

**BEFORE THE PUBLIC UTILITY COMMISSION**  
**OF THE STATE OF OREGON**

**UE 319**  
**Policy**

**PORTLAND GENERAL ELECTRIC COMPANY**

**Direct Testimony and Exhibits of**

*Jim Piro*  
*Jim Lobdell*

**February 28, 2017**

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## I. Introduction

1 **Q. Please state your name and position with Portland General Electric Company (PGE).**

2 A. My name is James J. Piro. I am the President and Chief Executive Officer of PGE.

3 My name is Jim Lobdell. I am the Senior Vice President, Finance, Chief Financial  
4 Officer, and Treasurer of PGE.

5 Our qualifications appear at the end of this testimony.

6 **Q. What is the purpose of your testimony?**

7 A. The purpose of our testimony is to:

- 8 • Summarize the proposed average price increase of approximately 5.6% and discuss  
9 our efforts to mitigate the impact of the price increase, in keeping with our long-term  
10 strategy of minimizing price volatility for customers;
- 11 • Describe the context of this filing and customers' expectations;
- 12 • Discuss PGE's continuous improvement efforts; and
- 13 • Identify our other key proposals.

14 Our testimony is organized according to these objectives.

15 **Q. Please provide a brief description of PGE.**

16 A. PGE is a vertically-integrated regulated electric utility company that proudly serves over  
17 860,000 customers in 51 cities within Oregon. PGE's service territory includes 4,000  
18 square miles, primarily in and around the Portland and Salem metropolitan areas. Our  
19 headquarters is in Portland, Oregon.

20 **Q. Please state PGE's mission and core strategy.**

1 A. PGE’s mission is to be a company our customers and communities can depend on to provide  
2 electric service in a safe, sustainable and reliable manner, with excellent service, at a  
3 reasonable price.

4 Operational Excellence, Business Growth and Corporate Responsibility are the three  
5 foundational elements of PGE’s business strategy to deliver on our commitment to our  
6 customers and stakeholders. In fulfilling this commitment, every employee plays a role that  
7 contributes to our collective success in delivering exceptional value to our customers.

8 **Q. How do you manage the company to PGE’s mission and core strategy?**

9 A. PGE uses scorecards with clearly stated goals. Individual goals include metrics to measure  
10 performance in achieving those goals. The scorecards also include improvement plans that  
11 reduce cost or improve service to our customers. PGE’s goals and improvement plans are  
12 informed by benchmarking various areas in the company and industry best practices.

## II. Summary of Request

1 **Q. Please summarize PGE’s request in this rate case filing.**

2 A. PGE requests that prices be adjusted to yield \$99.9 million of additional revenues, which  
3 represents a 5.6% increase overall for cost of service and direct access customers beginning  
4 in January 2018 (see PGE Exhibits 200 and 1400 for more detail).

5 **Q. What are the primary elements of PGE’s filing?**

6 A. PGE’s request is centered on keeping our system safe and reliable and meeting our  
7 customers’ expectations for quality service. The specific drivers include:

8 • Strengthening the power grid to better prepare for cyber attacks, earthquakes, and  
9 other potential threats.

10 ○ Cyber security – Described in PGE Exhibit 500, PGE is enhancing its cyber  
11 security program based on a risk-based prioritization of enterprise-wide cyber  
12 initiatives recommended by outside consultants. We need to be prepared for  
13 increasing foreign and domestic threats. Disruptions to the electric grid have the  
14 potential to affect medical and emergency services, customer’s lives, and  
15 businesses.

16 ○ Physical security/disaster preparedness/emergency management – We are  
17 continuing our journey on our business continuity and emergency management  
18 roadmap. The roadmap establishes the activities we need to perform to achieve a  
19 target level of preparedness and resilience commensurate with our role as a  
20 regional provider of a critical public service. Also, both PGE’s expanding  
21 physical footprint and new regulations are increasing our security costs.

22 Additional detail is provided in PGE Exhibit 600.

- 1           • Adopting new technologies to meet customers’ changing energy needs and service  
2           expectations.
- 3           ○ Customer Engagement Transformation (CET) – Outlined in PGE Exhibit 900 –  
4           we’re replacing PGE’s outdated customer information system (CIS) and meter  
5           data management system (MDMS). CET will help us improve the way we  
6           engage and serve our customers, implement better business processes, and  
7           provide more efficient billing through automation.
- 8           • Building a more flexible system that supports key initiatives, including our  
9           participation in the Western Energy Imbalance Market (EIM) beginning in late 2017.
- 10          ○ Western EIM – PGE’s participation in the Western EIM is the next phase of  
11          PGE’s integrated approach to implementing solutions that enhance operational  
12          efficiency, integrate renewable resources, and optimize our generation portfolio.  
13          The Western EIM, its benefits, and costs in PGE’s 2018 test year are discussed in  
14          PGE Exhibit 300.
- 15          • Building new infrastructure to support growth in our region and making strategic  
16          capital improvements to the Transmission and Distribution (T&D) system by  
17          reducing reliability risk.
- 18          ○ Customer-Driven Capital Work – T&D is seeing an increase in customer-driven  
19          capital work, primarily in new customer connections. To keep up with the  
20          increased customer demand, T&D is increasing its capital labor as well as  
21          building new infrastructure (i.e., substations). This is discussed in more detail in  
22          PGE Exhibit 800.

1           o Strategic Capital Improvements for Risk Reduction – We’re making upgrades to  
2           our T&D system, including replacing infrastructure that is reaching the end of its  
3           useful life. As described in PGE Exhibit 800, our Strategic Asset Management  
4           team developed a risk assessment methodology that uses best industry practices  
5           criteria to quantify threats to the grid and evaluate the impacts to customers  
6           should portions of the system fail. This methodology considers negative impacts  
7           on system reliability, public and worker safety, environmental stewardship, and  
8           efficient use expenditure funds.

- 9           • About \$25 million in reduced revenues based on lower forecasted energy sales. PGE  
10           Exhibit 1200 shows PGE’s loads are forecasted to decrease in 2018 relative to the  
11           forecast used to set prices for 2016. Without resetting prices, PGE will experience  
12           lower revenues and not fully recover its fixed costs.

13 **Q. Are you proposing to improve efficiency in your operations?**

14 A. Yes. PGE is driving efficiency in our operations to partially offset cost escalations in  
15 several areas, including: transmission, distribution, generation, and support services.

16 **Q. What are you proposing to reduce the price increase in this rate case?**

17 A. As our business grows, we have worked hard to keep costs down to offset the impact of  
18 inflation. To accomplish this we have taken a number of specific actions including: 1) we  
19 removed 100% of Officer Long-term Incentive Program costs and 50% of incentive  
20 compensation costs even though the entirety of the incentive program benefits customers  
21 and is a key part of PGE’s total compensation; 2) we removed 50% of certain layers of  
22 directors and officers insurance; and 3) we requested a return on equity (ROE) in the low  
23 portion of the range supported by PGE’s expert witness.

1 **Q. Are you requesting recovery of the additions of the new CIS and MDMS as part of**  
2 **CET?**

3 A. No, recovery of the capital costs associated with the new CIS and MDMS are not part of this  
4 case. Our considerations for cost recovery include a future general rate case (GRC) and/or a  
5 deferral filing. As discussed in PGE Exhibit 900, CET is on schedule to be completed in  
6 2018.

7 **Q. Are the proposed impacts to various customer schedules in this GRC similar to the**  
8 **impacts observed in PGE’s previous two GRCs, UE 283 and UE 294?**

9 A. No. In the two most recent GRCs, PGE was adding new generation plants. While rate  
10 spread provided varied impacts to the major customer schedules, the impacts were within a  
11 narrow range. Due to increases in distribution and information technology costs in this rate  
12 case, customer classes that use these services more intensively bear a higher burden as  
13 demonstrated in PGE Exhibit 1400. Table 1 below shows the proposed price changes  
14 associated with this case.

**Table 1**

**Estimated Cost of Service Base Rate Impacts Inclusive of Schedules 122 and 146**

<b>Schedule</b>	<b>Jan. 1, 2018</b>
Schedule 7 Residential	7.1%
Schedule 32 Small Nonresidential	5.7%
Schedule 83 31-200 kW	4.2%
Schedule 85 201-4,000 kW	3.5%
Schedule 89 Over 4,000 kW	1.2%
Schedule 90 100 MWa	1.2%
COS & DA Overall	5.6%

### III. Context / Customers' Expectations

1 **Q. What are your goals for PGE?**

2 A. First and foremost: deliver safe, reliable and secure power – balanced with the need for  
3 reasonably priced electricity – to customers with excellent customer service while  
4 complying with all applicable laws and regulations. We have strong core values that reflect  
5 our commitment to our customers, employees, community and shareholders. If we continue  
6 to be successful, we will also: 1) continue to be viewed by our customers as a trusted energy  
7 partner; 2) be a preferred employer, attracting and retaining exceptional employee talent; 3)  
8 maintain our standing as a caring and invested community partner; and 4) attract capital  
9 investors by offering a competitive return on capital invested and maintaining investment  
10 grade ratings.

11 **Q. What are you doing to meet your commitments to your customers?**

12 A. PGE meets the needs of our customers by maintaining and delivering on service and  
13 reliability metrics that focus on what is important to our customers such as: providing  
14 reliable power supply with resources sufficient to meet 1 in 2 peak loads, responding  
15 quickly to outages, account services requests and inquiries; replacing infrastructure that has  
16 reached the end of its useful life, threatening system reliability and safety; protecting the  
17 system from external threats; providing excellent customer service; and implementing pilot  
18 programs that include proven technology to test customer interest, participation, and costs  
19 and benefits.

20 We are focused on balancing the service, reliability, and security our customers expect  
21 with keeping electricity prices reasonable. This balance is critical. If we short change

1 service, reliability, and security; our customers are impacted with more frequent outages or  
2 poor service.

3 **Q. Please discuss PGE's pursuit of operational excellence.**

4 A. PGE pursues operational excellence in all aspects of its business. Operational excellence  
5 begins with keeping our customers, employees, and the general public safe as it relates to  
6 our electric infrastructure, as well as providing excellent customer service and reliability in  
7 transmission, distribution, generation, and power operations. PGE is doing many things to  
8 achieve operational excellence, including:

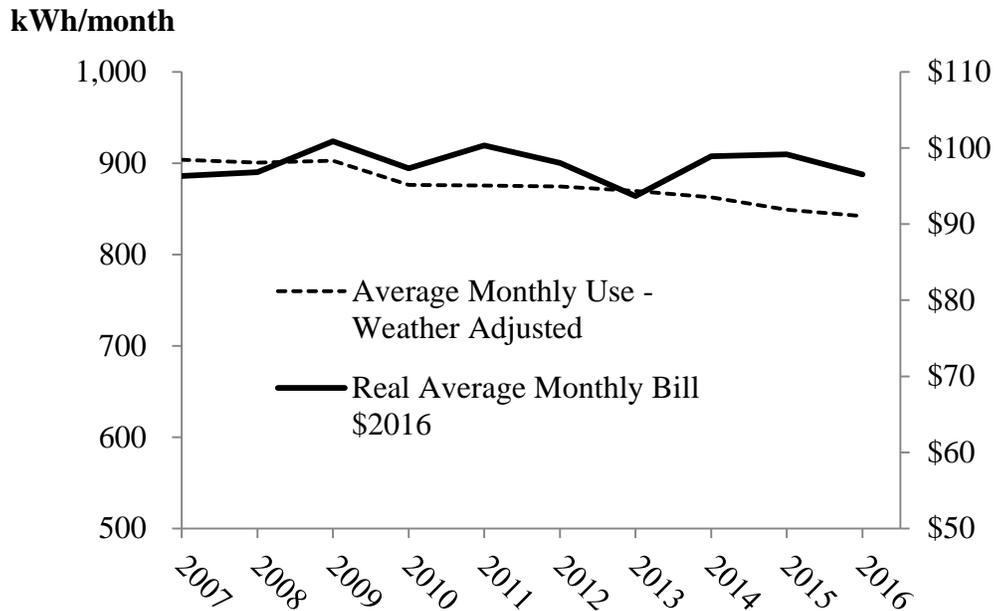
- 9 • Complying with regulations; maintaining the physical security of our assets,  
10 including seismic resilience; and cyber security;
- 11 • Participating in the Western EIM in order to enhance operational efficiency, integrate  
12 renewable resources, and optimize our generation portfolio;
- 13 • Deploying and leveraging technology to enhance efficiency and effectiveness which  
14 results in doing more with less over the long term; and
- 15 • Reworking processes to improve our efficiency, increase our customer  
16 responsiveness, and avoid cost increases through continuous improvement.

17 Additionally, we are committed to creating an engaged, valued and appropriately  
18 compensated workforce that, in turn, helps us achieve results on behalf of our customers. In  
19 addition to maintaining a compensation philosophy that targets the midpoint of the market,  
20 we must ensure our workforce initiatives help develop our employees to their highest  
21 potential to meet customer needs. PGE Exhibit 400 discusses these issues in more detail.

22 **Q. How is PGE's business influenced by the economy?**

1 A. Economic activity in our service territory drives greater demand on our systems and  
2 resources in the form of load growth. This load growth, and the net margin it produces,  
3 enables us to absorb normal inflationary cost increases. Over the last several years,  
4 industrial business sector expansion has been the primary driver of load growth. This is  
5 expected to continue, though at a much slower pace. Additionally, we expect modest or no  
6 load growth for commercial and residential customers when compared with 2016 actual  
7 weather-adjusted deliveries. This is due primarily to energy efficiency of 1.5%, or 30 MWa.  
8 This resource of choice, as shown in PGE’s recent integrated resource plans and the  
9 Northwest Power and Conservation Council’s power plans, reduces load growth that would  
10 otherwise be expected to accompany population and economic expansion. Our prioritization  
11 of energy efficiency mirrors our customers’ preferences and is reflected by a 15% reduction  
12 in average monthly residential energy use since 2000. We support will continue to support  
13 energy efficiency because it benefits our customers and our service area in many ways. For  
14 example, even while the price per kilowatt hour goes up, the average customer is using  
15 fewer kilowatt hours, leading to an associated savings both in terms of the amount of energy  
16 they consume as well as what it would cost to generate 30 aMW in alternative new  
17 generation. Figure 1 below shows that inflation-adjusted residential average bills were  
18 roughly the same in 2007 and 2016, with decreasing use per customer.

**Figure 1**  
**Residential Use and Bill 2007-2016**



1 **Q. Over the long term, does modest load growth create regulatory challenges?**

2 A. Yes. Historically for PGE, as well as the industry as a whole, growth in retail loads and the  
3 associated net margins contributed to our ability to avoid filing GRCs for cost increases in  
4 the business. All else equal, and inclusive of our cost management efforts, this translated  
5 into fewer GRCs and longer periods between GRCs. In today's low retail load growth  
6 environment, we are faced with a need to increase customer prices to align forecast revenues  
7 with forecast costs on a more frequent basis to allow for the opportunity to earn a reasonable  
8 return and to maintain access to lower cost capital markets.

9 **Q. How does this GRC reflect your commitment to managing your costs?**

10 A. This case reflects the savings achieved through our continuous improvement efforts  
11 including some of the ongoing projects discussed above. As discussed in the next section,  
12 our use of continuous improvement cycles demonstrates our commitment to manage costs,

- 1 streamline processes, learn from others, and create a continuous improvement culture at
- 2 PGE that benefits customers through improved service and reduces long-term cost impacts.

#### IV. Continuous Improvement Cycle

1 **Q. You mentioned continuous improvement. What is PGE doing to improve?**

2 A. As discussed in detail in the last three GRCs (UE 262, UE 283, and UE 294), PGE conducts  
3 periodic benchmarking to identify areas for improvements and best practices. In addition to  
4 our benchmarking efforts, we also engage in Lean process reviews and business process  
5 analysis. In support of these reviews we implemented a Process Improvement program to  
6 pair education on process improvement with practical application through training and the  
7 implementation of improvement initiatives. These efforts continue to yield results and  
8 reinforce PGE's culture as one of continuous improvement.

9 **Q. How does PGE hold business units accountable to these goals?**

10 A. Accountability starts at the top. Each year we develop corporate scorecard metric goals that  
11 are focused on five key areas: 1) public and employee safety and health; 2) high customer  
12 value; 3) system reliability, including: high T&D reliability and generation plant availability,  
13 and reasonably priced power; 4) an engaged and valued workforce; and 5) financial  
14 performance. These areas of focus measure PGE's progress toward operational excellence  
15 and we monitor our status monthly. In addition, within each of these areas, accountability is  
16 assigned and cascades across the scorecards of managers throughout the organization to  
17 ensure alignment. This scorecard process allows management and individual contributors to  
18 understand their respective deliverables.

19 **Q. Please explain PGE's continuous improvement cycle.**

20 A. PGE's continuous improvement cycle is a regular and ongoing effort to increase our  
21 efficiency and effectiveness. Thus, after PGE business units have identified and  
22 implemented improvements, the benchmarking and improvement cycle begins again. We

1 rotate through the organization, reviewing outcomes from measures already taken and  
2 identifying new efficiencies and best practices. PGE remains committed to its continuous  
3 improvement cycle and to becoming more efficient and effective in our day-to-day  
4 activities. The ultimate responsibility to continually improve is with all PGE officers and  
5 managers. These efforts are supported by PGE's Corporate Performance Management  
6 team. These efforts include benchmarking, which PGE uses to help each functional area  
7 understand how we compare to peer companies, identify best practices, determine areas to  
8 improve based on a business case, and implement our operational efficiency and  
9 effectiveness initiatives. These changes typically address improvements for people,  
10 processes and/or technology. PGE Exhibit 101 shows the departments currently conducting  
11 benchmarking and those scheduled for the next few years.

12 **Q. How long will this benchmarking effort continue?**

13 A. PGE's continuous improvement process is an ongoing effort with incremental savings or  
14 avoided costs expected over multiple years. By definition, continuous improvement cannot  
15 be a process that ends at a particular point in the future, so there are several business units in  
16 varying stages of the benchmarking process at any given time. Once a unit has completed  
17 the process, it can be expected to begin it again with a cycle that will last several years. The  
18 goal is to improve, by numerous measures that include quality of service and customer  
19 experience as well as cost. While we strive for cumulative overall savings and cost  
20 avoidance and intend to continue this process for the foreseeable future as part of PGE's  
21 Corporate Strategic Direction and Core Principles, it is not realistic to expect significant cost  
22 savings on a consistent, annual basis.

## V. Other Elements of This Filing

1 Q. What other elements are included in this rate case?

2 A. Our case includes the following:

- 3 • PGE’s participation in the Western EIM and the associated costs and benefits that  
4 create an overall benefit for PGE’s customers, further discussed in PGE Exhibit 300;
- 5 • A request for an accounting order for pension expense to mitigate an increase that  
6 would otherwise occur due to changes in FASB accounting standards, further  
7 discussed in PGE Exhibit 400;
- 8 • An accounting order related to CET costs, as discussed in PGE Exhibit 900, to  
9 authorize:
  - 10 ○ The 2018 CET program development O&M costs to be booked to a regulatory  
11 asset and included in rate base, as applicable, along with all remaining balances  
12 from prior CET deferral vintages (similar to 2014-2016 CET deferral treatment)
  - 13 ○ The remaining balance of all the 2014-2018 deferrals to be amortized in base  
14 prices over ten years beginning in 2018
- 15 • A major maintenance accrual for the Colstrip power plant, similar to the accruals for  
16 the Port Westward 1, Coyote Springs, Port Westward 2, and Carty generating plants  
17 to levelize the major maintenance costs, further discussed in PGE Exhibit 700;
- 18 • A balancing account mechanism for major storms similar to that for major  
19 maintenance accruals as used for thermal generating plants, further discussed in PGE  
20 Exhibit 800;
- 21 • A forecasted capital structure of 50% equity and 50% debt to allow PGE to maintain  
22 our stable, investment grade credit rating, which will provide the financial strength

1 necessary to allow us access to capital markets, make ongoing investment in our  
2 system, and provide access to wholesale fuel and power markets;

- 3 • An authorized ROE of 9.75%, which is in the lower portion of the range  
4 recommended by our expert witness, Dr. Villadsen, in PGE Exhibit 1100.  
5 Dr. Villadsen’s range is based on her sample using several methodologies. Her  
6 recommended point estimate is 10.15%, which is above the sample average because  
7 PGE has more risk than the average utility in the sample; and
- 8 • Increase the residential customer charge by \$1.00 per month and increase the small  
9 commercial (Schedule 32) customer charge by \$2.00 per month for both single and  
10 three phase service. The modest increase in the customer charge enables PGE to  
11 recover more of our fixed costs in the customer charges and directly reduces the  
12 volumetric charges. The increase balances the need for fixed cost recovery, with the  
13 principle that the volumetric energy prices provide a price signal for customers to  
14 implement energy efficiency measures.

15 **Q. Will the results of this rate case affect PGE’s access to and cost of capital to fund**  
16 **investments in the near future?**

17 A. Yes. The results of this case, as filed, will provide PGE with the opportunity to fund capital  
18 investments, meet its financial obligations, and provide an opportunity for our shareholders  
19 to receive a reasonable return on their investment.

20 **Q. Are there other risks for changes to your requested price increase not currently**  
21 **included in the costs for this GRC filing?**

1 A. Yes. State and federal tax policy changes have the potential to affect the cost to serve our  
2 customers. In turn, for any changes in the effective state or federal tax rate, we would need  
3 to assess the effect on our deferred taxes.

4 Oregon Ballot Measure 97 proposed a gross sales tax for businesses with revenues over  
5 \$25 million. That ballot measure failed to pass with Oregon voters in November 2016.  
6 However, the state continues to face a budget deficit that the proponents of the ballot  
7 measure, including the governor, and others seek to address during the 2017 legislative  
8 session. PGE and its customers could be affected by a legislative solution. Had Ballot  
9 Measure 97 passed, it would have been necessary to collect as much as 4% of PGE's retail  
10 revenue from customers to pay the additional tax expense.

11 It's uncertain whether a legislative solution will be reached, and how or if it will affect  
12 PGE and its customers. A solution that increases PGE's Oregon tax expense will  
13 necessitate cost recovery.

14 There are also discussions at the federal level about changes to federal tax policy and we  
15 are monitoring those discussions. We have not included these potential changes to federal  
16 or state tax policy in this filing, but if they occur during this case we will update our filing to  
17 reflect the changes.

## VI. Structure of PGE's Filing

1 **Q. How is PGE presenting this case?**

2 A. PGE is presenting the following direct testimony:

3 • In Exhibit 200, Alex Tooman, Project Manager, and Rebecca Brown, Senior Analyst,  
4 summarize the overall 2018 test year revenue requirement, comparing the request  
5 with the 2016 actuals. This testimony also discusses PGE's rate base at year end  
6 2017, plus associated depreciation and amortization, and unbundled results.

7 • In Exhibit 300, Managers Mike Niman and Terri Peschka, and Aaron Rodehorst,  
8 Senior Analyst, provide the initial forecast of PGE's Net Variable Power Costs  
9 (NVPC) and discuss updates to parameters and modeling changes, comparing the  
10 forecast with the final 2017 NVPC forecast.

11 • In Exhibit 400, Anne Mersereau, Vice President, Human Resources, Diversity &  
12 Inclusion, and Jardon Jaramillo, previously the Director of Compensation and  
13 Benefits and currently Controller and Assistant Treasurer, present PGE's  
14 compensation costs for the 2018 test year, efficiency gains, changes to compensation  
15 policies and plans, and proposed pension cost recovery.

16 • In Exhibit 500, Cam Henderson, Vice President of Information Technology (IT) and  
17 Chief Information Officer (CIO); Behzad Hosseini, Director of the Office of CIO; and  
18 Travis Anderson, Information Security Director and Manager of IT Risk  
19 Management, explain PGE's costs and cost drivers related to information technology  
20 and cyber security.

21 • In Exhibit 600, Jim Lobdell, Senior Vice President, Finance, Chief Financial Officer  
22 and Treasurer; and Alex Tooman, Project Manager, explain PGE's costs and cost

1 drivers related to corporate support operations including business continuity and  
2 emergency management, safety, insurance, research and development, and  
3 environmental services.

- 4 • In Exhibit 700, Bradley Jenkins, Vice President of Power Supply Generation, and  
5 Aaron Rodehorst, Senior Analyst, support O&M costs associated with PGE’s power  
6 supply resources. This joint testimony also discusses recent plant performance and  
7 PGE’s proposal to create a major maintenance accrual for the Colstrip generating  
8 plant.
- 9 • In Exhibit 800, Bill Nicholson, Senior Vice President of Customer Service,  
10 Transmission and Distribution, and Larry Bekkedahl, Vice President of Transmission  
11 and Distribution, explain PGE’s 2018 test year transmission and distribution O&M  
12 expenses, capital improvement efforts, and how they support PGE’s goal of  
13 operational excellence.
- 14 • In Exhibit 900, Kristin Stathis, Vice President of Customer Service Operations, and  
15 Carol Dillin, Vice President of Customer Strategies and Business Development  
16 explain customer service O&M costs for the 2018 test year. They also provide a  
17 detail update of the CET program and describe the initiatives that support the  
18 customer experience.
- 19 • In Exhibit 1000, Patrick Hager, Manager of Regulatory Affairs, and Chris Liddle,  
20 Corporate Finance and Investor Relations Manager & Assistant Treasurer,  
21 recommend PGE’s cost of capital and capital structure for the 2018 test year.
- 22 • In Exhibit 1100, Bente Villadsen, economist and principal at The Brattle Group,  
23 estimates PGE’s required ROE and describes the supporting analyses.

- 1           • In Exhibit 1200, Sarah Dammen, Manager of Financial Forecasting and Economic  
2           Analysis, and Amber Riter, Economist and Lead Load Forecast Analyst, provide the  
3           initial load forecast and explain the process and method in forecasting the 2018 test  
4           year load.
- 5           • In Exhibit 1300, Marc Cody and Robert Macfarlane, Senior Analysts, describe  
6           marginal cost studies for generation, transmission, distribution, and customer service.
- 7           • In Exhibit 1400, Marc Cody and Robert Macfarlane, Senior Analysts, describe how  
8           the proposed tariff changes recover PGE’s 2018 revenue requirement to achieve fair,  
9           just and reasonable prices for our customers and price changes to various  
10          supplemental schedules.

## VII. Qualifications

1 **Q. Mr. Piro, please describe your educational background and experience.**

2 A. I received a Bachelor of Science degree from Oregon State University in Civil Engineering  
3 in 1974 with an emphasis in Structural Engineering. In addition, I have taken postgraduate  
4 courses in engineering, accounting, economics, and ratemaking. I am a registered  
5 Professional Engineer in Civil Engineering in the State of California (Registration No.  
6 28174). I joined PGE in 1980 and have held various positions in Generation Engineering,  
7 Economic Regulation, Financial Analysis and Forecasting, Power Contracts, Economic  
8 Analysis, Planning Support, Analysis and Forecasting, and Business Development. I was  
9 elected Vice President of Business Development in 1998 and then became Chief Financial  
10 Officer and Treasurer on November 1, 2000. I was then named Senior Vice President,  
11 Finance, Chief Financial Officer and Treasurer on May 1, 2001, and later became Executive  
12 Vice President, Finance, Chief Financial Officer and Treasurer effective July 25, 2002. I  
13 entered my current position as President and Chief Executive Officer effective January 1,  
14 2009.

15 I also serve on several community and business boards including Greater Portland Inc.,  
16 the PGE Foundation, the Oregon Business Council, the All Hands Raised Leadership  
17 Council and the Edison Electric Institute. I am also the Chair of the Oregon STEM  
18 Investment Council and a member of the Oregon Global Warming Commission.

19 **Q. Mr. Lobdell, please describe your qualifications.**

20 A. I received a Bachelor of Science degree from the University of Oregon in 1984. Since  
21 joining PGE as a business analyst in 1984 I have held a variety of positions at PGE and its  
22 affiliates. I was senior director of Business Development, director of Internal Audit Services

1 and manager of Financial Risk Management & Pricing, where I provided financial risk  
2 management for PGE's wholesale electric and natural gas portfolios. I then served as vice  
3 president of Power Operations and vice president of Risk Management, Reporting, Controls  
4 & Credit. In 2004, I was named vice president of Power Operations and Resource Strategy.  
5 I entered my current position as Senior Vice President, Finance, Chief Financial Officer, and  
6 Treasurer in March 2013.

7 I am a member of the FM Global Advisory Committee, Treasurer of the PGE Foundation,  
8 advisory member of the University of Oregon Portland Council, and board member of the  
9 ALS Association of Oregon and SW Washington.

10 **Q. Does this conclude your testimony?**

11 A. Yes.

**List of Exhibits**

<b><u>PGE Exhibit</u></b>	<b><u>Description</u></b>
101	Projected Benchmarking Schedule

# Projected Benchmarking Schedule

Next Benchmark	Function	Previous Benchmark	Data Year Analyzed	Cycle (Yrs)
2018	Customer Service	2012	2011	6
	Transmission & Distribution	2011	2010	7
2019	Information Technology	2015	2014	4
	Finance	2014	2013	5