

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: May 23, 2022 **Update**
TO: Bryan Conway through Marc Hellman
FROM: Matt Muldoon, Michelle Scala, John Fox, and Curtis Dlouhy
SUBJECT: Verification of Portland General Electric Company, (PGE or Company)
Tariff Rates Effective May 9, 2022
Compliance Filing Advice No. 22-08 and Supplements Thereto

In Order No. 22-129 (the Order) entered April 25, 2022, in Docket No. UE 394, the Public Utility Commission of Oregon (Commission) adopted four revenue requirement and rate spread/rate design stipulations. As a result of UE 394, the Company's revenue requirement is set to increase by \$10 million or 0.5 percent on a billed revenue basis. In response to the Order, PGE submitted its Compliance Filing Advice No. 22-08 on April 29, 2021, and Supplement Filings thereto on May 4, 2022, May 5, 2022, and May 23, 2022 respectively (Advice Filing). The last supplement made necessary changes in Schedule 146 tariff language consistent with the Second Partial Stipulation, Item 16 iii.

Staff has reviewed the Advice Filing and finds it complies with the Commission's Order. The checks and analytic tasks required to affirm the accuracy of rates were:

- Confirm the revenue target is correctly calculated in the Company's revenue requirement work papers based on the Commission directed amounts found within the Order.
- Confirm that the load forecast uses the values in the first stipulation.
- Confirm from the Rate Spread and Design spreadsheet and PGE work papers that the proposed tariff prices are calculated to produce revenues in accordance with the Commission's order in this case.
- Confirm the calculation of rate spread for base schedules (excluding power costs) as found on page 10 and 11 of the Order, is properly reflected in the Company's Rate Spread and Design work paper and resulting Tariff sheets.
- Confirm that allocated revenue requirement matches the marginal cost study.
- Confirm that a Schedule 90 sub-transmission rate was created and costs were properly allocated.
- Confirm that single- and multi-family basic charges were properly included and costs were backed out correctly.
- Confirm that the demand charges incorporated into Schedule 83 and Schedule 85 were properly added, and that the 25 percent of generation agreed to in stipulation was properly allocated and incorporated into the demand charge.

- Confirm the accuracy of prices across PGE's street and area lighting model against final work papers, and rate spread through each of the lighting schedules.
- Confirm that PGE's formula inputs for pricing are consistent and accurate.
- Cross reference corrected work papers with original work papers and verify changes discussed with the Company.
- Verify accurate implementation of all changes, including tariff language changes, authorized by the Commission.
- Confirm that the tariff sheets are properly updated with the rates present in the Rate Spread and Design worksheet, advice number, revision number, date, and any other appropriate language changes.

Staff verified that the specific impacts authorized by the Order will be achieved by the changed tariff pages as filed. Staff utilized the provided work papers and discussions with the Company on May 3 to verify the accuracy of the tariffs, inclusive of minor housekeeping in street lighting, and translation of work paper unit rounding to tariff rate units.

While updating the street lighting investment calculation spreadsheet, PGE inadvertently overlooked a series of formulas that pointed to the incorrect cost of some fixtures. As such, certain investment calculations were calculated using the incorrect fixture cost. After filing the initial work papers in the Company's original UE 394 proposal, PGE discovered the error and corrected the fixture costs in the affected formulas. Actual fixture costs and other base assumptions remain consistent with PGE's original filing. PGE's adjustments to certain formulas simply apply the correct and intended fixture cost to the proper light, thus supporting that rates accurately depict the calculated cost of service and ensuring that customers are charged appropriately.

Staff confirmed that the sheets will produce rates that conform to the Commission's order. Note that only Tariff Sheet 146-3 was amended by the last supplemental filing.

Therefore, Staff recommends that an acknowledgement letter be sent, and the compliance filing go into effect on May 9, 2022.