

per MWh from the final 2022 projected power costs. The primary factors responsible for the increase were an increase in forward electric and gas price curves and an increase in load in 2023.²

UE 402 Proceedings

On August 26, 2022, PGE filed a stipulation and supporting testimony joined by Staff, CUB, and AWEC. The stipulation settled all issues raised in the proceedings.

The Commission issued Order No. 22-427 on November 1, 2022, adopting the AUT Issue stipulation and as amended through Order No. 22-436, requiring PGE to complete a final MONET run by November 15, 2022, to finalize estimated power cost amounts.

MONET Updates

The Annual Update Tariff process includes four periodic updates to forecasted NVPC for the following year with revisions to load forecasts, price forecasts, and contracts as they are realized. Each change in parameters produces a revised net variable power cost by updating the MONET dispatch tool and running the model again for the test year. Rates are currently set based on power costs projected for the 2022 calendar year equal to \$543.6 million. The final Monet update for PGE projected power costs for calendar 2023 is \$730.2 million. Expressed on a per MWh basis, this is a 29.3 percentage increase.³

On July 15, 2022, PGE updated contract and electric and gas forward curves as of May 31, 2022. The NVPC forecast for 2023 increased roughly \$34.4 million from the April 1, 2022, initial filing to approximately \$649.4 million. This increase was primarily due to increased electric and gas forward price curves.

On October 3, 2022, PGE performed a MONET update based on contracts and electric and gas forward curves as of August 31, 2022. PGE's NVPC forecast for 2023 increased to approximately \$690.2 million, an increase of roughly \$40.8 million from the July 15, 2022, update filing. This increase was primarily due to the following:
1) increased electric and gas forward price curves, 2) updating the 2023 load forecast, 3) hydro planned maintenance updates, and 4) updates to power purchase contracts. The power cost increases were partially offset by 1) updates to gas transportation costs, 2) updates to term contracts and other power contracts, and 3) updates to EIM and COB benefit values.

² UE 402, PGE/100, Vhora – Outama – Cristea/1.

³ This figure was found by calculating the relative difference in the average price per MWh between the 2022 and 2023 MONET forecasts.

On November 7, 2022, PGE updated contracts and electric and gas forward curves as of October 13, 2022. The NVPC forecast for 2023 increased to \$725.6 million, an increase of roughly \$35.4 million from the October 3, 2022, update filing. This increase is primarily due to 1) increased electric and gas forward price curves, and 2) updates to power purchase contracts. The power cost increases were partially offset by 1) updates to term contracts, 2) updates to the gas storage related costs, and 3) updates to EIM and COB benefit values.

On November 15, 2022, filed its final MONET update. This update included 2022 electric and natural gas forward prices based on a five-day average of the November 1, 2022 through November 4, 2022, and November 7, 2022, forward curves. The NVPC forecast for 2023 increased to \$730.2 million, an increase of roughly \$4.6 million from the November 7, 2022, update filing. The increase is due to updates to 1) electric and natural gas forward prices; and 2) the price for the energy generation at the Priest Rapids and Wampum hydro facilities, as provided in the power contract between PGE and Grant County.

Effect of Docket No. UE 402 and Advice No. 22-35

In addition to Schedule 125, which updates NVPC, Advice No. 22-35 also updates Schedule 26 (Nonresidential Demand Response Pilot Program) and updates various System Usage, Distribution, and lighting fixture charges. Schedule 26, Nonresidential Demand Response Pilot Program energy prices are updated based on the 2023 forward market gas prices contained in the final UE 402 NVPC update. The System Usage and other various charges are reset based on new long-term direct access participation. The changes in System Usage, Distribution, and lighting fixture prices result in an increase of approximately \$5.8 million.

In total, 48 sheets are updated through Advice No. 22-35, a list of which can be found on the first page of the Company's application.

For a typical residential customer using 780 kWh a month, the result of this filing will increase a typical residential bill from \$114.54 to \$122.60, and represents a seven percent increase.

Staff met with PGE to discuss the work papers relevant to this filing on three occasions: November 22, November 29, and December 1. Staff also sent email correspondence for smaller clarifications.

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December 7, 2022
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PROPOSED COMMISSION MOTION:

Informational only.

ADV 1451/Advice No. 22-35 PGE AUT