

# MEMORANDUM



**DATE:** May 4, 2020

**TO:** John Crider

**FROM:** Steve Storm

**SUBJECT:** **Verification of PGE’s Docket No. UE 370 Schedule 122 RAC Rates Effective April 5, 2021 and Compliance Filing Advice No. 21-12**

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The UE 370 proceeding pertains to the recovery by Portland General Electric (PGE) of costs associated with the PGE-owned portion of the Wheatridge wind generation facility (Wheatridge). The Public Utility Commission of Oregon (Commission) adopted, in Order No. 20-279, a Stipulation amongst all Parties that settled most issues raised in Docket No. UE 370, which is PGE’s 2020 Renewable Adjustment Clause (RAC) proceeding.

The Stipulation included an agreement amongst PGE, Staff, Alliance of Western Energy Consumers (AWEC) and Oregon Citizens’ Utility Board (CUB) that PGE would file a RAC Update to incorporate actual amounts less any amounts incorporated within then current UE 370 Schedule 122 rates. The update was to include the following:

- The actual amount of each "holdback" amount paid by date;
- The amount of the approximate \$15 million "holdback," if any, incorporated into prior Schedule 122 rates;
- The capitalized amount of actual trailing PGE costs not incorporated into prior Schedule 122 rates;
- An update to rate base and depreciation expense; and
- An update to revenue requirement associated with the updates of rate base and depreciation expense amounts.<sup>1</sup>

The Stipulation included that PGE was to provide, no less than two business days prior to the rate-effective date of the Update, an attestation from PGE’s CEO, CFO, or Officer responsible for oversight of the Wheatridge project that PGE has paid “holdback” amount(s) specified in the Update and incurred the capitalized amount of trailing costs specified in the Update.

PGE’s Advice 21-12 filing on April 30, 2021 included the Company’s estimate that the May 5, 2021 change in Schedule 122 rates associated with the going forward rate recovery of Wheatridge resulting from the UE 370 proceeding will affect approximately 909 thousand PGE cost of service (COS) customers in Oregon and will result in an increase in annual revenue requirement the Company estimates at approximately \$0.98 million, which equates to a 0.05 percent increase in the Company’s annualized COS revenues.<sup>2</sup> PGE’s filing states that a

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<sup>1</sup> Pages 2 – 3 of Appendix A to Order No. 20-279 in UE 370.

<sup>2</sup> See PGE’s cover letter for the April 30, 2021 Advice No. 21-12 filing in Docket No. UE 370.

typical Schedule 7 (residential) customer using 800 kWh monthly will see a monthly bill increase of \$0.05.<sup>3</sup>

I reviewed the Stipulation, Order No. 20-279, and information and materials PGE included in its December 3, 2020 Eighth Supplemental and in its April 30, 2021 Advice No. 21-12 compliance filings to verify the accuracy of the latter's UE 370 Schedule 122 RAC monthly rates to be effective May 5, 2021, as calculated by the Company, and their conformance with Order No. 20-279, and the related Stipulation. I performed the following activities associated with this verification.

- Reviewing the required affidavit filed by the Company on April 30, 2021 and signed on the same date by Bradley Y. Jenkins, PGE's Vice President, Utility Operations, attesting to 1) PGE's payment of "holdback" amounts associated with the PGE-owned portion of Wheatridge and 2) final completion of all identified "punch list" items as of April 30, 2021.
- Verifying the timing and amounts of PGE's payment of "holdback" amounts.<sup>4</sup>
- Verifying PGE's calculation of the incremental UE 370 Schedule 122 annual revenue requirement associated with recovery of the incremental costs in this filing.<sup>5</sup>
- Verifying PGE's calculation of the UE 370 Schedule 122 incremental annual revenue requirement for individual customer rate schedules.<sup>6</sup>
- Verifying PGE's calculation of the incremental Schedule 122 monthly rates for each customer rate schedule.<sup>7</sup>
- Verifying that the monthly rates calculated by PGE in the provided workpapers matched those in the Company's April 30, 2021 filing of the revised Schedule 122 pages. The revised rates appear in the Eighteenth revision of Sheet No. 122-1 and the Seventeenth revision of Schedule 122's Sheet No. 122-2.
- Verifying that no tariff language changes were indicated on either revised page (Schedule 122-1 and Schedule 122-2) of PGE's filing.

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<sup>3</sup> See the cover letter for the April 30, 2021 filing of Advice No. 21-12.

<sup>4</sup> PGE included these dates and values in confidential "Attachment B CONF" to its filing.

<sup>5</sup> These PGE's calculations are in Excel file "UE 370\_Attachment A\_Wheatridge RevReq".

<sup>6</sup> These values appear in column E of the "Sch122-RAC" spreadsheet included in the "Advice No. 21-12 2021 RAC\_Wheatridge Pricing\_work papers\_04.30.21" Excel file included with the Company's April 30, 2021 Advice No. 21-12 UE 370 compliance filing.

<sup>7</sup> These values appear in column B of the "Sch 122 Tariff Table" spreadsheet in the "Advice No. 21-12 2021 RAC\_Wheatridge Pricing\_work papers\_04.30.21" Excel file included with the Company's April 30, 2021 Advice 21-12 UE 370 compliance filing. Per May 4, 2021 email from Teresa Tang of PGE, energy (MWh) for Schedules 75 are included in cell B24 (in MWh for Schedules 89) and the two schedules have the same rates.

PGE UE 370 Compliance Filing in Advice No. 21-12  
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I conclude that, based on my review, PGE's updated UE 370 Schedule 122 monthly rates in the April 30, 2021 compliance filing, with a rate-effective date of May 5, 2021, are consistent with Order No. 20-279 and the Stipulation in Docket No. UE 370.

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Steven T. Storm