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**Douglas C. Tingey**  
*Associate General Counsel*

August 12, 2016

*Via Electronic Filing*

Oregon Public Utility Commission  
Attention: Filing Center  
PO Box 1088  
Salem OR 97308-1088

**Re: UE 306 – PGE 2017 Decoupling Adjustment, Schedule 123**

Attention Filing Center:

Enclosed for filing in Docket UE 306 is a **Motion to Admit Stipulation, Stipulation, and Joint Testimony in Support of Stipulation** between Portland General Electric Company, NW Energy Coalition, Citizens' Utility Board and Staff of the Public Utility Commission of Oregon, the stipulating parties. These documents are being filed by electronic mail with the Filing Center.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "DCT", is written over the typed name of Douglas C. Tingey.

Douglas C. Tingey  
Associate General Counsel

DCT:lgh

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 306

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

2017 Decoupling Adjustment, Schedule 123

**MOTION TO ADMIT STIPULATION**

Pursuant to OAR 860-001-0350(7), Portland General Electric Company ("PGE") moves to admit into the record in this proceeding the Stipulation, dated August 10, 2016. PGE also moves that the following Joint Testimony in support of the Stipulation be admitted into the record as evidence in this proceeding:

Testimony and Exhibits	Witnesses
Stipulating Parties	<b>Wendy Gerlitz</b> <b>Bob Jenks</b> <b>Lance Kaufman</b> <b>Marc Cody</b>

DATED this 12<sup>th</sup> day of August, 2016.

Respectfully submitted,

  
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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 306**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

2017 Decoupling Adjustment, Schedule 123

**STIPULATION**

This Stipulation (“Stipulation”) is among Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon, the Citizens’ Utility Board of Oregon, and the Northwest Energy Coalition (collectively, the “Parties”). There are no other parties in this docket.

**I. INTRODUCTION**

In Order 13-459 in Docket UE 262, PGE’s Schedule 123 Decoupling Adjustment was renewed for three years, through 2016. On March 1, 2016, PGE filed Advice Filing No. 16-02, seeking to renew the Schedule 123 Decoupling Adjustment for another three years beginning January 1, 2017. Schedule 123 is comprised of the Sales Normalization Adjustment (“SNA”) applicable to Schedules 7 and 32, and the Lost Revenue Recovery Adjustment (“LRR”) applicable to non-residential customers, with the exceptions of Schedules 32, 532 and customers exceeding one aMW at the point of delivery. PGE proposed continuation of the SNA and replacement of the LRR with a revenue-per-customer form of decoupling for Schedules 83/583

(31-200 kW). PGE's filing included testimony in support of its filing, and work papers. The Parties subsequently served data requests on PGE, and PGE provided responses.

The Parties reviewed PGE's filing, work papers, and data responses, and held a workshop/settlement conference on June 30, 2016. As a result of those discussions, the Parties have reached agreement settling this docket as set forth below. The Parties request that the Commission issue an order adopting this Stipulation.

## II. TERMS OF STIPULATION

1. This Stipulation settles all issues in this docket.
2. The Parties agree that the SNA and LRRR should be continued for three years, beginning January 1, 2017.
3. The Parties further agree that during this three year renewal period minor changes to the LRRR mechanism can be made through advice filings with the Commission. Significant changes to the LRRR should occur in a general rate proceeding or other major docket. Changes to the LRRR may be proposed after the second year of the renewal period outside of a rate proceeding or other major docket if there are legislative or other changes that significantly alter the manner in which energy efficiency is accounted for.
4. The Stipulating Parties recommend and request that the Commission approve this Stipulation as an appropriate and reasonable resolution of the issues in this docket.
5. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable and will meet the standard in ORS 756.040.
6. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. Without the written consent of all 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 the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

7. The Stipulating Parties have negotiated this Stipulation as an integrated document. 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 Party reserves its right: (i) to withdraw from the Stipulation, upon written notice to the Commission and the other Parties within five (5) business days of service of the final order that rejects this Stipulation, in whole or material part, or adds such material condition; (ii) 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 (iii) 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 order. Nothing in this paragraph provides any Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

8. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no

Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

9. 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 12<sup>th</sup> day of August, 2016.

  
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PORTLAND GENERAL ELECTRIC  
COMPANY

\_\_\_\_\_  
STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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CITIZENS' UTILITY BOARD  
OF OREGON

\_\_\_\_\_  
NORTHWEST ENERGY COALITION

Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

9. 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 10<sup>th</sup> day of August, 2016.

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PORTLAND GENERAL ELECTRIC  
COMPANY



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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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CITIZENS' UTILITY BOARD  
OF OREGON

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NORTHWEST ENERGY COALITION

Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

9. 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 10<sup>th</sup> day of August, 2016.

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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON



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CITIZENS' UTILITY BOARD  
OF OREGON

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NORTHWEST ENERGY COALITION



Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

9. 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 11 day of August, 2016.

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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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CITIZENS' UTILITY BOARD  
OF OREGON



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NORTHWEST ENERGY COALITION

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF THE STATE OF OREGON**

**UE 306**

**Joint Testimony in Support of  
Stipulation**

**PORTLAND GENERAL ELECTRIC COMPANY**

**Direct Testimony of**

*Wendy Gerlitz  
Bob Jenks  
Lance Kaufman  
Marc Cody*

August 10, 2016

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**I. Introduction and Settlement Discussion**

1 **Q. Please state your name and position.**

2 A. My name is Wendy Gerlitz. I am the Policy Director for the Northwest Energy Coalition  
3 (NWECC). My qualifications appear at the end of this testimony.

4 My name is Bob Jenks. I am the Executive Director of the Oregon Citizens Utility  
5 Board (CUB). My qualifications appear at the end of this testimony.

6 My name is Lance Kaufman. I am a Senior Economist with the Electric and Natural  
7 Gas Division of the Oregon Public Utility Commission (OPUC). My qualifications appear  
8 at the end of this testimony.

9 My name is Marc Cody. I am a Senior Pricing Analyst for Portland General Electric  
10 (PGE). My qualifications appear in PGE Exhibit 100.

11 **Q. What is the purpose of your testimony?**

12 A. Our purpose is to describe the stipulation reached in this docket among Staff, the NWECC,  
13 CUB, and PGE (the Parties) regarding the changes proposed for PGE's Schedule 123  
14 Decoupling Adjustment.

15 **Q. What is the basis for the stipulation?**

16 A. On March 1, 2016, through PGE Advice Filing No. 16-02, PGE proposed to renew for  
17 three years (2017-2019) portions of Schedule 123, and to make a change to another portion  
18 of Schedule 123. A prehearing conference was held April 7, 2016, and a procedural  
19 schedule was set for this docket. The Parties reviewed PGE's filing and work papers, and  
20 sent and engaged in discovery. The Parties held a settlement conference on June 30, 2016,  
21 and as a result of those settlement discussions, the Parties reached agreement settling the  
22 issues in this docket as set forth below.

1 **Q. Please specify what PGE proposed in its Opening Testimony with respect to Schedule**  
2 **123.**

3 A. The Parties evaluated PGE's proposal below:

4 1) Renew the current Sales Normalization Adjustment (SNA) mechanism for  
5 Schedules 7 Residential Service and Schedule 32 Small Nonresidential  
6 Standard Service for three additional years, from 2017 to 2019.

7 2) Discontinue the Lost Revenue Recovery Adjustment (LRRRA) applicable to  
8 customers whose annual consumption is below one average megawatt in  
9 favor of a revenue-per-customer form of decoupling applicable to Schedule  
10 83/583 (31-200 kW) customers.

11 **Q. Why did PGE propose to renew the Schedule 7 and 32 SNA?**

12 A. PGE proposed to renew the SNA for these two schedules because it is consistent with  
13 OPUC policy as stated in OPUC Order 13-459. Specifically, in this order, the Commission  
14 cited decoupling as achieving the goals of removing the relationship between sales and  
15 profits, mitigating PGE's disincentives to promote energy efficiency, and improving PGE's  
16 ability to recover its fixed costs. Because the Parties are generally in agreement with these  
17 broad policy goals, the Parties agreed to extend the Schedule 7 and 32 SNA mechanism for  
18 an additional three years as requested by PGE.

19 **Q. Why did PGE propose to eliminate the LRRRA and replace it with a revenue-per-**  
20 **customer form of decoupling for Schedule 83??**

21 A. In opening testimony, PGE cited three reasons:

22 1) Explore the implications of applying a revenue-per-customer form of  
23 decoupling for customers larger than 30 kW.

- 1           2) Eliminate the dependency on the Energy Trust of Oregon (ETO) for energy  
2           efficiency (EE) data segregated by funding sources.
- 3           3) Anticipate potential legislative changes in EE funding mechanisms that  
4           may potentially make the LRRR problematic or obsolete.

5   **Q. How did the Parties resolve this issue?**

6   A. Staff believes that the current LRRR mechanism is working reasonably well and is not  
7   persuaded that a change is warranted. In addition, Staff, CUB, and NWEC expressed  
8   concern that changes to Schedule 123 should only be made during a general rate  
9   proceeding or other major docket. While PGE disagreed with this venue viewpoint, for the  
10   purposes of settlement, the Parties agreed to maintain the current LRRR mechanism for  
11   another three years, consistent with the SNA mechanism for Schedules 7 and 32. The  
12   Parties also agreed that minor changes to the LRRR mechanism could occur through  
13   Advice Filings, but that significant changes should occur as mentioned above in a general  
14   rate proceeding or other major docket. The Parties left open the possibility of changing the  
15   LRRR mechanism during the second year of the renewal period should legislative or other  
16   changes in the manner in which EE is accounted for occur.

**II. Qualifications of Witnesses**

1 **Q. Ms. Gerlitz, please state your educational background and qualifications.**

2 A. I am

3 **Q. Mr. Jenks, please state your educational background and qualifications.**

4 A.

5 **Q. Mr. Kaufman, please state your educational background and qualifications.**

6 A.

7 **Q. Does this complete your testimony?**

8 A. Yes.