

ENTERED DEC 18 2017

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 319

In the Matter of

PORTLAND GENERAL ELECTRIC,

ORDER

Request for a General Rate Revision.

DISPOSITION: FIRST PARTIAL STIPULATION ADOPTED;
APPLICATION FOR GENERAL RATE REVISION
APPROVED AS REVISED

I. SUMMARY

Portland General Electric Company originally sought an overall revenue increase of \$99.9 million.¹ In this order, we conclude our investigation of that request by adopting the first partial stipulation that addresses all non-net variable power costs (NVPC) issues. We previously resolved NVPC issues in Order No. 17-384, and a disputed energy efficiency funding issue in Order No. 17-466.

We authorize an overall rate increase of .89 percent, or \$15.9 million in additional revenues. Effective January 1, 2018, bills will increase on average by 2.4 percent for residential customers and decrease on average by 0.7 percent for cost-of-service commercial and industrial customers.² For illustration purposes, the rates for a typical residential customer using 820 kWh per month will increase from \$97.46 to \$99.91.

II. BACKGROUND AND PROCEDURAL HISTORY

PGE is a public utility providing electricity service within the meaning of ORS 757.005, and is subject to our jurisdiction with respect to the prices and terms of service for its Oregon retail customers.

On February 28, 2017, PGE filed tariff sheets, and supporting documentation, in Advice No. 17-06 seeking a general rate increase in customer rates. On March 1, 2017, PGE's

¹ See PGE's General Rate Case Filing, Executive Summary Exhibit at 1 (Feb 28, 2017).

² These amounts reflect the changes to PGE's NVPC, as set forth in PGE's MONET update on November 6, 2017, and PGE's Final Revenue Requirement and Pricing Update, filed on December 4, 2017. We take Official Notice of the latter document, attached as Appendix B, and admit it into the record.

tariff filing was suspended for a period of time not to exceed nine months, as authorized by ORS 757.215.³

Two procedural schedules were established: one to address NVPC issues, and another to address general rate case issues. During the course of these two schedules, three stipulations were filed, and all disputed NVPC and general rate case issues were resolved by the parties prior to a hearing.

NVPC issues were resolved first, with an NVPC stipulation being filed on September 8, 2017. In Order No. 17-384, entered on October 9, 2017, the Commission adopted a stipulation resolving all issues and rate adjustments related to PGE's 2018 NVPC forecast.

Under the general rate case procedural schedule, Commission Staff and the parties⁴ conducted discovery, filed several rounds of testimony, and engaged in settlement discussions. On June 16, 2017, Staff and all parties had the opportunity to file opening testimony regarding non-power cost issues. Settlement conferences were held on July 6, 7, 11, and 24. Some issues were verbally settled prior to PGE filing reply testimony on July 18, 2017, which addressed only then unresolved issues. An additional settlement conference was held on August 3, 2017. Staff and the parties had opportunities to file additional rounds of testimony on August 17, 2017, and September 5, 2017. PGE filed a final round of testimony on September 6, 2017.

On September 18, 2017, PGE filed a partial stipulation along with supporting joint testimony (first partial stipulation) that addresses all non-NVPC issues in the general rate case except an energy efficiency funding issue raised by CUB. The first partial stipulation, attached as Appendix A, has been executed by PGE, Staff, CUB, Kroger, SBUA⁵, and Walmart (collectively, the Stipulating Parties). Calpine Solutions participated in the settlement discussions and does not object to the first partial stipulation. No other party has objected to the first partial stipulation. On November 6, 2017, and November 15, 2017, PGE filed new updates pursuant to the first partial stipulation: one on November 6, 2017, and one on November 15, 2017.

On October 9, 2017, PGE filed a second partial stipulation addressing CUB's proposal for the allocation of costs and benefits for energy efficiency funded under Senate Bill 838 (2007). Expedited consideration of the stipulation was requested in order to allow the Energy Trust of Oregon (Energy Trust) to budget for 2018 projects. On November 14, 2017, the Commission adopted the second partial stipulation in Order No. 17-466, before having addressed the first partial stipulation.

³ Order No. 17-074 (Mar 1, 2017).

⁴ Intervening parties include: Calpine Energy Solutions, LLC; Fred Meyer Stores and Quality Food Centers, Divisions of Kroger Co. (Kroger); the Industrial Customers of Northwest Utilities (ICNU); PacifiCorp, dba Pacific Power; the Small Business Utility Advocates (SBUA); and Walmart Stores, Inc. The Oregon Citizens' Utility Board (CUB) intervened as a matter of right under ORS 774.180.

⁵ SBUA's participation in this docket has been limited. SBUA's input regarding the first partial stipulation is limited to one ratespread and rate design provision as later designated. SBUA takes no position on other provisions of this partial stipulation.

III. DISCUSSION

The first partial stipulation resolves all non-NVPC issues in PGE's general rate case, except CUB's energy efficiency funding issue, which has already been resolved. The Stipulating Parties request that we approve their resolution of all non-NVPC revenue requirement, marginal cost of service, and pricing issues and the consequent rate adjustments as they are set forth in the first partial stipulation.⁶ Although each of the Stipulating Parties may not necessarily agree on the calculations, assumptions, or bases used to determine each adjustment, the Stipulating Parties represent that all of the adjustments presented in the first partial stipulation collectively represent a reasonable financial settlement of the issues in the public interest and result in rates that are fair, just and reasonable.

A. Revenue Requirements

The first partial stipulation addresses all issues relating to PGE's general (non-NVPC) revenue requirement. For purposes of settlement, the Stipulating Parties agree as discussed on the issues below:

1. *Uncollectible Rate*

In its initial filing, PGE included a 0.370 percent rate for uncollectible revenue, based on a five-year average. Staff proposed using a three-year average that fully captures a downward trend. The Stipulating Parties agree that PGE will use a 0.341 percent uncollectible rate for the test year that reflects actual write-offs during the period of 2014 through 2016.⁷

2. *Oregon Public Utility Commission Fees*

PGE included a 0.375 OPUC fee in its initial filing. Staff indicated concerns that prompted PGE to update the rate to reflect the most recent three years of actual wholesale and retail revenues, resulting in a revised OPUC fee rate of 0.3211 percent. The Stipulating Parties agree to use the revised rate of 0.3211 percent for 2018. This rate reflects an adjustment to the gross-up factor for sales for resale based on a three-year average of historical actual sales for resale to retail revenue. PGE will also reduce the OPUC fee amount to reflect a 0.3000 percent OPUC fee revenue sensitive percentage in the net to gross factor for the incremental revenue requirement.⁸

⁶ See Order No. 17-466 (Nov 14, 2017). CUB's energy efficiency funding issue resolved in the second partial stipulation that we adopted does not relate to PGE's revenue requirement.

⁷ Stipulating Parties/200, Gardner-Townsend-Jenks-Mullins-Brown/8.

⁸ *Id.*

3. *Interest Synchronization*

The Stipulating Parties agree that the revenue requirement calculations by PGE and Staff are aligned.

4. *IT Cybersecurity Amortization*

The Stipulating Parties agree that PGE will conduct a workshop to provide Staff with additional information regarding the segregation and identification of development costs. The workshop will occur prior to the second quarter of 2018. No change results to PGE's revenue requirement.

5. *Accumulated Deferred Income Taxes (ADIT)*

ICNU contested PGE's inclusion of certain ADIT items in rate base. The Stipulating Parties agree to reduce PGE's rate base by approximately \$27.8 million, thereby resolving each of ICNU's requested ADIT adjustments, with the exception of the production tax credit, which is separately discussed below.

6. *Working Cash*

The Stipulating Parties agree that PGE will continue to use a 3.628 percent working cash factor, as approved in PGE's last general rate case, docket UE 294. PGE testified that an updated lead lag study produced a new working cash factor had 3.789 percent, but the change was too insignificant to seek a change. PGE intends to perform a new lead lag study prior to its next rate case.

7. *Major Storms*

PGE's initial filing updated the 10-year rolling average for Level III storm costs, resulting in the annual collection amount increasing to \$2.6 million. PGE also proposed a balancing account mechanism for major storms similar to that for major thermal generating plant maintenance accruals. Staff countered that utilities generally bear the risk of weather impacts, noting that if costs from a particular storm are significant, PGE may file for deferred accounting treatment. The Stipulating Parties agree that PGE will increase the annual collection amount for Level III storm costs to \$2.6 million, but will not implement a balancing account mechanism.

8. *Escalation*

The Stipulating Parties agree there will be no adjustment made to PGE's initial filing for non-labor cost escalation.

9. *Wages and Salaries, Incentives, and FTEs*

The Stipulating Parties agree to reduce PGE's filed test year operations and maintenance (O&M) and administrative and general (A&G) expense by \$2.394 million, payroll tax by \$0.031 million, and rate base by \$1.0521 million. These amounts are calculated by entirely removing PGE's request for officer incentives and by using Staff's three-year wages and salaries model, with escalation rates averaged between Staff's and PGE's filed escalation rates for non-bargaining FTEs and the contracted escalation rates for union FTEs.

The Stipulating Parties also agree to a revenue requirement reduction of \$6.0 million to settle all full time equivalent (FTE) issues. Staff, ICNU, and CUB challenged PGE's initial request for 270 new incremental FTEs. Additionally, the Stipulating Parties agree to a \$0.1 million expense reduction to settle A&G contractor costs.

10. *Customer Engagement Transformation (CET) Development O&M Costs*

For years 2014 through 2016, PGE booked CET development costs to a regulatory asset that was amortized in base rates in each rate case during that period. Program development costs for 2017 were deferred separately and not yet amortized. PGE's initial filing requested authorization to book 2018 CET development O&M to a regulatory asset and to amortize the remaining balance of all the 2014-2018 deferrals in base prices over a ten-year period beginning in 2018. The Stipulating Parties agree to move the unamortized CET deferred costs for 2014-2016 (as of year-end 2017) and PGE's forecasted CET O&M costs for 2017 and 2018 from base rates into a supplemental schedule for amortization. The supplemental schedule will amortize the 2014-2016 deferral balance and the 2017 and 2018 forecasted costs over five years beginning January 1, 2018 with interest accruing at the modified blended treasury rate.

11. *Insurance*

PGE's initial filing layered the total cost of director and officer (D&O) liability insurance, putting the full cost of the primary layer of insurance in the revenue requirement but only 50 percent of other layers in the revenue requirement. Staff countered that the Commission had already determined that the cost of all premiums for D&O liability insurance should be split between customers and shareholders. The Stipulating Parties agree to reduce the D&O liability insurance expense by \$0.272 million, which is 50 percent of the primary layer of the D&O premiums. The result is that ratepayers and shareholders will equally share the entire cost of D&O insurance.

12. *Medical Benefits*

ICNU proposed limiting the escalation of medical benefits to increases that are known and measurable, noting instances where PGE incorrectly escalated the cost of medical benefits for 2018 in opening testimony. PGE countered with support for the 2018

premium escalations, but corrected an inflation escalation amount. The Stipulating Parties agree to reduce medical expense by \$1.2 million.

13. Medical Benefits

ICNU proposed to limit the escalation of PGE's medical benefits to increases that are known and measurable. ICNU also noted instances where PGE had incorrectly escalated the cost of medical benefits for 2018. PGE responded with support for the 2018 premium escalations, while correcting an inflation escalation amount. The Stipulating Parties agree to reduce medical expense by \$1.2 million.

14. Cost of Capital

In its initial filing, PGE proposed a capital structure consisting of 50 percent equity and 50 percent long-term debt, with the cost of long-term debt at 5.170 percent. PGE's expert witness, Dr. Bente Villadsen, supported a requested return on equity (ROE) of 9.75 percent. Staff and ICNU contested PGE's cost of capital. Staff recommended a capital structure consisting of 50.5 percent long-term debt and 49.5 percent equity, with the cost of long-term debt at 4.852 percent and a ROE of 9.2 percent based. ICNU proposed a capital structure consisting of 51.35 percent long-term debt and 48.65 percent equity. ICNU did not challenge PGE's proposed cost of long-term debt, but recommended a ROE of 9.25 percent.

To resolve these disputed issues, the Stipulating Parties agree to a capital structure of 50 percent equity and 50 percent long-term debt, with a cost of long-term debt at 5.203 percent, and a ROE of 9.5 percent. The cost of long-term debt at 5.203 percent, subject to minimal adjustment for issuance fees, is set as a ceiling so that any changes to debt issuances reducing PGE's overall cost of long-term debt below 5.203 percent will be reflected in PGE's final revenue requirement update. Additionally, any subsequent changes through June 30, 2018, that reduce PGE's overall cost of long-term debt below 5.203 percent will be reflected through a supplemental tariff filing.

15. Post-Retirement Costs

PGE's initial filing included a pension forecast reflecting changes expected to be required by the proposed Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) with regard to compensation and retirement benefits. Alternatively, PGE proposed accounting treatment language that would allow PGE to continue to record pension expense in a manner consistent with historical treatment. Staff responded that the proposed accounting treatment was not necessary. The Stipulating Parties agree that PGE will withdraw its accounting treatment request, and will capitalize pension and post-retirement plans in a manner consistent with PGE's method prior to the issuance of the FASB ASU, resulting in a reduction to expense of \$1.55 million.

16. Allowance for Funds Used During Construction (AFUDC)

The Stipulating Parties agree that PGE will hold a workshop with Staff and the other parties prior to the final revenue requirement update in this proceeding to review the FERC-specified AFUDC formula and PGE's calculations/transactions. This workshop is currently scheduled for late September.

17. PGE's Fee Free Bank Card Program

Staff concluded that expectations by PGE and Staff regarding customer adoption of fee free bankcard payments were overly optimistic, and that PGE was collecting more in rates for these bankcard transactions than is warranted. The customer adoption rate is increasing, Staff indicated, but not as rapidly as expected. Staff also believes that the amount included in PGE's revenue requirement was based on an overestimation of the cost per transaction.

The Stipulating Parties agree that PGE will set the per-transaction rate at \$1.54 and the adoption rate to 10.84 percent, resulting in a revenue requirement expense reduction of \$0.503 million.

18. Load Forecasting

Staff identified concerns with PGE's proposed Hinge Fit model for forecasting 2018 load, and proposed that PGE use a 15-year average of weather (similar to the approach used in prior general rate cases) instead. Staff also proposed an alternative forecast model for PGE's non-residential load forecast.

Stipulating parties agree to use PGE's load forecast model with two adjustments: (1) 15-year average weather assumption; and (2) 25 percent reduction to PGE's outboard energy efficiency decrement to its 2018 load forecast.

The Stipulating Parties also agree that PGE will not make any additional variable or structural changes to the load forecast model in this case.

PGE will also conduct a workshop before year-end 2017 on load forecasting and will provide Staff with an evaluation of non-stationarity in its load forecast models, including any necessary corrections, before the second quarter of 2018.

19. Other Revenue and Low Services

Staff and CUB both proposed adjustments for other revenue based on PGE's historical actuals. ICNU also filed testimony expressing concern with the PGE's reduction to other revenues for the test period, but did not propose a discrete adjustment. For the Low Clearance Correction Program, Staff proposed an adjustment based on a sharing of costs between PGE and customers. Staff and PGE do not agree on the breakdown of the adjustment between expense and other revenue, but Staff and PGE do agree on the

revenue requirement effect. The Stipulating Parties agree that PGE will increase its other revenue forecast and reduce its O&M expense by a combined total of \$1.5 million to settle both issues.

Additionally, the Stipulating Parties agree to the following conditions specific to the Low Clearance Correction Program:

- a. A ten-year inspection cycle and two-year correction cycle for service connections with point of attachment (POA) below eight feet and between eight and ten feet;
- b. Beginning January 1, 2018 and until the next general rate case, PGE will collect \$1,583,742/year in prices for the Low Clearance program plus the loaded labor expenses associated with the Low Clearance program FTEs (i.e., two fully loaded FTEs);
- c. PGE agrees to modify the portions of testimony agreed to with Staff related to low service connects;
- d. Staff agrees to withdraw its recent data requests (DRs) dealing with Low Service Connects (i.e., OPUC DR Nos. 698-708);
- e. PGE will file an annual report with the OPUC containing the following information:
 - the annual cost of the Low Clearance program;
 - the amount of Low Clearance program costs capitalized, if any;
 - the number of service connections inspected for POA height;
 - the number of inspected service connections found to have POA/POW (point of weatherhead) below eight feet;
 - the number of inspected service connections found to have POW between eight and ten feet;
 - the number of sub-eight-foot connections connected and the cost of connection; and
 - the number of eight to ten-foot connections corrected and the cost of connection.

Additionally, PGE will make best efforts to correct low service connections below eight feet and above eight feet in approximately the same ratio as discovered in inspections.

20. *Carty AFUDC*

Staff testified that it is not appropriate to increase the rate base for Carty beyond the stipulated amount (in docket UE 294) until prudence is established for additional investments. The timing of a prudence determination related to additional Carty investments will depend on the outcome of litigation arising from the Performance Bond between PGE and sureties. Because of this, PGE agreed that it was appropriate to remove

the incremental AFUDC at this time. As such, the Stipulating Parties agree that PGE will remove the AFUDC calculated for the Carty Generation Station from mid-May through July 29, 2016, resulting in a reduction to rate base of \$7.7 million. PGE is not precluded from requesting the removed amount in a future proceeding. In addition, PGE will decrease the associated ADIT by approximately \$1.0 million to comply with IRS normalization requirements.

21. *Major Maintenance Accruals (MMAs)*

PGE's initial filing requested the inclusion of an MMA for Colstrip Units 3 and 4, consistent with PGE's other current MMAs. Staff did not take issue with the inclusion of an MMA for Colstrip, but indicated that a three-year moving average (as opposed to PGE's requested five-year average) would better match the major outage schedule at the plant. The Stipulating Parties agree that PGE will calculate and include a Colstrip MMA using a three-year moving average, resulting in a \$244,000 increase to PGE's production O&M costs. Additionally, PGE will file deferred accounting applications associated with MMAs every year beginning on January 1, 2018.

22. *Generation O&M*

Staff recommended reducing consulting expenses by \$90,000 due to the addition of one Power Supply Engineering Services Analyst. The Stipulating Parties agree that PGE will reduce generation expense by \$90,000.

23. *Affiliated Interests*

While PGE's initial filing did not specifically address affiliated interests, Staff conducted a review of PGE's process for assigning and allocating the costs of affiliates. Through this review, Staff identified certain concerns with PGE's process. The Stipulating Parties agree that PGE will hold a workshop prior to the next general rate case to address Staff's concerns regarding allocation factors.

24. *Customer Service Expenses*

PGE's initial filing included non-labor Customer Services expense, excluding uncollectibles and CET expenses, of approximately \$16.7 million. Staff proposed a reduction to this expense based on a three-year average of dollars spent per customer. After reviewing its forecasted costs, PGE acknowledged that certain outside services expenses could be postponed. The Stipulating Parties agree that PGE will reduce non-labor Customer Service expense by \$300,000.

25. *Environmental and Licensing Services*

A significant change in environmental and licensing services (ELS) costs between PGE's 2016 forecast and 2018 forecast raised concerns for Staff. When removing the costs associated with PGE's Portland Harbor Environmental Remediation Account (PHERA),

Staff worried that PGE's forecasted 2018 ELS costs appeared higher than 2016 costs. PGE responded with work papers demonstrating that the costs requested in this case are actually lower than 2016 costs exclusive of PHERA related costs. Based on the information provided, the Parties agree that, for settlement purposes, there will be no adjustment related to PGE's 2018 ELS forecast.

26. *Research and Development Memberships*

PGE's initial filing included a Research and Development (R&D) forecast of approximately \$3.0 million and a forecast of Membership costs of approximately \$3.6 million. Staff proposed a reduction to PGE's R&D forecast assuming that PGE could eliminate or postpone certain projects, and a reduction to PGE's Memberships forecast due to inadequate explanation for certain costs. The Stipulating Parties agree that PGE will reduce its R&D expense by \$800,000 and reduce its Memberships expense by \$111,680. To address concerns regarding R&D projects, PGE will file a report in October of each year regarding prospective R&D projects and will also continue to file the annual retrospective report as stipulated in UE 294. PGE will continue the historic treatment of administrative costs.

27. *Depreciation*

Staff recommended that PGE's depreciation expense reconcile to the rates adopted in Docket No. UM 1809 (PGE's 2015 Depreciation Study – Order No. 17-365). ICNU expressed concerns related to an increase in PGE's asset retirement obligation (ARO) compared to UM 1809. After reviewing the final results of UM 1809 and comparing the results to PGE's initial filing, PGE determined that adjusting its ARO and depreciation expense to match the outcome of UM 1809 was appropriate. The Stipulating Parties agree that PGE will reconcile in an electronic spreadsheet the following items: (1) the final depreciation expense amount in PGE's revenue requirement (including the Carty component and exclusive of the plant adjustments agreed to in this stipulation); and (2) the depreciation amount as determined by the UM 1809 depreciation study and based on plant in service at year-end 2017 and the adjusted annualization of 2017 depreciation expense to reflect the declining balance impact during 2018. The reconciliation will include the same level of detail as the summary calculations in UM 1809.

The Stipulating Parties also agree that PGE will remove approximately \$7.3 million from depreciation expense associated with the asset retirement obligation and that PGE will reduce depreciation expense by approximately \$8.2 million to reflect the settlement reached in the depreciation study. To maintain compliance with IRS normalization rules (see PGE Exhibit 200, Section III), PGE will update accumulated depreciation and accumulated deferred taxes to coincide with the revised depreciation expense. This amounts to a reduction in accumulated depreciation of approximately \$8.2 million and an increase in ADIT of approximately \$1.1 million.

28. *Plant in Service, Production Tax Credit (PTC) Carryforwards (IN-7), and Distribution O&M (S-12)*

PGE's filed case proposed to add approximately \$465 million to rate base. Staff and ICNU challenged this amount, with Staff proposing to remove \$64.3 million from plant in service, while ICNU recommended removing \$84.3 million. (As noted above, ICNU also proposed to remove a number of ADIT items from rate base, including production tax credit carryforwards.)

The Stipulating Parties agree that PGE will make a non-specified reduction to rate base of \$50 million to resolve these three issues, but acknowledge that they are free to raise issues related to PGE's PTC carryforwards in future proceedings.

Additionally, specific to plant in service, the Stipulating Parties agree to the following:

- a. PGE will file attestations for the following six projects:
(1) Structural/Reliability Upgrades (P35959); (2) Horizon Phase II Project (P35802); (3) 36042 Tektronix Substation Upgrade; (4) Field Voice Communications/Spectrum 200 MHz (P35938/P36354); (5) Distribution Automation/Spectrum (700 MHz P36109/P36005); and Energy Market Readiness Project (P36146).
- b. If the above-mentioned projects do not come into service prior to rate-effective date, PGE will remove the amounts not in-service from base rates effective January 1, 2018. If, due to timing of the projects, PGE is unable to remove these amounts from rates prior to January 1, 2018, PGE agrees to refund to customers the amounts recovered.
- c. PGE agrees to answer information requests from all parties related to plant in service included in rates through this general rate case; and PGE agrees to file a report by March 15, 2018, showing: (1) the list of capital projects planned for 2017 as represented in PGE's Second Supplemental Response to DR No. 139, dated August 2, 2017; (2) a list of capital projects transferred to plant in 2017; (3) the forecast amount for each capital project; (4) the actual amount for each capital project; and (5) the variance amount between forecast and actual expenditures.
- d. Finally, while PGE's projected amount for plant in service is resolved for this case, this settlement does not address Staff's concern that capital projects are closed to plant that may not have been reviewed by the Commission at the time rates become effective.

29. *Legal Fees*

Staff's Opening Testimony expressed concerns about the PGE's possible inclusion of forecasted legal costs related to the Schedule 134, Gresham Privilege Tax Payment

Adjustment. As these concerns were resolved through data requests between PGE and discovery, Staff withdrew this issue.

B. Ratespread and Rate Design

The Stipulating Parties agree, as follows:

1. The Schedule 7 Basic Charge will be \$11.00 per month.
2. The Schedule 32 Basic Charge will be increased by one dollar per month for single and three-phase service respectively.⁹
3. Schedule 110 prices will be reduced to begin amortizing the excess balance effective January 1, 2018.
4. Lighting schedule prices will be updated to reflect the Cost of Capital adopted by the Commission in this docket.
5. PGE will begin amortization of the Schedules 5 & 6 balancing accounts effective January 1, 2018.
6. In PGE's next general rate case, PGE will either propose Schedule 32 demand charges, or state why it proposes to keep volumetric prices instead.
7. Adopt Staff's Schedule 7 time of use (TOU) proposal, and keep Schedule 38 in its present form. Additionally, PGE will report annually to Staff and other interested parties on Schedule 38 customers' average use per customer by month and the average range of load factor.
8. Eliminate the Customer Impact Offset, except for the lighting schedules. Parties agree to keep open the option of revisiting the customer impact offset for purposes of resolution of the EE issue.
9. With respect to the Schedule 90 load following credit, accept ICNU's proposal of crediting Schedule 90 (1.13 mills/kWh + 0.25 mills/kWh for 150 MW), and allocating the costs of this credit to other cost of service rate schedules. However, the Schedule 89 surcharge will not exceed 0.57 mills/kWh. The Schedule 90 additional credit will be reduced accordingly if the Schedule 89 surcharge otherwise exceeds the 0.57 mills/kWh.
10. Accept PGE allocations for advanced metering infrastructure meters, the customer information system, and meter data management system.
11. Re-functionalize storage costs of approximately \$300,000 to generation from customer.
12. The Stipulating Parties request that the Commission open an investigative docket to address the appropriate functionalization and/or allocation of PGE smart grid costs.
13. Set the Schedule 85 secondary/primary Facility Capacity Charge price differential of \$0.25/kW-month. In addition, in its next GRC, PGE will examine the test period marginal capital costs of primary and secondary Distribution Facilities in its current design standards and the maintenance costs contained in FERC accounts 583, 584, 593, and 594 and estimate the amounts attributable to secondary voltage service conductors, secondary voltage conductors, and primary voltage conductors.

⁹ SUBA's input regarding the first partial stipulation is limited to this issue.

IV. RESOLUTION

We have reviewed the entire case record together with the terms of the first partial stipulation and supporting testimony. We understand that the first partial stipulation was freely entered into by the Stipulating Parties, and we find that its terms are reasonable.

We approve proposed resolutions on adjustments to PGE's revenue requirement. We find all of them, with one exception we discuss below, to be sufficiently supported by testimony and we conclude that they will facilitate PGE's provision of reliable service at just and reasonable rates.

In Order No. 17-344, entered on September 13, 2017, we addressed a stipulation in another utility's rate case that proposed adding projects to the utility's revenue requirement before they had been placed in service. After requesting additional information, we approved the proposed resolution, but stated:

However, we would remind parties wishing to include plant not-yet-in-service as part of the proposed revenue requirement in future rate cases, to be prepared to explain such proposals with particularity and to justify, via clear and convincing evidence, the circumstances providing the rationale for their inclusion in their general rate case application.¹⁰

This advice would apply to PGE in this proceeding, but was not fully implemented.

We conclude, however, that the Stipulating Parties were unable to apply our advice due to the timing of our advice and the timing of the settlement in this case. PGE filed the first partial stipulation on September 18, 2017, after it was executed by the Stipulating Parties on September 15, 2017, only two days after our issuance of Order No. 17-344. Moreover, the last settlement meeting occurred on August 3, 2017, well before Order No. 17-344 was entered, and it is likely that the first partial stipulation and supporting testimony were being drafted but not negotiated thereafter. Due to this timing, we overlook the failure of the first partial stipulation to adequately support its proposed resolution regarding PGE's plant-in service and adopt it. We reiterate our advice in Order No. 17-344, however, and caution against its further disregard. We will be disinclined in the future to approve a settlement of this nature if the settlement does not include the supporting information identified in Order No. 17-344.

We also approve the proposed settlements on capital structure, cost of debt, and cost of capital issues. Based on the evidence presented, we find the Stipulating Parties' proposed resolutions to be within the range of reasonableness for the characteristics and circumstances of PGE. We also adopt the Stipulating Parties' proposed resolutions regarding rate spread and rate design resolutions

¹⁰ *In the Matter of Avista Corporation, dba Avista Utilities*, Request for a General Rate Revision, Order No. 17-344 at 10 (Sep 13, 2017).

In conclusion, we find that the Stipulating Parties' proposed changes to PGE's tariffs and conditions, as set forth in the first partial stipulation, will result in fair, just and reasonable rates. We adopt the first partial stipulation in its entirety, thereby settling all unsettled issues in this docket.

V. ORDER

IT IS ORDERED that:

1. The first partial stipulation between Portland General Electric Company; Staff of the Public Utility Commission of Oregon; Oregon Citizens' Utility Board; the Industrial Customers of Northwest Utilities; and Fred Meyer Stores and Quality Food Centers, a Division of The Kroger Co., attached as Appendix A, is adopted.
2. Portland General Electric Company's Revenue Requirement Estimate Update, filed , attached to this order as Appendix B, is adopted subject to a true-up should later data become available.
3. Advice No. 17-06, filed on February 28, 2017, is permanently suspended.
4. Portland General Electric Company must file new tariffs consistent with this order to be effective January 1, 2018.

Made, entered, and effective DEC 18 2017.

COMMISSIONER HARDIE WAS
UNAVAILABLE FOR SIGNATURE

Lisa D. Hardie
Chair



Stephen M. Bloom
Stephen M. Bloom
Commissioner

Megan W. Decker
Megan W. Decker
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

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PARTIAL STIPULATION

This Partial Stipulation ("Stipulation") is between Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Oregon Citizens' Utility Board ("CUB"), the Industrial Customers of Northwest Utilities ("ICNU"), Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co. ("Kroger"), Wal-Mart Stores Inc. and Sam's West, Inc. ("Walmart"), and the Small Business Utility Advocates ("SBUA") (collectively, the "Stipulating Parties").

PGE filed this general rate case on February 28, 2017. The filing included fourteen separate pieces of testimony and exhibits. PGE also provided to Staff and other parties voluminous work papers in support of its filing. Since that time, Staff and intervening parties have analyzed PGE's filing and work papers, and submitted more than 800 data requests obtaining additional information. Two schedules were set by the Administrative Law Judge in this matter: one for net variable power cost ("NVPC") issues, and the other for general rate case issues. All NVPC issues have been settled, and a NVPC Stipulation has been filed with the Commission. All parties had the opportunity to file testimony regarding non-power cost issues on June 16, 2017. Settlement conferences were held on July 6, 7, 11, and 24. Some issues were settled prior to PGE filing Reply Testimony on July 18, 2017. An additional settlement

conference was held on August 3. The Stipulating Parties participated in these numerous settlement discussions. Calpine Solutions also participated in settlement discussions, and does not object to this Partial Stipulation. No other parties participated in the discussions. As a result of those discussions, the Stipulating Parties have reached a compromise settlement of all remaining issues in this docket except one. The following terms apply to adjustments to be made relative to PGE's filed case.

TERMS OF PARTIAL STIPULATION

1. This Stipulation resolves all remaining issues in this docket except CUB's proposal for the allocation of costs and benefits for energy efficiency funded under Senate Bill 838 (2007).
2. Uncollectibles (S-1). PGE will reduce its uncollectible rate to 0.3431% based on a three-year average of actual write-offs for calendar years 2014-2016.
3. OPUC Fees (S-2). PGE will apply a 0.3211% OPUC Fee rate based on a reduced gross-up factor to account for sales for resale. PGE will also reduce the OPUC Fee amount to reflect a 0.3000% rate on the incremental revenue requirement of this case.
4. Interest Synchronization (S-3). PGE and Staff agree that their respective calculations align. There is no change to revenue requirement.
5. IT Cybersecurity Amortization (S-4). PGE will provide Staff with more information on segregating and identifying development costs. There is no change to revenue requirement.
6. ADIT (S-5) (IN 8-13). In settlement of these accumulated deferred income tax (ADIT) related issues PGE will reduce rate base by approximately \$27.8 million.

7. Working Cash (S-6). PGE and Staff agree that their respective calculations align, and PGE will continue to use a 3.628% working cash factor.
8. Major Storms (S-7). PGE will increase the annual storm accrual to \$2.6 million as stated in PGE Exhibit 800 and withdraws its request in this docket for a balancing account for Level III storm costs.
9. Escalation (S-8). There will be no adjustment for this issue.
10. Wages and Salaries, Incentives, and FTEs (S-9).
 - a. O&M expense will be reduced by \$2,425,018 and Capital will be reduced by \$1,051,773 relative to PGE's filed case in order to settle wages and salaries and incentive costs. These amounts are calculated by removing PGE's request related to Officer incentives and by using Staff's three-year wages and salaries model, with escalation rates averaged between Staff's and PGE's filed escalation rates for non-bargaining FTEs and the contracted escalation rates for union FTEs. The Stipulating Parties further agree not to place CET benefit loadings into the CET deferral.
 - b. The Stipulating Parties agree to a non-specified revenue requirement reduction of \$6.0 million to settle all FTE issues. Additionally, the Stipulating Parties agree to a \$0.1 million expense reduction to settle Administrative and General Contractor costs.
11. CET Deferral and Amortization (S-28). The remainder of CET deferral costs for 2014-2016 (as of year-end 2017) and PGE's forecasted CET O&M costs for 2017 and 2018 will be moved from base rates into a supplemental schedule. The supplemental schedule will amortize the 2014-2016 deferral balance and the 2017 and 2018 forecasted costs over five years beginning January 1, 2018 with interest accruing at the modified blended treasury rate.
12. Insurance (S-10). D&O insurance costs will be reduced by \$272,000.

13. Medical Benefits (S-11) (IN-5). PGE will reduce medical benefit costs by approximately \$1.2 million to address ICNU's issue regarding cost escalation.
14. Cost of Capital (S-13) (IN-1). For determining rates in this case:
 - a. The Cost of Long-Term (LT) Debt will be set at a ceiling of 5.203% plus a minimal adjustment for fees. Any changes to debt in 2017 that reduce PGE's overall cost of LT Debt below 5.203% will be reflected in PGE's final revenue requirement update. Any subsequent changes through June 30, 2018 that reduce PGE's overall cost of LT Debt below 5.203% will be reflected through a supplemental tariff filing.
 - b. The Return on Equity will be 9.50%.
 - c. The assumed debt to equity ratio will be 50/50.
15. Post Retirement Costs/Pensions (S-14). PGE withdraws its accounting treatment language request, and will capitalize pension and post-retirement plans in a manner consistent with PGE's method prior to the issuance of FASB ASU 2017-07. This results in a cost reduction of approximately \$1.55 million.
16. AFUDC (S-15). In September or October 2017, PGE will hold a workshop with Staff and other parties to review the FERC-specified AFUDC formula and PGE's calculations/transactions.
17. Fee Free Bank Card (S-16). PGE will set the per-transaction rate at the \$1.54 level determined in Docket No. UE 294. PGE also agrees with Staff's revised adoption rate of 10.84%. These result in a cost reduction of \$503,000.
18. Load Forecasting (S-17 and S-31).
 - a. The Stipulating Parties agree to the use of PGE's load forecast model with the following adjustments for this case only:
 - i. Use of a 15-year average weather assumption; and

- ii. A 25% reduction to PGE's outboard energy efficiency decrement to its 2018 load forecast.
 - b. No additional variable or structural changes will be made to PGE's model within this case.
 - c. PGE will conduct a workshop before year-end 2017 on load forecasting. PGE will provide Staff its evaluation of non-stationarity in its models, and any necessary corrections, before the second quarter of 2018.
19. Other Revenue and Low Services (S-18 and S-30). In settlement of both of these issues, the Stipulating Parties agree:
- a. PGE will increase its Other Revenue forecast and reduce its O&M expense by a combined total of \$1.5 million.
 - b. There will be a ten-year inspection cycle and two-year correction cycle for service connections with point of attachment (POA) below eight feet and between eight and ten feet.
 - c. Beginning January 1, 2018 and until the next general rate case, PGE will include \$1,583,742/year in rates for the Low Clearance program plus the loaded labor expenses associated with the Low Clearance program FTEs (i.e., two fully loaded FTEs).
 - d. PGE agrees to provide an annual report containing the following information:
 - i. The annual cost of the Low Clearance program;
 - ii. The amount of Low Clearance program costs capitalized, if any;
 - iii. The number of service connections inspected for POA height;
 - iv. The number of inspected service connections found to have POA/POW (point of weatherhead) below eight feet;

- v. The number of inspected service connections found to have POW between eight and ten feet;
 - vi. The number of sub-eight-foot connections corrected and the cost of correction; and
 - vii. The number of eight to ten-foot connections corrected and the cost of correction.
- e. PGE agrees to modify the portions of testimony agreed to with Staff related to low service connects.
 - f. Staff agrees to withdraw its recent data requests (DRs) dealing with Low Service Connects (i.e., OPUC DRs 698-708).
 - g. PGE will make best efforts to correct low service connections below eight feet and above eight feet in approximately the same ratio as discovered in inspections.
20. Carty Generating Station (S-19). For the purposes of this rate case, PGE will remove the AFUDC calculated for the Carty Generating Station from mid-May to July 29, 2016. This results in a reduction to rate base of approximately \$7.7 million. To maintain compliance with IRS normalization rules (see PGE Exhibit 200, Section III), PGE will also reduce ADIT by approximately \$1.0 million to coincide with the revised plant amount.
21. Major Maintenance Accruals (MMA's) (S-20). PGE will file deferred accounting applications associated with MMAs every year beginning on January 1, 2018. The Colstrip MMA will be calculated using a three-year moving average, which results in a \$244,000 increase to PGE's production O&M costs.
22. Generation O&M (S-21). Generation O&M expense will be reduced by \$90,000.

23. Affiliated Interests (S-22). PGE will hold a workshop prior to its next general rate case to address Staff's concerns regarding allocation factors.
24. Customer Services (S-23). PGE will reduce non-labor customer service costs by \$300,000.
25. Environmental Licensing (S-24). No adjustment for this issue. On August 11, PGE provided additional information to Staff to support this position, including work papers demonstrating that the costs requested in this case are lower than 2016 costs exclusive of Portland Harbor related costs.
26. R&D and Memberships (S-25).
 - a. PGE will reduce its request by \$800,000 to \$2.2 million, which includes administrative costs. To address concerns regarding R&D projects, PGE will file a report in October of each year regarding prospective R&D projects and will also continue to file the annual retrospective report as stipulated in UE 294. PGE will continue the historic treatment of administrative costs.
 - b. Membership costs will be reduced by \$111,680.
27. Depreciation (S-26) (IN-4).
 - a. PGE will provide a reconciliation in an electronic spreadsheet of the following items:
 - i. The final depreciation expense amount in PGE's revenue requirement (including the Carty component and exclusive of the plant adjustments agreed to in this stipulation); and
 - ii. The depreciation amount as determined by the UM 1809 depreciation study and based on: 1) plant in service at year end 2017; and 2) the adjusted annualization of 2017 depreciation expense to reflect the declining balance

impact during 2018. The reconciliation will include the same level of detail as the summary calculations in Docket No. UM 1809.

- b. PGE will remove approximately \$7.3 million from depreciation expense associated with the asset retirement obligation.
 - c. PGE will reduce depreciation expense by approximately \$8.2 million to reflect the settlement reached in the depreciation study, Docket No. UM 1809. To maintain compliance with IRS normalization rules (see PGE Exhibit 200, Section III), PGE will also reduce accumulated depreciation by approximately \$8.2 million and increase ADIT by approximately \$1.1 million to coincide with the revised depreciation expense.
28. Plant in Service (S-27), PTC ADIT (IN-7), Distribution O&M (S-12).
- a. The Stipulating Parties agree to a non-specified rate base reduction of \$50 million to resolve these three issues.
 - b. The Stipulating Parties agree they are free to raise issues related to PGE's production tax credit (PTC) carryforwards in future proceedings.
 - c. Regarding Plant in Service:
 - i. PGE agrees to file attestations for six large projects scheduled to close to plant in the second half of 2017.
 - ii. If any of these projects do not come into service prior to January 1, 2018, PGE will remove the amounts not in service from base rates effective January 1, 2018. If, due to timing of the projects, PGE is unable to remove these amounts from rates prior to January 1, 2018, PGE will refund to customers the amounts recovered.

- iii. PGE agrees to answer information requests from all parties related to plant-in-service included in rates through this general rate case.
 - iv. PGE agrees to file a report by February 15, 2018 showing: (1) a list of capital projects that were planned for 2017 as represented in PGE's Second Supplemental Response to DR No. 139, dated August 2, 2017, (2) a list of capital projects transferred to plant in 2017, (3) a forecast amount for each capital project, (4) the actual amount for each capital project, (5) the variance amount between forecast and actual expenditures.
29. Legal Fees (S-29). Staff's concerns were resolved through a data request and this issue is withdrawn.
30. Ratespread and Rate Design. The Stipulating Parties agree as follows:
- a. The Schedule 7 Basic Charge will be \$11.00 per month.
 - b. The Schedule 32 Basic Charge will be increased by one dollar per month for single and three-phase service respectively.¹
 - c. Schedule 110 prices will be reduced to begin amortizing the excess balance effective January 1, 2018.
 - d. Lighting schedule prices will be updated to reflect the Cost of Capital adopted by the Commission in this docket.
 - e. PGE will begin amortization of the Schedules 5 & 6 balancing accounts effective January 1, 2018.
 - f. In PGE's next general rate case, PGE will either propose Schedule 32 demand charges, or state why it proposes to keep volumetric prices instead.

¹ SBUA's participation has been limited in this docket and SBUA input regarding this Partial Stipulation is limited to this provision. SBUE takes no position on other provisions of this Partial Stipulation.

- g. Adopt Staff's Schedule 7 TOU proposal, and keep Schedule 38 in its present form. Additionally, PGE will report annually to Staff and other interested parties on Schedule 38 customers' average use per customer by month and the average range of load factor.
- h. Eliminate the Customer Impact Offset (CIO), except for the lighting schedules. Parties agree to keep open the option of revisiting the customer impact offset for purposes of resolution of the EE issue.
- i. With respect to the Schedule 90 load following credit, accept ICNU's proposal of crediting Schedule 90 (1.13 mills/kWh + 0.25 mills/kWh for 150 MW), and allocating the costs of this credit to other cost of service rate schedules. However, the Schedule 89 surcharge will not exceed 0.57 mills/kWh. The Schedule 90 additional credit will be reduced accordingly if the Schedule 89 surcharge otherwise exceeds the 0.57 mills/kWh.
- j. Accept PGE allocations for advanced metering infrastructure meters, the customer information system, and meter data management system.
- k. Re-functionalize storage costs of approximately \$300,000 to generation from customer.
- l. The Stipulating Parties request that the Commission open an investigative docket to address the appropriate functionalization and/or allocation of PGE smart grid costs.
- m. Set the Schedule 85 secondary/primary Facility Capacity Charge price differential of \$0.25/kW-month. In addition, in its next GRC, PGE will examine the test period marginal capital costs of primary and secondary Distribution Facilities in its current design standards and the maintenance costs contained in FERC accounts 583, 584,

593, and 594 and estimate the amounts attributable to secondary voltage service conductors, secondary voltage conductors, and primary voltage conductors.

31. The Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of the identified issues in this docket.
32. The Stipulating Parties agree that this Stipulation is in the public interest, and will contribute to rates that are fair, just and reasonable, consistent with the standard in ORS 756.040.
33. The Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all of the Stipulating Parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.
34. The Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties, after consultation, may seek to obtain Commission approval of this Stipulation prior to evidentiary hearings. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves its right: (i) to withdraw from the Stipulation, upon written notice to the Commission and the other Parties within five (5) business days of service of the final order that rejects this Stipulation, in whole or material part, or adds such material condition; (ii) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond

fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (iii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission's final order. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

35. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, and provide witnesses to support this Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Stipulating Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.
36. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

ORDER NO. 17 511

DATED this _____ day of September, 2017.

PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

OREGON CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

THE KROGER CO.

WALMART STORES, INC. AND
SAM'S WEST, INC.

SMALL BUSINESS UTILITY ADVOCATES

ORDER NO. 17 511

DATED this 18th day of September, 2017.



PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

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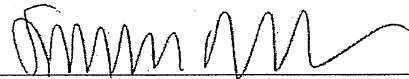
WALMART STORES, INC. AND
SAM'S WEST, INC.

SMALL BUSINESS UTILITY ADVOCATES

ORDER NO. 17 511

DATED this 15th day of September, 2017.

PORTLAND GENERAL ELECTRIC
COMPANY



STAFF OF THE PUBLIC UTILITY
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WALMART STORES, INC. AND
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SMALL BUSINESS UTILITY ADVOCATES

ORDER NO. 17 511

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OREGON CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

THE KROGER CO.

WALMART STORES, INC. AND
SAM'S WEST, INC.

SMALL BUSINESS UTILITY ADVOCATES

ORDER NO.

17 511

DATED this 15th day of September, 2017.

PORTLAND GENERAL ELECTRIC
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SMALL BUSINESS UTILITY ADVOCATES

ORDER NO. 17 511

DATED this 18 day of September, 2017.

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Vicki M. Baldura
WALMART STORES, INC. AND
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SMALL BUSINESS UTILITY ADVOCATES

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THE KROGER CO.

WALMART STORES, INC. AND
SAM'S WEST, INC.

s/ Diane Henkels

SMALL BUSINESS UTILITY ADVOCATES



Portland General Electric Company
 121 SW Salmon Street • Portland, Oregon 97204
 PortlandGeneral.com

December 4, 2017

Email / FedEx

puc.filingcenter@state.or.us

Public Utility Commission of Oregon
 201 High St SE, Suite 100
 Salem, OR 97301

RE: UE 319 Revenue Requirement Revision to Final Update

Filing Center:

On November 15, 2017, PGE submitted its final update to the revenue requirement for Docket No. UE 319. Subsequent to that, OPUC Staff ("Staff") identified an oversight in the filing. Specifically, Staff discovered that the 2017 depreciation expense associated with approximately \$7.6 million in AFUDC for the Carty Generating Station was inadvertently included in PGE's revenue requirement. Correcting this entry reduces the 2018 test year revenue requirement by \$228,722, which is reflected in the table below.

PGE provides this revised final revenue requirement as information only, and will file new tariffs consistent with Order No. 17-384 and the Commission's pending final order on all non-power cost issues for Docket No. UE 319.

PGE's incremental revenue requirement shown in the table below incorporates the November 15, 2017 final MONET update, the stipulations filed with the Commission in Docket No. UE 319 on September 8, 2017 and September 18, 2017, the update to PGE's load forecast reflecting the outcome of September's long-term opt-out window, and the above-mentioned correction. PGE's UE 319 total revenue requirement, including all updates, is \$1,813,196,834.

Final Revenue Requirement (\$ millions)

Original Filing	\$99.9
March 31, NVPC Update	(\$1.0)
June Load Forecast Update	(\$8.7)
July 10, NVPC Update	(\$0.2)
September 8, Stipulation	(\$6.4)
September 18, Stipulation	(\$51.6)
Sept. Load Forecast Update	(\$12.2)
Sept. 29, NVPC Update	\$0.6
Sept. COS Load to Reflect Long-Term Opt-Out	\$7.0
Nov. 6, NVPC Update	(\$13.0)
Nov. 15, NVPC Update	\$1.7
December 4, AFUDC adjustment	(\$0.3)
Total*	\$15.9

* May not sum due to rounding

ORDER NO. 17 511

If you have any questions or require further information, please contact Greg Batzler at 503-464-8644. Please direct all formal correspondence and requests to the following email address: pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Stefan Brown', written in dark ink.

Stefan Brown
Manager, Regulatory Affairs