

## **OREGON PUBLIC UTILITY COMMISSION REDUCES PORTLAND GENERAL ELECTRIC RATE INCREASE BY \$65 MILLION**

On December 4, 2014, the Oregon Public Utility Commission granted Portland General Electric Company (PGE) a rate increase of \$44.3 million. This increase represents an approximately \$65 million reduction from the Company's original request to increase rates by \$110 million. The final approved rate increase will be further reduced to approximately \$11 million after the application of certain rate credits. Davison Van Cleve, P.C. (DVC) represented the Industrial Customers of Northwest Utilities (ICNU) in the case. With DVC's representation, ICNU was able to reduce the percentage rate increase for industrial customers from over 4.5% to less than 1.4%. ICNU also successfully avoided an extremely harmful proposal by the Citizens' Utility Board to increase industrial customer rates by nearly \$26 million based on unfounded and inaccurate assumptions about energy efficiency funding in Oregon.

The rate increase is the second in as many years for PGE. It includes the costs of two new generation plants: Port Westward 2, a flexible capacity natural gas plant; and Tucannon River Wind Farm. It also includes the Company's projected net power costs for 2015, which are approximately \$60 million lower than 2014 power costs. DVC also represented ICNU in evaluating and reducing these projected power costs. The approved rates assume a 9.68% return on equity (ROE) for PGE, which is lower than its currently authorized 9.75% ROE. New rates will go into effect on January 1, 2015. PGE is expected to file another rate case in early 2015 to include the costs of a new combined cycle natural gas facility it is building, the Carty Generating Station. DVC, on behalf of ICNU, plans to be actively involved in this case as well.