

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 427

In the Matters of

PORTLAND GENERAL ELECTRIC
COMPANY,

Renewable Resource Automatic Adjustment
Clause (Schedule 122) (Clearwater Wind
Project) (UE 427)

STIPULATION

This Stipulation (Stipulation) is between Portland General Electric Company (PGE), Staff of the Public Utility Commission of Oregon (Staff), and Oregon Citizens' Utility Board (CUB) (collectively, the Stipulating Parties). There are no other parties in this docket.

I. INTRODUCTION

In accordance with its tariff Schedule 122, PGE filed its renewable resources automatic adjustment clause tariff under Docket No. UE 427 (UE 427) on October 30, 2023, for inclusion of costs and benefits from the Clearwater Wind Project. Included within the filing were PGE's testimony and exhibits.

The Parties subsequently reviewed PGE's filings and work papers and Staff asked numerous data requests. Staff filed opening testimony on February 6, 2024. The Stipulating Parties held settlement conferences on February 14 and 15, 2024. As a result of those discussions, the Stipulating Parties reached agreement settling all issues in this docket as set forth below. The Stipulating Parties request that the Commission issue an order before April 1, 2024, adopting this Stipulation.

II. TERMS OF STIPULATION

1. This Stipulation resolves all issues in this docket.
2. Schedule 122 Tariff-Effective Date
 - a. The Stipulating Parties agree to an April 1, 2024 price change for Schedule 122.
 - b. For purposes of determining the April 1, 2024 change in prices, a monthly forecast revenue requirement will be used and is provided as Attachment A.
3. Production Tax Credits (PTCs)
 - a. The Stipulating Parties agree that the \$19.7 million of Production Tax Credits (PTCs) currently included in Clearwater's rate base as a deferred tax asset (DTA) will be removed.
 - b. PGE's net variable power costs included in Clearwater's revenue requirement continue to include the value of the PTC.
 - c. Parties agree to support or not oppose a property sales application filed by PGE to sell the 2024 Clearwater PTCs for no less than 90% of the PTC value, inclusive of costs and fees associated with the sale.
 - i. Any additional expenses incurred to run a request for proposal process to sell the PTCs will not be recoverable and will be considered a normal ongoing business expense.
 - ii. The difference between the full value and the discounted value will be recoverable from customers within PGE's property sales balancing account.
4. Capacity Factor
 - a. The Stipulating Parties agree that PGE will reflect a capacity factor in MONET assuming 240 MW of firm transmission.

- i. Parties agree this capacity factor is 43.99% for 2024.
 - ii. PGE will also include the incremental cost of including 10MW of additional firm transmission.
 - b. For the first four years of forecasting Clearwater’s capacity factor used in MONET (i.e., 2024 through 2027), the 5-year rolling average capacity factor used in MONET will be capped at an average change of no higher than 105% and no lower than 95% of the 2024 agreed upon factor of 43.99%.
- 5. Annual Performance Reporting
 - a. The Stipulating Parties agree that PGE will provide an annual performance report as part of its NVPC minimum filing requirements.
 - b. The report will include the following:
 - i. Expected (i.e., RFP and AUT) versus actual generation output;
 - ii. Expected (i.e., RFP and AUT) versus realized production tax credits; and
 - iii. RFP modeled NVPC vs. AUT forecasted NVPC.
 - c. PGE will provide reporting within its annual power cost update for ten years following the project’s online date (i.e., through 2033).
- 6. The Stipulating Parties agree with the rate spread methodology as proposed in PGE Exhibit 100.
- 7. The Stipulating Parties recommend and request that the Commission approve this Stipulation as an appropriate and reasonable resolution of all issues in this docket.
- 8. The Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all 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 the instant 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. 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) to withdraw from the Stipulation, upon written notice to the Commission and the other Stipulating 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.
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, 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 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 15th day of February 2024.

PORTLAND GENERAL ELECTRIC
COMPANY



Kim Burton

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

/s/ Stephanie Andrus

Stephanie Andrus

OREGON CITIZENS' UTILITY BOARD

/s/ Bob Jenks

Bob Jenks

**Portland General Electric Company
Monthly Revenue Requirement**

	2024 January	2024 February	2024 March	2024 April	2024 May	2024 June	2024 July	2024 August	2024 September	2024 October	2024 November	2024 December	2024 Full Year	Match
Sales to Consumers	(8,645)	(3,916)	(1,761)	(237)	3,728	1,912	(2,167)	(4,422)	(1,961)	(874)	(4,731)	(7,086)	(30,161)	(30,161)
Sales for Resale														
Other Revenues														
Total Operating Revenues	(8,645)	(3,916)	(1,761)	(237)	3,728	1,912	(2,167)	(4,422)	(1,961)	(874)	(4,731)	(7,086)	(30,161)	(30,161)
Net Variable Power Costs	(13,620)	(9,072)	(6,999)	(5,533)	(1,719)	(3,466)	(7,390)	(9,558)	(7,191)	(6,145)	(9,856)	(12,121)	(92,669)	(92,669)
Production O&M (excludes Trojan)	292	292	292	292	292	292	292	292	292	292	292	292	3,500	3,500
Trojan O&M														
Transmission O&M														
Distribution O&M														
Customer & MBC O&M														
Uncollectibles Expense	(35)	(16)	(7)	(1)	15	8	(9)	(18)	(8)	(3)	(19)	(28)	(121)	
OPUC Fees	(41)	(19)	(8)	(1)	18	9	(10)	(21)	(9)	(4)	(22)	(34)	(143)	
A&G, Ins/Bene., & Gen. Plant	24	24	24	24	24	24	24	24	24	24	24	24	289	289
Total Operating & Maintenance	(13,380)	(8,790)	(6,698)	(5,219)	(1,370)	(3,133)	(7,093)	(9,281)	(6,893)	(5,837)	(9,581)	(11,867)	(89,143)	
Depreciation	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	16,845	16,845
Amortization														
Property Tax	538	538	538	538	538	538	538	538	538	538	538	538	6,462	6,462
Payroll Tax														
Other Taxes	23	23	23	23	23	23	23	23	23	23	23	23	271	271
Franchise Fees	(222)	(100)	(45)	(6)	96	49	(56)	(113)	(50)	(22)	(121)	(182)	(774)	(774)
Utility Income Tax	604	608	609	611	613	612	609	607	609	610	607	605	7,306	7,306
Total Operating Expenses & Taxes	(11,033)	(6,318)	(4,169)	(2,650)	1,304	(507)	(4,575)	(6,822)	(4,369)	(3,285)	(7,131)	(9,478)	(59,034)	
Utility Operating Income	2,388	2,402	2,408	2,413	2,424	2,419	2,407	2,400	2,408	2,411	2,400	2,393	28,873	
Rate Base														
Gross Plant	432,662	432,662	432,662	432,662	432,662	432,662	432,662	432,662	432,662	432,662	432,662	432,662	432,662	
Accum. Deprec. / Amort	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	(16,845)	
Accum. Def Tax	(414)	(414)	(414)	(414)	(414)	(414)	(414)	(414)	(414)	(414)	(414)	(414)	(414)	
Accum. Def ITC														
Net Utility Plant	415,403	415,403	415,403	415,403	415,403	415,403	415,403	415,403	415,403	415,403	415,403	415,403	415,403	
Misc. Deferred Debits														
Operating Materials & Fuel														
Misc. Deferred Credits														
Working Cash	(466)	(267)	(176)	(112)	55	(21)	(193)	(288)	(184)	(139)	(301)	(400)	(2,492)	
Rate Base	414,937	415,136	415,227	415,291	415,458	415,382	415,210	415,115	415,219	415,265	415,102	415,003	412,911	
Rate of Return	0.576%	0.579%	0.580%	0.581%	0.584%	0.582%	0.580%	0.578%	0.580%	0.581%	0.578%	0.577%	0.593%	
Implied Return on Equity	0.777%	0.783%	0.786%	0.788%	0.793%	0.791%	0.786%	0.783%	0.786%	0.787%	0.782%	0.779%	0.9500%	
Effective Cost of Debt	4.485%	4.485%	4.485%	4.485%	4.485%	4.485%	4.485%	4.485%	4.485%	4.485%	4.485%	4.485%	4.485%	
Effective Cost of Preferred	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
Debt Share of Cap Structure	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	
Preferred Share of Cap Structure	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
Weighted Cost of Debt	2.243%	2.243%	2.243%	2.243%	2.243%	2.243%	2.243%	2.243%	2.243%	2.243%	2.243%	2.243%	2.243%	
Weighted Cost of Debt (Monthly)	0.187%	0.187%	0.187%	0.187%	0.187%	0.187%	0.187%	0.187%	0.187%	0.187%	0.187%	0.187%	0.187%	
Weighted Cost of Preferred	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
Equity Share of Cap Structure	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	50.000%	
State Tax Rate	7.562%	7.562%	7.562%	7.562%	7.562%	7.562%	7.562%	7.562%	7.562%	7.562%	7.562%	7.562%	7.562%	
Federal Tax Rate	21.000%	21.000%	21.000%	21.000%	21.000%	21.000%	21.000%	21.000%	21.000%	21.000%	21.000%	21.000%	21.000%	
Composite Tax Rate	26.974%	26.974%	26.974%	26.974%	26.974%	26.974%	26.974%	26.974%	26.974%	26.974%	26.974%	26.974%	26.974%	
Bad Debt Rate	0.400%	0.400%	0.400%	0.400%	0.400%	0.400%	0.400%	0.400%	0.400%	0.400%	0.400%	0.400%	0.400%	
Franchise Fee Rate	2.565%	2.565%	2.565%	2.565%	2.565%	2.565%	2.565%	2.565%	2.565%	2.565%	2.565%	2.565%	2.565%	
Working Cash Factor	4.222%	4.222%	4.222%	4.222%	4.222%	4.222%	4.222%	4.222%	4.222%	4.222%	4.222%	4.222%	4.222%	
Gross-Up Factor	1.369	1.369	1.369	1.369	1.369	1.369	1.369	1.369	1.369	1.369	1.369	1.369	1.369	
ROE Target	9.500%	9.500%	9.500%	9.500%	9.500%	9.500%	9.500%	9.500%	9.500%	9.500%	9.500%	9.500%	9.500%	
WACC	6.993%	6.993%	6.993%	6.993%	6.993%	6.993%	6.993%	6.993%	6.993%	6.993%	6.993%	6.993%	6.993%	
WACC (Monthly)	0.583%	0.583%	0.583%	0.583%	0.583%	0.583%	0.583%	0.583%	0.583%	0.583%	0.583%	0.583%	0.583%	
Grossed-Up COC	8.747%	8.747%	8.747%	8.747%	8.747%	8.747%	8.747%	8.747%	8.747%	8.747%	8.747%	8.747%	8.747%	
OPUC Fee Rate	0.473%	0.473%	0.473%	0.473%	0.473%	0.473%	0.473%	0.473%	0.473%	0.473%	0.473%	0.473%	0.473%	
Utility Income Taxes														
Book Revenues	(8,645)	(3,916)	(1,761)	(237)	3,728	1,912	(2,167)	(4,422)	(1,961)	(874)	(4,731)	(7,086)	(30,161)	(30,161)
Book Expenses	(11,637)	(6,926)	(4,779)	(3,260)	690	(1,120)	(5,184)	(7,430)	(4,978)	(3,895)	(7,738)	(10,084)	(66,340)	(66,340)
Interest Deduction	766	770	772	774	778	776	772	770	772	773	770	767	9,260	9,260
Production Deduction														
Permanent Ms	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(166)	(166)
Deferred Ms	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(1,505)	(1,505)
Taxable Income	2,366	2,379	2,385	2,389	2,400	2,395	2,383	2,377	2,384	2,387	2,376	2,370	28,590	28,590
Current State Tax	179	180	180	181	181	181	180	180	180	181	180	179	2,162	2,162
State Tax Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net State Taxes	179	180	180	181	181	181	180	180	180	181	180	179	2,162	2,162
Federal Taxable Income	2,187	2,199	2,204	2,208	2,218	2,214	2,203	2,198	2,204	2,207	2,197	2,191	26,428	26,428
Current Federal Tax	459	462	463	464	466	465	463	461	463	463	461	460	5,550	
Federal Tax Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	
ITC Amort	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred Taxes	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(34)	(406)	(406)
Total Income Tax Expense	604	608	609	611	613	612	609	607	609	610	607	605	7,306	7,306
Regulated Net Income	1,622	1,632	1,636	1,639	1,647	1,643	1,635	1,631	1,636	1,638	1,630	1,625	19,613	
Check Regulated NI	1,622	1,632	1,636	1,639	1,647	1,643	1,635	1,631	1,636	1,638	1,630	1,625	19,613	