for this proceeding is attached as Appendix A to this memorandum.<sup>1</sup> Please submit any corrections or objections within seven days of the date of this memorandum; if no corrections or objections are received by this time, the record will be considered closed.

At the hearing, parties addressed the ruling, dated February 7, 2006, regarding potential issues related to standard contracts for off-system qualifying facilities (QFs) under 10 MW. On February 6, 2006, ICNU filed a letter indicating that active parties agreed to move the hearing currently scheduled to address Phase II issues to May 2 and 3, 2006. On February 8, 2006, parties indicated that they were amenable to moving the hearing regardless of the procedural schedule adopted to address potential issues related to off-system QFs under 10 MW. Parties indicated the intent, however, to work together to compile an appropriate issues list. Consequently, I ruled that the hearing would be moved, and that the proposed schedule to address issues related to off-system QFs under 10 MW would be conditionally adopted, and be finally adopted once any issues were approved for consideration. The procedural schedule for Phase II-Track II is conditionally revised, as follows:

<b>Phase II Issues</b>	
Proposed issues regarding off-system QFs under 10 MW	February 24, 2006
Simultaneous direct testimony due on issues regarding non-standard contracts for QFs	February 27, 2006
Direct testimony due on issues regarding off-system QFs under 10 MW, and Rebuttal testimony due on issues regarding non-standard contracts for QFs	March 24, 2006
Rebuttal testimony due on issues regarding off-system QFs under 10 MW	April 14, 2006
Hearing	May 2 - 3, 2006 (Details TBD)
Briefs	Dates TBD at hearing

Dated this 17<sup>th</sup> day of February, 2006, at Salem, Oregon.

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**Traci A. G. Kirkpatrick**  
Administrative Law Judge

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<sup>1</sup> At my request, counsel for Sherman County and J. R. Simplot filed a letter, on February 16, 2006, that clarified, and corrected, numbering for exhibits filed by Sherman County and J. R. Simplot. For purposes of modifying such exhibits, the letter will be treated as a motion and is hereby granted. Exhibits filed by Sherman County and J. R. Simplot shall be identified hereafter, and are so identified in Appendix A, as provided in the letter of February 16, 2006.

## APPENDIX A: EXHIBITS

DOCKET NAME:                     Staff's Investigation Relating to Electric Utility Purchases from Qualifying Facilities (Phase II – Track I (Compliance Issues))

DOCKET NO.                                 UM 1129

Exhibit No.	Description	Disposition
PacifiCorp 105	Rebuttal Testimony of Mark T. Widmer	P
PacifiCorp 302	Rebuttal Testimony of Nathalie O. Wessling	P
PacifiCorp 400	Rebuttal Testimony of Bruce W. Griswold	P
PacifiCorp 401	Exhibit Accompanying Rebuttal Testimony of Bruce W. Griswold – Standard QF PPA for New Projects	P
PacifiCorp 402	Exhibit Accompanying Rebuttal Testimony of Bruce W. Griswold – Standard QF PPA for Existing Projects	P
PacifiCorp 403	Exhibit Accompanying Rebuttal Testimony of Bruce W. Griswold – Standard QF Off-System Contract	P
PacifiCorp 404	Redlined Version of Power Purchase Agreement Between an Off-System Qualifying Facility (New or Existing) with 10 MW Facility Capacity Rating, or Less, and Uninterruptible Transmission to the Point of Delivery	A
PacifiCorp 500	Rebuttal Testimony of David J. Engberg	P
PacifiCorp 600	Rebuttal Testimony of Catherine F. Reinhart	P
ODOE 5	▼ Direct Testimony of Carel DeWinkel	P
ODOE 6	Direct testimony of Jeff Keto	P
ODOE 7	Direct testimony of Phil Carver	P
ODOE 8	Rebuttal Testimony of Carel DeWinkel	P
ODOE 9	Rebuttal Testimony of Jeff Keto	P
N/A	Partial Stipulation	M
N/A	Selected pages of PGE's Final Action Plan from its 2002 Integrated Resource Plan (IRP)	M
FRC	Direct testimony of Steve Sanders	P
FRC	Direct testimony of Douglas W. Pagar	P
ICNU 200	Direct testimony of Randall J. Falkenberg	P
ICNU 201	Randall Falkenberg Qualifications	P

ICNU 202	PacifiCorp's Load and Resource Balance Calculation	P
ICNU 203	Excerpt of PacifiCorp's Integrated Resource Plan	P
ICNU 204	Comparison of Market Gas and Electric Prices	P
ICNU 205	Gas Index Avoided Cost Rate	P
ICNU 206	Excerpt of PacifiCorp's Response to ICNU's Sixth Set of Data Requests	P
ICNU 207	PacifiCorp Pricing Methodology and Input	P
ICNU 208	PacifiCorp Sufficiency Period Fixed Prices	P
ICNU 209	PacifiCorp's Response to ICNU's 9 <sup>th</sup> Set of Data Requests	A
Idaho Power 200	Rebuttal Testimony of John R. Gale	P
PGE 300	Rebuttal Testimony of Doug Kuns and Ted Drennan	P
PGE 321	Sherman County / Simplot Response to PGE 008	A
PGE 322	Sherman County / Simplot Response to PGE 009	A
PGE 323	Sherman County / Simplot Response to PGE 010	A
Staff 1000	Direct testimony of Lisa Schwartz	P
Staff 1001	Summary of Staff's Recommendations	P
Staff 1002	Exhibits in Support of Direct Testimony (Responses to Data Requests by Idaho Power)	P
Staff 1003	Exhibits in Support of Direct Testimony (Responses to Data Requests by PGE)	P
Staff 1004	Exhibits in Support of Direct Testimony (Responses to Data Requests by ODOE)	P
Staff 1005	Exhibits in Support of Direct Testimony (Responses to Data Requests by PacifiCorp)	P
Staff 1100	Direct testimony of Steve Chriss	P
Staff 1101	Witness Qualifications Statement	P
Staff 1102	Exhibits in Support of Direct Testimony (PGE AECO/Sumas Forecast Graphs)	P
Staff 1103	Exhibits in Support of Direct Testimony (PacifiCorp Opal Forecast Graphs)	P
Staff 1104	Exhibits in Support of Direct Testimony (PGE Forward Price Curve Graphs and Price Chart)	P

Staff 1105	Exhibits in Support of Direct Testimony (Pacifcorp Forward Price Curve Graphs and Price Chart)	P
Staff 1106	Exhibits in Support of Direct Testimony (Confidential Exhibit)	P
Staff 1107	Exhibits in Support of Direct Testimony (Natural Gas Price Forecast Chart)	P
Staff 1108	Exhibits in Support of Direct Testimony (Responses to Data Requests by PacifiCorp)	P
Staff 1109	Exhibits in Support of Direct Testimony (Response to Data Request by PacifiCorp)	P
Staff 1200	Direct Testimony of Maury Galbraith	P
Staff 1201	Witness Qualification Statement	P
Staff 1202	Exhibit in Support of Testimony on PacifiCorp Advice No. 05-006 (Responses to Data Requests by PacifiCorp)	P
Staff 1203	Exhibit in Support of Testimony on Portland General Electric Advice No. 05-10 (Excerpt from PGE's 2002 IRP Final Action Plan)	P
Staff 1300	Direct Testimony of Michael Dougherty	P
Staff 1301	Witness Qualification Statement	P
Staff 1302	Exhibits in Support of Direct Testimony (Tables of Licensed and Unlicensed Insurers in Oregon)	P
Staff 1400	Direct Testimony of J. R. Gonzalez	P
Staff 1401	Exhibits in Support of Direct Testimony (Responses to Data Requests)	
Staff 1500	Rebuttal Testimony of Lisa Schwartz	P
Staff 1501	Exhibits in Support of Rebuttal Testimony (Summary of Staff's Final Recommendations)	P
Staff 1502	Exhibit in Support of Rebuttal Testimony (Responses to Data Requests)	P
Staff 1503	Exhibit in Support of Rebuttal Testimony	P
Staff 1504	Exhibit in Support of Rebuttal Testimony (Example Calculations of ODOE's Proposed Cap)	
Staff 1505	Staff's Comments on Issue 4	A
Staff 1600	Rebuttal Testimony of Steve W. Chriss	P
Staff 1601	Exhibit in Support of Rebuttal Testimony (Regression Analysis)	P
Staff 1700	Rebuttal Testimony of Maury Galbraith	P
Staff 1701	Exhibit in Support of Rebuttal Testimony (Confidential Exhibit – Responses to Data Requests)	P

Sherman/Simplot 100	Direct Testimony of Don Reading	P
Sherman/Simplot 101	Exhibits in Support of Direct Testimony	P
Sherman/Simplot 102	Exhibits in Support of Direct Testimony	P
Sherman/Simplot 103	Exhibits in Support of Direct Testimony	P
Sherman/Simplot 104	Avoided Cost Rates	{
Sherman/Simplot 105	Direct testimony of Paul Woodin	P
Sherman/Simplot 106	Biography of Paul Woodin	P
Sherman/Simplot 107	Rebuttal Testimony of Don Reading	P
Sherman/Simplot 108	Exhibits in Support of Rebuttal Testimony	P
Sherman/Simplot 109	Exhibits in Support of Rebuttal Testimony	
Sherman/Simplot 110	Rebuttal Testimony of Paul Woodin	P

P = Pre-filed

A = Admitted at hearing

M = Admitted by motion