

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: January 16, 2024
TO: Bryan Conway through Marc Hellman
FROM: Matt Muldoon, Michelle Scala, Anna Kim, Itayi Chipanera, Bret Stevens, Julie Jent, Rose Pileggi, and Curtis Dlouhy
SUBJECT: Verification of Portland General Electric Company, (PGE or Company) Tariff Rates Effective January 1, 2024, Compliance Filing Advice Nos. 23-40 and 23-28, and Supplements thereto.

In Order Nos. 23-386, 23-424, 23-476, 23-477, and 23-482 (Orders) entered October 30, 2023, November 26, 2023, December 18, 2023, December 18, 2023, and December 21, 2023 respectively in Docket No. UE 416, the Public Utility Commission of Oregon (Commission) adopted seven partial stipulations (Stipulations) on revenue requirement and rate spread/rate design, granted reconsideration in part for Partial Stipulation 4, and denied reconsideration but provided clarification on Partial Stipulations 1-4 and 6. Partial Stipulations 1,3,4,6, and 7 highlighted in Table 1 below also addressed power cost issues.

On January 12, PGE made a third supplemental filing of Advice 23-40, to correct Schedule 129, the Long-Term Transition Cost Adjustment, Enrollment Period V (2023) Generation Demand Charge portion of the transition adjustment for Schedule 485 to match the work papers submitted with the initial compliance filing. With this filing, PGE replaces just Original Sheet No. 129-4. All other tariff sheets remain as previously filed. Work papers submitted on December 19, 2023, remain unchanged. PGE confirmed that no customers were affected by this error because there are currently no customers on that schedule.

Table 1

PGE UE 416		Partial Stipulations						
Order	Entered	1	2	3	4	5	6	7
23-386	10/30/2023	X	X	X	X		X	
23-424	11/26/2023							X
23-476	12/18/2023					X		
23-477	12/18/2023				X			
SBUA Reconsideration Granted in Part								
23-482	12/21/2023	X	X	X	X		X	
AWEC Reconsideration Denied, Clarification Granted								

As a result of the Orders in UE 416, the Company's revenue requirement is set to increase by \$391 million or 16.5% on a billed revenue basis. PGE's UE 416 general rate case had two primary aspects: changes to power costs, and an increase to base rates. For the residential customer class, power costs increased by 8% and base rates

increased by 10.4%. The average residential single-family customer who uses about 795 kWh per month will see about a \$23.00 or 18.3% increase reflecting these changes.

Please note that UE 416 does not address other rates changes also going into effect January 1, 2024. The cumulative impact of Orders in UE 416 and multiple other rate changes going into effect on January 1, 2024, will cause rates to increase overall by 15.1 percent. While the cumulative impact on an average residential customer monthly bill from all changes in rates at the start of calendar year 2024 is 18.0 percent, each residential customer's rate change will vary based on their energy usage.

Greater detail regarding cumulative rate changes in January of 2024 is provided in the Staff Report for the December 28, 2023, Public Meeting (Item No. CA21), by Anna Kim.

In response to the Orders entered prior thereto, PGE submitted its Compliance Filing Advice No. 23-40 on December 21, 2023, and Supplemental Updates thereto and to Advice No. 23-28 on December 27, 2023, (Advice Filings). Tariff sheets are listed as original sheets because PGE went from the E-18 to E-19 tariff.

Staff has reviewed the Advice Filings and finds they comply with the Commission's Orders. 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 Orders.
- Confirm that the load forecast uses appropriate values in Stipulations.
- Confirm that the PGE UE 416 Annual Update Tariff (AUT) also referred to as PGE's Annual Power Cost Update (APCU) power costs impacts conform to Orders.
- Confirm from the Rate Spread and Design spreadsheet and work papers that the proposed tariff prices are calculated to produce revenues in accordance with the Commission's Orders in this case.
- Confirm the Company's tariff pages, and work papers conform to Commission-Adopted Stipulations shown as Appendices of the Orders.
- Confirm that the Company's formula inputs for pricing are consistent and accurate.
- 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 regarding the Advice Filing to verify the accuracy of the tariffs. Staff also verified PGE's additions and removal of pole types in the Company's lighting

Schedule 15. In its review, Staff asked PGE to clarify language in Schedules 125 and 126, which Company provided in a supplemental advice filing on December 27, 2023.

Staff verified the filed changes to PGE's Income-Qualified Bill Discount (IQBD) in Schedule 18 are consistent with the terms adopted in the Order. Staff's review sought to confirm the updated tariff reflected the correct number of discount tiers offered through PGE's IQBD and accurately adjusted the levels of discounts offered through each tier. In Staff's review of Schedule 18, Staff noted a modified special condition that increased the post-enrollment verification sample size to ten percent that was not included in the adopted IQBD changes. Staff asked PGE to remove this modification, to which the Company agreed and submitted a supplement to Advice Filing 23-28 on December 27, 2023. In conjunction with PGE's agreement to engage this issue at a later date, Staff intends to work with PGE and convene interested parties and the Company to discuss the post-enrollment verification sample size as a potential future revision to Schedule 18. Staff expects to arrange meeting(s) to discuss the issue of post-enrollment verification sample size in January 2024.

Staff further verified that PGE's forecasted IQBD enrollments, depicted in the Schedule 118, IQBD cost recovery, work papers, reasonably reflected available income distribution data in the Company's service territory. Staff also reviewed the Schedule 118 rate calculations provided in the work papers to confirm that sufficient revenues were established for the IQBD's revised discount structure and to verify the effects of the adopted 20 million kWh per-site cap on IQBD cost recovery.

On January 16, 2024, Staff confirmed that Original Sheet 129-4 for Schedule 129 conforms to Orders and now correctly reflects work papers filed by PGE on December 19, 2023.

Staff confirmed that the sheets will produce rates that conform to the Commission's Order. Therefore, Staff recommends that an updated acknowledgement letter be sent and that rates go into effect January 1, 2024, inclusive of Original Sheet No. 129-4 issued January 12, 2024.