



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204
PortlandGeneral.com

September 28, 2018

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
P.O. Box 1088
Salem OR 97308-1088

RE: UE 335 – Joint Parties Response Testimony

Enclosed is Portland General Electric Company's Errata for Page 7 of the Gibbens – Waidelich – Bieber – Macfarlane Response Testimony (UE 335 / Stipulating Parties / 600). Page 7 of the Testimony is submitted to correct an error on lines 10, 11, and 13.

The errata filing of the Stipulating Parties Testimony is intended to replace the version filed on September 17, 2018. The revision did not change the pagination of the document. Attached is a copy of the redlined version of page 7 for review.

Thank you,

A handwritten signature in blue ink, appearing to read "Stefan Brown".

Stefan Brown
Manager, Regulatory Affairs
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SB:np
Enclosures

UE 335

REDLINED VERSION

Errata Page 7

Response Testimony of Scott Gibbens, George Waidelich,
Justin Bieber, Robert Macfarlane (Stipulating Parties / 600)

1 not include the transition adjustments as an additional cost to supply those customers currently
2 on PGE's long-term opt out program.

3 AWEC's analysis assumes that the costs that would have been incurred if the customers
4 had not opted out are those from either PGE's generation marginal cost study or its Carty
5 Generating Station (Carty), and AWEC values those resources using a first-year revenue
6 requirement. However, if the customers currently participating in PGE's long-term opt out
7 program had not participated, PGE would have acquired additional resources throughout the
8 past sixteen years to supply those customers rather than waiting until now to acquire
9 generating resources at higher costs. The combined cycle combustion turbine (CCCT) used
10 in AWEC's second example, Carty, had a cost of about \$1,170 per kW-year and the CCCT
11 used in PGE's marginal cost study in this general rate case has a cost of \$1,298 per kW-year.
12 The Port Westward plant, that came online in 2007 had a capital cost closer to \$700 per kW-
13 year. That plant is partially depreciated as well, so the 2019 revenue requirement would be
14 lower than the first-year revenue requirement. AWEC's analysis overstates the costs that PGE
15 would have incurred to supply customers currently in the long-term opt out program.

16 **Q. Given that the cost of Carty is less than the CCCT used in PGE's marginal cost study on**
17 **a unit basis, should AWECs analysis in Table 2 show a lower cost to supply customers**
18 **on the long-term opt out program?**

19 A. Yes. AWEC's overstatement of the cost to supply customers on the long-term opt out program
20 is due to yet another flaw in AWEC's analysis. AWEC uses the revenue requirement from
21 the entire Carty plant as the cost to hypothetically supply the customers currently in the long-
22 term opt out program. The Carty plant has a nameplate capacity of 440 MW. The average
23 load from the customers in the long-term opt out program used in AWECs analysis is about

UE 335

CLEAN VERSION

Errata Page 7

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