

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UE 416**

4 In the Matter of
5 PORTLAND GENERAL ELECTRIC
6 COMPANY,
7 Request for a General Rate Revision.

**STAFF RESPONSE TO AWEC REQUEST FOR
CLARIFICATION AND RECONSIDERATION**

8 **I. Request for clarification of scope of investigation.**

9 The Alliance of Western Energy Consumers (AWEC) seeks clarification or
10 reconsideration of two aspects of the Commission’s order approving several stipulations in
11 Portland General Electric Company’s (PGE) 2023 General Rate Case. AWEC argues:

12 Paragraph 17.b of the Fourth Partial Stipulation provides that “Parties agree to Staff
13 proposing an investigation be opened into new load connection costs.” In the Order,
14 the Commission approved this term without modification and opened the
15 investigation. However, within the context of this investigation, it noted specifically
16 the “fast pace and large scale of new large load connections” and the need to
17 “promptly consider both the needs of these new large customers and the potential
18 costs and risks to other customers.” The language in the adopted Fourth Partial
19 Stipulation speaks to new load generally, not to new “large” load specifically.
20 The parties to the Fourth Partial Stipulation deliberately selected and negotiated this
21 language in order to review new load connections holistically so that the
22 Commission has a full picture of such connections and their associated costs and
23 benefits before implementing any policy changes from this investigation.
24 Accordingly, AWEC requests that the Commission clarify that the language of the
25 Order does not change the intended scope of the investigation to review all new load
26 connection costs.¹

20 Although Staff does not oppose clarifying the Commission’s order regarding the
21 investigation the Commission has opened, Staff disagrees with AWEC’s interpretation of the
22 Stipulation and its requested clarification. The stipulation reflects the parties agreed to Staff
23 proposing an investigation into new load connection costs. Staff’s testimony regarding its
24 proposed investigation is as follows:

25 _____
26 ¹ Application for Reconsideration and Clarification of the Alliance of Western Energy
Consumers (AWEC).

1 An alternative to changing PGE’s line extension policy in this proceeding would
2 be for the Commission to open an investigation into the issues discussed in Staff
3 Exhibit/3300. Staff believes additional fact-finding could help determine what
4 sizes and types of nonresidential customers have the largest impact on residential
rate spread, and whether there are additional safeguards that can be implemented to
prevent this level of cross subsidization.²

5 The issues discussed in Staff/3300 and again in the Staff Reply testimony excerpted
6 above relate to allocation of costs to interconnect large non-residential customers. Staff testified
7 regarding its concern that costs to interconnect new large customers are being inappropriately
8 spread to all customers notwithstanding that only one or a subset of customers benefit from the
9 new facilities.³ Accordingly, to the extent the stipulating parties agreed to the investigation into
10 new load connection costs that Staff proposed in its testimony, that investigation is related to
11 costs to connect new large load. Accordingly, to the extent the Commission clarifies its order,
12 Staff asks that the Commission clarify the investigation the Commission has opened is the
13 investigation Staff proposed in testimony.

14 **II. Request for reconsideration of Commission statement.**

15 AWEC also seeks reconsideration of the Commission’s statement that PGE “be prepared
16 to file a proposal for an interim tariff” to “mitigate customer risk” associated with “new large
17 load connections potentially emerging in our state.” AWEC asserts “[t]his directive is vague, is
18 not contained in any of the stipulations the Commission approved, is untethered to any evidence
19 in the record or recommendation by any party, contradicts the Commission’s Order, undermines
20 longstanding and well-reasoned Commission precedent based on plain statutory language, and
21 will become an unnecessary distraction in the investigation.” Staff disagrees reconsideration is
22 appropriate.

23 First, the language does no more than signal the Commission’s interest in the pending
24 investigation. The language does not order PGE to do anything other than be prepared.

25 _____
26 ² Staff/4100, Bolton-Stevens/5.

³ Staff/4100, Bolton-Stevens/4-5.

1 Second contrary to AWEC’s assertion, the statement is not untethered to any evidence in
2 the record. Staff did testify regarding the time-sensitive nature of Staff’s concern. Staff
3 testified:

4 **Q. How do you respond to PGE’s assertion that these costs are not relevant as**
5 **the projects are largely not complete?**

6 A. Staff disagrees. Marginal cost studies typically reflect facilities planned in the
7 future whether it is the replacement of all distribution facilities or the addition
8 of generation resources over the next few years. Marginal cost studies have never
9 included only costs of facilities currently in place. They are always forward
10 looking. Recently Oregon, and in particular PGE’s service territory, has attracted
11 many large customers. Many of these customers are in the energy intensive
12 tech sector, and additional energy intensive tech companies have indicated plans
13 for expansion in PGE’s service territory. Suffice to say, the issue of T&D
14 upgrades related to large new load will only become an increasingly important
15 issue. As PGE indicated, making costs predictable and clearly communicated
16 will be important for these customers. Staff is concerned that the current cost
17 allocation methodology will lead to residential customers cross subsidizing
18 incremental T&D costs that are mostly, if not directly, caused by large load
19 customers.⁴

20 Third, contrary to PGE’s assertion, the order does not undermine precedent. To the
21 extent PGE does file an interim tariff, the tariff will be subject to the process outlined in ORS
22 757.205, et seq. And, such a tariff will only be adopted on a permanent basis after a proceeding
23 to determine the tariff is fair, just and reasonable.

24 **CONCLUSION**

25 Staff recommends the Commission deny AWEC’s request for reconsideration and
26 clarification.

DATED this 11th day of December 2023.

Respectfully submitted,
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⁴ Staff/300, Stevens/25-26.