



Portland General Electric Company
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portlandgeneral.com

September 30, 2021

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street Southeast, Suite 100
Post Office Box 1088
Salem, Oregon 97308-1088

Re: UE 394 – In the Matter of Portland General Electric Company, Request for a General Rate Revision

Dear Filing Center:

On behalf of Portland General Electric Company, Staff of the Public Utility Commission of Oregon, the Oregon Citizens' Utility Board, Alliance of Western Energy Consumers, the Kroger Co., and Walmart enclosed for electronic filing today in the above-captioned docket are the following:

- Motion to Admit Stipulation;
- Stipulation; and
- Joint Testimony in Support of Stipulation.

Thank you for your assistance. If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script that reads "Jaki Ferchland".

Jaki Ferchland
Manager, Revenue Requirement

JF:dm
Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 394

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Request for 2022 General Rate Revision

PARTIAL STIPULATION

This Partial Stipulation (“Stipulation”) is between Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Oregon Citizens' Utility Board ("CUB"), the Alliance of Western Energy Consumers ("AWEC"), Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co. (“Kroger”), and Walmart, Inc. (“Walmart”), (collectively, the "Stipulating Parties"). Calpine Solutions is not a party to this Stipulation and does not oppose it.

PGE filed this general rate case on July 9, 2021. The filing included twelve separate pieces of testimony and exhibits. PGE also provided to Staff and other parties voluminous work papers in support of its filing. Since that time, Staff and intervening parties have submitted approximately 1,000 data requests obtaining additional information. A settlement conference was held on September 10, 2021 in this general rate case resulting in the settlement included in this Stipulation. The Stipulating Parties participated in this settlement discussion, and no other parties participated in the discussion. As a result of the discussion, the Stipulating Parties have reached a compromise settlement of the Cost of Capital related issues in this docket, as set forth below.

TERMS OF PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below. For purposes of this settlement, the Parties agreed to an outcome informed by a set of calculations, but the Stipulating Parties agree that the assumptions and calculations set no precedent for either future rate case Cost of Capital component calculations or any other purpose outside this rate case.
2. Return on Equity
 - a. Stipulating Parties agree to an overall Return on Equity (ROE) of 9.5 percent.
3. Capital Structure
 - a. Stipulating Parties agree to a notional Capital Structure, Long-Term Debt to Common Equity ratio of 50 percent Long-Term Debt and 50 percent Common Equity.
4. Cost of Long-Term Debt
 - a. Stipulating Parties agree to a Cost of Long-Term Debt of 4.125 percent, and
 - i. Debt issued in Q4 of 2020 related to the trading losses will be added back to the cost of debt calculation.
 - ii. The coupon rate on the expected November 15, 2022 debt issuance will be set at 3.68 percent.
 - iii. Debt issued by PGE in November 2022 will not be prorated.
 - iv. Should PGE issue debt late in 2021, the agreed upon long-term debt rate of 4.125 percent will not be updated.
5. Rate of Return
 - a. The Stipulating Parties agree that the effect of this partial settlement is an overall Rate of Return (ROR) of 6.813 percent.

6. The Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of all issues related to cost of capital in this docket.
7. The Stipulating Parties agree that this Stipulation is in the public interest, and will result in rates that are fair, just and reasonable, consistent with the standard in ORS 756.040.
8. The Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all of the Stipulating 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 this instance or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.
9. The Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties seek to obtain Commission approval of this Stipulation prior to evidentiary hearings. 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 Stipulating Party reserves its right: (i) 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 (ii) 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's final order. The Stipulating Parties agree that in the event 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, the Stipulating Parties will meet in good faith within ten days and discuss next steps. A Stipulating Party may withdraw from the Stipulation after this meeting by providing written notice to the Commission and other Stipulating Parties.

10. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal and provide witnesses to support this Stipulation (if required by the Commission), and recommend that the Commission issue an order adopting the settlement contained herein. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Stipulating Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.
11. 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 30th day of September, 2021.

Jay Tinker

PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN
ENERGY CONSUMERS

THE KROGER CO.

WALMART

PORTLAND GENERAL ELECTRIC
COMPANY

/s/ Jill D. Goatcher

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

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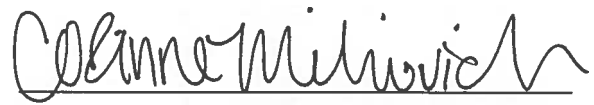
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