

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 394

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Request for 2022 General Rate Revision

PARTIAL STIPULATION

This Third 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 Alliance of Western Energy Consumers ("AWEC"), Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co. (“Kroger”), Walmart, Inc. (“Walmart”), and Small Business Utility Advocate (“SBUA”), (collectively, the ("Stipulating Parties")). Calpine Solutions (“Calpine”) did not take a position on the issues resolved by this Stipulation, therefore is not a party to this Stipulation but does not oppose it.

PGE previously filed a First Partial Stipulation in this docket resolving all issues related to Cost of Capital in this general rate case. PGE then filed a Second Partial Stipulation after reaching an agreement with the parties on certain matters at settlement discussions on November 5, 2021. SBUA was not a party to the First or Second Partial Stipulations previously filed. The Stipulating Parties participated in a third round of settlement discussions beginning on December 7, 2021, and no other parties participated in the discussion. As a result of the discussions, the Stipulating Parties have reached a compromise settlement resolving several additional issues in this docket, as set forth below.

TERMS OF THIRD PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.
2. Bundled Issues (Bundled Issues): S-05, S-07, S-11, S-13, S-14, S-15, S-16, S-17, S-20, S-23, S-25, S-26, A-08, A-09, A-10, A-12, A-14, A-15, A-16, A-17, A-19, A-21, A-22, A-27, A-28, C-3, and C-10. Please see Table 1, below, for an expanded itemization of issues contained herein.
 - a. Parties agree to settle all remaining revenue requirement issues for a \$10 million increase in non-net variable power costs, with two exceptions.
 - i. First, the \$3 million hold-back proposed by Staff within its wildfire mitigation and vegetation management mechanism would continue to be litigated as a part of the mechanism. If Staff prevails, the revenue requirement increase resulting from this stipulation will be \$7 million. If the Commission determines an amount other than \$3 million should be “held back,” the revenue requirement increase associated with this stipulation will be \$10 million minus the amount held back.
 - ii. Second, issues regarding the appropriate limitations on fee free bank card usage by small commercial customers will continue to be litigated.
 - iii. Third, AWEC’s issue A-25 Related to the funding of the Trojan Nuclear Decommissioning Trusts will continue to be litigated.
 - b. This Bundled Issues settlement does not constitute an agreement that PGE is allowed to recover the expenses associated with Amazon Pay in excess of the per-transaction costs associated with other digital wallet payment options.
 - c. The \$10 million does not include the Oregon Corporate Activities Tax of \$8.4 million, which has been moved from a supplemental schedule to base rates.

Table 1
Revenue Requirement Items in Bundled Issues

Issue No.	Topic
S-05	Incentive Related Payroll Taxes
S-07	Wages and Salaries, FTEs, Incentives
S-11	Other Revenues
S-13	Line Extension Allowances
S-14	Approved TE programs
S-15	Unapproved TE programs
S-16	Non-Labor A&G
S-17	IT Projects
S-20	Pension and Post-Retirement Medical
S-23	Transmission & Distribution Capital
S-25	Customer Service Non-Labor O&M
S-26	ADMS and Distribution Capital
A-08	Revolver Fees
A-09	Margin Net Interest
A-10	Property Insurance
A-12	Plant Capital Update
A-14	Joint Pole Plant Construction
A-15	Compensation
A-16	O&M Escalations
A-17	AFUDC Equity
A-19	ADIT Storm Collection
A-21	ADIT PTCs
A-22	Schedule 146 Colstrip Reserves
A-27	OATT Revenues
A-28	WTC Lease
C-3	Mass Transit Benefit
C-10	Amazon Pay

3. Faraday, (S-21, A-13)

- a. PGE will remove Faraday from the revenue requirement for the May 9 price effective date. PGE is free to argue in this rate case or a subsequent proceeding that PGE should be allowed to recover capital and other costs associated with Faraday in a tariff rider approved by the Commission in this case or a future single-issue ratemaking

proceeding. Staff and intervenors are free to oppose any request for a tariff rider or single-issue rate proceeding and may argue that rate recovery for Faraday must be determined in a future general rate case.

4. Parties agree the Bundled Issues settlement does not constitute an agreement between the parties that all capital investments in this proceeding are either prudent or imprudent. A Party is free to argue in future proceedings that the Commission should order PGE to remove from its rate base a specific plant investment that was contested by such party and not specifically addressed by the first two stipulations in this rate proceeding. Until rates are ordered in a subsequent general rate proceeding, for earnings review purposes, the Company agrees to remove \$15 million of plant investment beginning with the effective date of tariffs from this proceeding.
5. Residential Customer Deposits, (C-01)
 - a. PGE agrees to permanently cease the collection of residential customer deposits beginning on the rate effective date of this general rate case.
6. Load Forecasting
 - a. Parties agree that this settlement resolves all issues related to load forecasting. The load forecast to be used in this case will match the final load forecast included in PGE's November 15th MONET update filing for power costs.
7. Decoupling
 - a. PGE agrees that accruals related to the decoupling mechanism under Schedule 123 will terminate (i.e., both the SNA and LRRRA) on May 9th with the rate effective date of this case. Any amounts identified under the current mechanism up to that date would still be subject to future amortization in Schedule 123.

8. Future Rate Case Process
 - a. PGE agrees to work constructively with OPUC Staff on the responses to Standard Data Request Nos. 57 and 58.
 - b. PGE also agrees to work constructively with OPUC Staff to provide additional visibility into PGE's capital budgeting and execution process.
9. The Stipulating Parties agree that the following items are not resolved by this Stipulation and will continue to be litigated:
 - a. Wildfire Emergency, Ice Storm and Boardman Deferrals
 - b. Wildfire mitigation and vegetation management mechanism
 - c. Level III outage mechanism
 - d. Faraday rider or single-issue proceeding
 - e. Fee free bank card for small commercial customers – both customer limitations and rate spread
 - f. Rate spread and rate design generally
 - g. Non-bypassibility of schedules 135, 137, and 150
 - h. Schedule 90 sub-transmission rate
 - i. Habitat restoration proposal
 - j. PGE's residential line extension allowance amounts
 - k. PGE's temporary service proposal
 - l. Trojan Nuclear Decommissioning Trust (NDT) Contributions (AWEC Issue A-25)
10. Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of all issues addressed in this Stipulation.

11. Stipulating Parties agree that this Stipulation is in the public interest, and will result in rates that are fair, just, and reasonable, consistent with the standard in ORS 756.040.
12. Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all 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 this instance or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.
13. Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties seek to obtain Commission approval of this Stipulation after initial briefs are filed but 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) 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 (ii) 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. Stipulating Parties agree that in the event 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, Stipulating Parties will meet in good faith within ten days and discuss next steps. A Stipulating Party may withdraw from the

Stipulation after this meeting by providing written notice to the Commission and other Stipulating Parties.

14. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal and provide witnesses to support this Stipulation (if required by the Commission), and recommend that the Commission issue an order adopting the settlement 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.
15. 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.

DATED this 13th day of January 2022.

Louella Johnston

PORTLAND GENERAL ELECTRIC
COMPANY

Jill Goatcher

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN
ENERGY CONSUMERS

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THE KROGER CO.

WALMART INC.

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