

**PUBLIC UTILITY COMMISSION OF OREGON  
INTEROFFICE CORRESPONDENCE**

**DATE:** December 22, 2022  
**TO:** Bryan Conway through Marc Hellman and Matt Muldoon  
**FROM:** Bret Stevens  
**SUBJECT:** Verification of Portland General Electric, (PGE or Company) Automatic Update Tariff Effective January 1, 2023  
Compliance Filing Advice No. 22-35

In Order No. 22-427 (Order) entered November 1, 2022, and Corrected Order No. 22-436 entered November 3, 2022, in Docket No. UE 402, the Public Utility Commission of Oregon (Commission) adopted a comprehensive stipulation on all issues associated with PGE's 2023 Annual Power Cost Update Tariff (AUT). As a result of UE 402, the Company's Net Variable Power Costs are set to increase by \$171.5 million, about 29.3 percent on a per MWh basis. In response to the Order, PGE submitted its Compliance Filing Advice No. 22-35 on November 15, 2022.

Staff has reviewed the Advice Filing and finds it complies with the Commission's Order. The checks and analytic tasks required to affirm the accuracy of rates were:

- Confirm the revenue target is correctly calculated in the Company's revenue requirement work papers based on the estimates found in the November Update.
- Confirm from the Rate Spread and Design work papers that the proposed tariff prices are calculated to produce revenues in accordance with the Commission's order and the November Update. Staff confirmed that the rates and percentage increases to each customer class contained in the November Update the values in the Company's work papers.
- Confirm the calculation of rate spread for the Schedule 139 true-up and is properly reflected in the Company's Rate Spread and Design work paper and resulting Tariff sheets.
- Confirmed that lighting schedule update calculations are consistent and accurate.
- Confirm that PGE's inputs for pricing are consistent and accurate.
- Verify accurate implementation of all changes, including tariff language changes, authorized by the Commission.
- Confirm that the tariff sheets are properly updated with the rates present in the workpapers, advice number, revision number, date, and any other appropriate language changes.

Staff verified that the specific impacts authorized by the Order will be achieved by the changed tariff pages as filed. Staff utilized the provided work papers and 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. On December 6, 2022, the Company submitted a supplemental filing correcting a typo in the pricing on the proposed sheet 38-1, regarding PGE's Schedule 38. This correction brought the tariff sheet in line with the work papers, where Staff confirmed the derivation.

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.

From the Company's initial filing to the final November update, the projection of 2023 NVPC rates grew from \$615 million to \$730.2 million. This represents an increase of 18.7% over the course of the proceedings.

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.

The proposed change will affect roughly 931,000 customers. For a typical residential customer on Schedule 7 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 recommends that an acknowledgement letter be sent, and the tariff sheets as currently filed be allowed to go into effect for service rendered on and after January 1, 2023. Further, Staff asks that the work papers provided by the Company be treated as compliance filings to Order 22-427 and Order 22-436. The Company agrees with Staff's approach to these materials.