

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UE 416**

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Request for a General Rate Revision; and
2024 Annual Power Cost Update.

PGE RESPONSE TO MEMORANDUM
REGARDING NOTICE OF GENERAL
RATE REVISION AND REQUEST FOR
WAIVER

In response to the May 23, 2023 request from Administrative Law Judge Alison Lackey, Portland General Electric Company (PGE) provides the following additional information on the notice provided to customers of this Request for a General Rate Revision and compliance with OAR 860-022-0017.

1. Aside from newspaper advertisements on May 5, 2023, customers were informed of the rate revision request through updates to the PGE company website and outreach to local governmental entities. PGE filed a request for a general rate revision with the Commission on February 15, 2023. On that same day, PGE updated its website to include an informational “Frequently Asked Questions” page about the rate request (Attachment A.) The FAQ website was provided in both English and Spanish and included a link to the Commission’s website for more information about the filing. On February 15-16, 2023, PGE’s communications team conducted 75 individual touchpoint efforts with cities, counties, TriMet and the Portland Business Alliance to notify them of the general rate request.

PGE also communicated with local media sources about the general rate request for published articles and local television station coverage. The Portland Business Journal published an article about PGE’s general rate case on February 16, 2023 (Attachment B), and KGW8, a local news station for the greater Portland area, included the general rate request in its morning news on

February 17, 2023, and began running stories on the general rate request on KGW's website on March 3, 2023. (Attachment C.)

Prior to the Commission's May 3, 2023 public comment hearing, additional media outlets also ran stories about the general rate request and the public comment hearing, including KATU, OPB, and the Salem Statesman Journal (Attachments D, E, and F.) Following the hearing, KGW published an article on May 4, 2023, that included the deadline to comment on May 31 (Attachment G.)

PGE also answered customer inquiries about the general rate case through the company's call center. Between the filing of the general rate revision on February 15, 2023, and the public comment hearing on May 3, 2023, PGE received approximately 469 call inquiries connected to the general rate revision. In comparison, for PGE's last general rate case (Docket No. UE 394) PGE's call center received approximately 241 calls inquiring about the rate case between the date of filing with the Commission and the public comment hearing.

2. OAR 860-022-0017(1) requires an energy utility to inform customers of a general rate revision filing within fifteen days of filing the revised tariff schedule with the Commission. OAR 860-022-0017(2) requires PGE to inform customers through various allowable means, including a display announcement of not less than three columns by ten-inch in a newspaper of general circulation in communities served or through bill inserts. PGE did not provide notice to customers through mailed announcements or billing inserts.

Although PGE did provide published notices of the general rate revision in The Oregonian and the Salem Statesman Journal, consistent with OAR 860-022-017(2)(a), due to an inadvertent oversight by PGE, the display announcement was not published within the 15-day notice requirement of OAR 860-022-0017(1).

3. To the extent that PGE failed to comply with the 15-day notice requirement in OAR 860-022-017(1) for customer notice under subsection 2, PGE requests a waiver pursuant to OAR 860-

022-017(6). Subsection 6 of the rule permits the waiver of the requirements of the rule upon a showing that notice was given and a further showing that additional notice with respect to the rate revision would be duplicative, confusing to customers, and burdensome to the utility.

A waiver of the 15-day notice requirement is appropriate since comparable notice of the general rate revision was provided to customers through the multiple channels previously mentioned prior to the public comment hearing. There is good cause to grant the waiver because the current timing of the newspaper announcement does not pose an adverse effect to PGE customers learning about the general rate revision request. Furthermore, although the published display advertisements in The Oregonian and the Salem Statesman Journal occurred after the May 3 public comment hearing, the publications occurred prior to the May 31, 2023 end of the public comment period.

For the reasons previously stated, PGE believes that customers received notice of the general rate revision filing at a level consistent with the type of notice intended by OAR 860-022-0017(2). However, to the extent the notice did not meet the requirements, PGE would propose an extension of the public comment period from May 31, 2023, until June 25, 2023. This would allow time for parties to address any additional customer comments during settlement discussions scheduled for the end of June and before reply testimony would be filed.

DATED this 30th day of May, 2023.

Respectfully submitted,



Kim S. Burton, OSB #221958
Assistant General Counsel III
PORTLAND GENERAL ELECTRIC COMPANY
121 SW Salmon Street, 1WTC1301
Portland, Oregon 97204
Phone: 573.356.9688
Email: kim.burton@pgn.com

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2024 Rate Case

En Español

On Feb. 15, PGE filed a General Rate Case with the Oregon Public Utility Commission for prices expected to be effective in 2024. This filing is the first step in a transparent public process allowing the OPUC to work with PGE in determining new customer prices. Customer prices are approved by the OPUC after an extensive evaluation, including a public hearing, which considers a range of factors including current prices, inflation and other cost increases, and the necessary investments needed to provide reliable and resilient power to customers in the region.

PGE is proposing an average price increase of 14%, this includes an average 4.5% increase for fuel and power costs and a 9.5% increase covering capital investments and operations and maintenance such as updating aging infrastructure, more resilient transmission lines and ongoing safety management by our crews.

This process to determine a final price with the OPUC can take up to a year; additional information on what to expect over the coming months can be found on the [OPUC website](#) [↗](#).

What's driving this increase:

- **Power costs:** Power costs have exponentially risen driven by high fuel costs, inflation, extreme weather events and market volatility.
- **Capital investments around upgrading the electric grid:** We are investing in infrastructure and technology upgrades and replacing aging assets to create a grid that is more resilient in the face of extreme weather.
- **Investments focused on grid security and reliability.** The investments we make result in better service for our customers, including fewer power interruptions and increased reliability for non-emitting resources.

PGE continues to be focused on managing costs for customers, some ways we are doing this include:

- **Implementing tools and products that help customers manage their own energy use**
 - We are empowering customers to take control of their energy journey through usage dashboards, rebates and incentives for energy efficiency as well as special programs to save money such as Smart Thermostat, Time of Day pricing and Peak Time Rebates.
- **Identifying federal funds, incentives and customer rebates**
 - As a company, we are working hard to bring federal resources to our state to cover needed investments, take advantage of new grants and credits from the IRA/IIJA and connect customers with new federal tax credits, rebates and incentives.
- **Curtailing power costs where possible**
 - Wholesale power costs have gone up exponentially compared to PGE's power costs because of steps we have taken to diversifying our portfolio and mitigate extreme risk from the market.
- **Managing our own costs/efficiencies**
 - We have focused on managing spending and keeping operating cost low to avoid passing any unnecessary costs onto customers. For example, our adjusted budget for operations and maintenance remained the same from 2021 to 2022 despite the high cost of inflation and is even decreasing in 2023 as we continue to be financially prudent. We have managed more infrastructure, more customers, and more energy demand with the same number of employees year-over-year, and our hard-working crews are completing work faster while focusing on keeping our community and employees safe.

Frequently asked questions and answers

What is a rate case and why are you doing one now? 

What's in it for me? 

How does PGE support customers who have difficulty paying their bills?



When did customer prices last go up?



How much will my prices change?



What specifically have you done to make the system better and safer?



Are you allowed to keep raising prices? Who decides what is fair?



Why are residential and small business customers getting a different increase than others?



How does that compare to other utilities in the region and country?



Are there other components of the General Rate Case filing?



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From the Portland Business Journal:

<https://www.bizjournals.com/portland/news/2023/02/16/pge-rate-hike-14-percent.html>

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Portland General Electric proposes 14% rate increase for 2024

Feb 16, 2023, 2:18pm PST



Robert Brook

PGE's proposal includes substantial investments to make the grid more resilient and reliable, the utility said.

Portland General Electric (NYSE: POR) bills are likely to rise again next year — possibly a lot.

A general rate case filed by Oregon's largest electric utility Wednesday outlines rate and power-cost increases that would

drive the overall price of electricity up 14%.

Oregon's Public Utility Commission will decide PGE's 2024 rates late this year, and requested hikes are often trimmed substantially after stakeholder and PUC staff input. Oregon's residential ratepayer advocate Oregon CUB called the impact of PGE's proposed increase "huge" and vowed scrutiny, especially of big investments in distribution system upgrades.

In a 1,386-page filing making the case for the increase, PGE cited "historically high inflation, increasing extreme weather events, volatile energy markets, significant and urgent policy mandates, and rising customer expectations."

PGE attributed 9.5 percentage points of the total increase to investments and rising operation and maintenance costs, and 4.5 percentage points to higher fuel and power costs.

More resilient grid, fewer power interruptions

In a website post, PGE said it was investing to replace aging assets and "to create a grid that is more resilient in the face of extreme weather." The utility promised "better service for our customers, including fewer power interruptions and increased reliability for non-emitting resources."

In addition to putting a variety of investments into rates, the PGE proposal includes a boost in return on equity — essentially the company's profit — from 9.5% to 9.8%.

The rising prices would continue a recent trend: PGE rates rose about 7% in January to meet expected higher electricity and natural gas costs this year. Rates also rose in 2022, reflecting both investments and higher fuel and power costs.

Still, the utility has hardly been alone in pushing prices higher. PacifiCorp and NW Natural bills are up as well. And PGE suggested its proposed increase was modest compared to what other vertically integrated electric utilities have been pursuing recently.

"According to S&P Global, of the 14 pending rate cases filed within the past nine months, the average increase sought was 16.8%," the utility said.

CUB, the ratepayer group, said it was nonetheless alarmed.

The proposed increase would hike residential bills 15%, Executive Director Bob Jenks said, but they could go higher if costs for an under-construction Montana wind power plant come into rates later this year. He also expressed concern about a PGE proposal to change the way unexpected variations in power costs are treated.

“I don’t know what the full rate effect is that they’ll be asking for,” he said, “but they're getting into numbers that are pretty difficult for customers to handle.”

Timing and scale of upgrades questioned

While acknowledging the necessity of upgrades to the distribution system (think poles, wires and substations), “the question is the timing and scale and how fast you do these things,” Jenks said.

PGE, responding via email to Business Journal questions, said that if the wind farm comes into rates the impact would be minimal. The utility also described cost considerations it brought to the rate case:

“This rate case was a very thoughtful, comprehensive proposal and we were extremely judicious in what we did, and just as importantly did not, include. For example, we have limited transportation electrification investments in this proposal or new resource acquisition, all so that we could help manage the increase around customer costs. We have made hard choices around what we deem high priority investments and this is just the beginning of the process to explain those choices and hear from the community.”

Reiterating the filing, PGE added that the investments it included will “result in better service for our customers including fewer power interruptions and increased reliability.”



Pete Danko

Staff Reporter - *Portland Business Journal*

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PORTLAND **BUSINESS JOURNAL**

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BUSINESS

630K Oregon electricity customers could face much larger bills

How much rates actually change will be determined in a Public Utility Commission process running through most of the year, and by a later update in power costs.



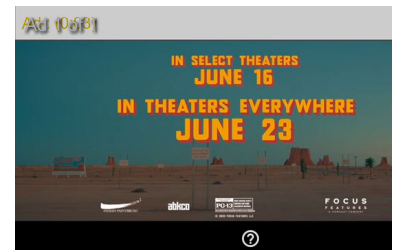
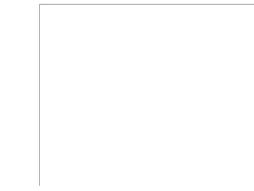
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Author: Pete Danko (Portland Business Journal)
Published: 8:43 AM PST March 3, 2022
Updated: 9:03 AM PST March 3, 2022



PORTLAND, Ore. — Increased [wildfire](#) risk, rising energy costs and general inflation are driving big rate-increase requests from PacifiCorp for its Pacific Power utility in Oregon.

The company on Tuesday proposed an \$82.2 million rate hike — 6.6% overall and 9.1% for residential customers — in 2023 to pay for system investments.



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Separately, Berkshire Hathaway-owned PacifiCorp forecast that power costs will rise \$70 million, or 5.6%.

For residential rate payers, the double whammy would add up to an average 14.3% increase. The filings showed that residential customers using an average of 900 kilowatt-hours a month would see their monthly bills rise about \$13.

For general service, commercial and industrial customers, the increase would be 10.4%.

But how much rates actually change will be determined in a Public Utility Commission process running through most of the year, and by a later update in power costs.

Two years ago, PacifiCorp's proposed 6% rate increase turned into a 1.6% decrease as regulators trimmed the company's requested return on equity, disallowed some coal-plant investments and put off dealing with a big batch of coal decommissioning costs.

Ratepayers also benefited then from a big decline in power costs, partly related to inexpensive new wind power backed by federal tax credits. In the end, net average rates fell 5.2%.

But power prices, low for years, have turned around in the last year, in the wholesale market and for natural gas, and the cost of taking on rising wildfire risk is now showing up in a big way.

[Read the full story at the Portland Business Journal](#)

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BUSINESS

PGE wants to raise rates 14%. Here's why



Bill Poehler

Salem Statesman Journal

Published 2:56 p.m. PT May 1, 2023

Portland General Electric is asking the state's regulatory body to allow it to raise rates for residential customers by an average of 14% starting next year.

According to the Citizens Utility Board, a nonprofit that advocates for people, the increase is the largest request the company has made in Oregon in more than 20 years.

"We are concerned that PGE may be asking customers to cover more than is reasonable," the nonprofit said in a release.

Portland General Electric is the electricity provider to the majority of the Willamette Valley. It has approximately 900,000 customers in counties including Marion and Polk.

PGE has to ask the state's Public Utility Commission for the increase. That state agency regulates consumer-owned utilities in Oregon like Pacific Power and Northwest Natural in exchange for essentially having a monopoly in the territory it supplies power or natural gas to.

How much would your bill go up?

The proposed increase would hit different types of customers by different amounts.

According to the Citizens Utility Board, an average multi-family housing customer would see their monthly bill increase by 16.3%, to \$112.61 from \$96.80. An average single-family residence would see its bill jump by 15.9%, to \$165.82 from \$143.11. Industrial customers would have a smaller increase.

"An increase of this size could be incredibly difficult for many customers," the Citizens Utility Board said. "Oregon households have already seen significant increases in their energy bills this year."

Any rate increases would go into effect Jan. 1.

Portland General Electric's rates went up an average of 7% in January.

What is the money for?

PGE says the increases include 4.5% to cover rising costs in wholesale power and fuel. It also includes a 9.5% increase to cover capital investments. It is estimated to raise \$338 million.

According to the Public Utility Commission, PGE is asking for money to pay to replace the Faraday Powerhouse at the Clackamas River Hydroelectric Project so it can produce more electricity there.

The Citizens Utility Board estimates that would cost \$147.8 million.

PGE is also proposing to spend money on wind facilities and trying to reduce emissions at a natural gas power plant in Columbia County.

PGE says it also seeking to make improvements for reliability and seismic improvements. It also is asking for rate increases to help cover the costs of inflation.

How to have a say

The Oregon Public Utility Commission will hold a public hearing at 6 p.m. Wednesday via Zoom about the increase.

To participate in the online comment session, go to puc-oregon.gov.zoomgov.com/j/1605200701?pwd=TDEvdHlyenIoMzZtdGlwY3JsRGVtUT09#success.

People can also submit comments to the commission by May 31 by email at PUC.PublicComments@puc.oregon.gov, by phone at 503-378-6600 or by mail at Oregon Public Utility Commission, Attn: AHD – UE 416, PO Box 1088, Salem, OR 97308-1088.

Bill Poehler covers Marion County for the Statesman Journal. Contact him at bpoehler@StatesmanJournal.com



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Weekday Wrap: PGE is asking for its biggest rate increase in 20 years



By OPB staff (OPB)
May 2, 2023 1:43 p.m.

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PGE wants to raise rates 14%. Here's why

Portland General Electric is asking the state's regulatory body to allow it to raise rates for residential customers by an average of 14% starting next year. The utility says the increases will raise an estimated \$338 million to pay for capital investments and cover rising costs in wholesale power and fuel. According to the Citizens Utility Board, the increase is the largest request PGE has made in Oregon in more than 20 years. The proposed increase would hit different types of customers by different amounts. According to the board, an average multi-family housing customer would see their monthly bill increase by 16.3%, to \$112.61 from \$96.80. An average single-family residence would see its bill jump by 15.9%, to \$165.82 from \$143.11. Industrial customers would have a smaller increase. Any rate increases would go into effect Jan. 1. Portland General Electric's rates went up an average of 7% in January. **(Bill Poehler/Salem Statesman Journal)**

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PGE proposes rate increase of 14%, Utility Commission seeks public opinion

by KATU Staff
Wednesday, May 3rd 2023



File photo

PORTLAND, Ore. —

The Oregon Public Utility Commission (PUC) is hosting a virtual public comment hearing on Wednesday to seek public opinion on Portland General Electric's proposed rate increases.



PGE filed a request to increase rates by 14 percent. The PUC says that this would impact customer rates differently depending on usage and customer type – residential, business, or industrial customers.

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The PUC offered an example of what this rate increase would look like monetarily:

"For a residential customer in a single-family home using an average 890 kilowatt hours (kWh) per month, a current monthly bill is about \$141.65. With PGE's proposed increase, the average residential customer bill would increase to about \$164.12 per month. For a residential customer in a multi-family home using an average of 590 kWh per month, a monthly bill would increase from about \$95.35 to \$110.92."

PGE says there are several reasons for the proposed rate increase, including the replacement of the Faraday Powerhouse in the Clackamas River Hydroelectric Project, investments in its transmission and distribution systems as cost drivers, as well as the effect of high inflation

New rates, if approved, are expected to go into effect January 1, 2024.

The hearing will be on Wednesday, May 3, 2023, from 6-7 p.m.

Interested individuals may participate in the virtual public comment hearing to provide verbal comments using Zoom.

view the meeting agenda to access the Zoom link and phone-in details [HERE](#).

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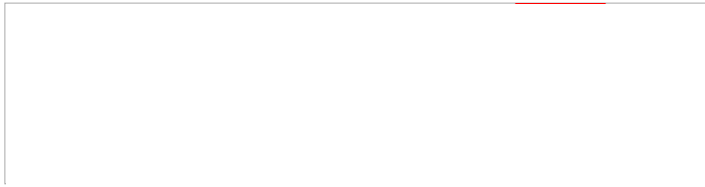
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BUSINESS

PGE proposes 14% rate increase for 2024

If the proposal is approved, it would be the second year in a row that the utility company has increased its rates.



Author: KGW Staff
Published: 11:56 AM PDT May 4, 2023
Updated: 11:56 AM PDT May 4, 2023



PORTLAND, Ore. — Portland General Electric (PGE) is proposing to [raise its rates](#) by an average of 14% for all customers in 2024.

The Oregon Public Utility Commission made the official request on Feb. 15 and a public hearing was held Wednesday evening.

If the proposal is approved, it would be the second year in a row that the utility company has increased its rates. Any increase would not take effect until January 2024.

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Residential customers would see the largest increase, and in some cases, could see rates increase by more than 16%. That would mean their bills could rise by an average of just more than \$22 more each month.

Multi-family homes could see an average increase by more than \$15 a month.



Credit: KGW

Portland General Electric wants to increase its rates for a second year in a row.

PGE projected it would need to collect \$338 million annually from its customers, and that the money would pay for system maintenance, upgrades and rising operational costs.

A public hearing was held Wednesday evening. One woman who spoke described herself as a frustrated customer.

"It's just too much. It's just too much, we can't bear it," she said. "What I said to PGE when I called them, 'What you're doing is not sustainable for the average person.'"

Customers have until May 31 to weigh in on the proposal on the [Oregon Public Utility Commission's website](#).

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