

**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

**UE 394
General Rate Revision**

**PORTLAND GENERAL ELECTRIC
COMPANY**

Joint Testimony in Support of a Partial Stipulation

Direct Testimony of:

Matthew Muldoon, OPUC Staff

Will Gehrke, CUB

Bradley G. Mullins, AWEC

Justin Bieber, Kroger

Steve Chriss, Walmart

Jaki Ferchland, PGE

December 2, 2021

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I. Introduction

1 **Q. Please state your names and positions with your respective organizations.**

2 A. My name is Matthew Muldoon. I am a Manager in the Energy, Rates, Finance, and Audit
3 Division of the Public Utility Commission of Oregon (OPUC). My qualifications appear in
4 Stipulating Parties/102.

5 My name is Will Gehrke. I am an Economist for the Oregon Citizens' Utility Board
6 (CUB). My qualifications appear in Stipulating Parties/100.

7 My name is Bradley G. Mullins. I am an independent consultant testifying on behalf of
8 the Alliance of Western Energy Consumers (AWEC). My qualifications appear in Stipulating
9 Parties/100.

10 My name is Justin Bieber. I am a regulatory consultant for Fred Meyer Stores and
11 Quality Food Centers, Division of The Kroger Co. (Kroger). My qualifications appear in
12 Stipulating Parties/100.

13 My name is Steve W. Chriss. I am Director, Energy Services for Walmart Inc.
14 (Walmart). My qualifications appear in Stipulating Parties/100.

15 My name is Jaki Ferchland. I am a Manager in Regulatory Affairs for Portland General
16 Electric Company (PGE). My qualifications appear in PGE Exhibit 900.

17 **Q. What is the purpose of your testimony?**

18 A. The purpose of our testimony is to describe the Second Partial Stipulation (Stipulation)
19 reached on November 5, 2021, between parties to this proceeding, OPUC Staff (Staff), CUB,
20 AWEC, Walmart, Kroger, and PGE (Stipulating Parties), regarding various topics in this
21 general rate case (Docket UE 394). A copy of the Stipulation is provided as Stipulating Parties

1 Exhibit 201. While there are other parties to this case, those parties have not taken any
2 position on the issues resolved in this Stipulation and do not oppose this Stipulation.

3 **Q. What is the basis for the Stipulation?**

4 A. PGE filed this general rate case (GRC) on July 9, 2021. Over the following four months, PGE
5 responded to over 1,200 data requests from Staff, AWEC, CUB, and Kroger relating to PGE's
6 filed case. On August 23, 2021, parties held a workshop to discuss various topics and issues
7 related to the filing. On September 10, 2021, the Stipulating Parties participated in a
8 Settlement Conference and were able to resolve and settle all the components related to Cost
9 of Capital. This First Stipulation was filed on September 29, 2021.

10 On October 25, 2021 parties filed opening testimony, which was followed by a
11 Settlement Conference on November 5, 2021. At the November 5 Settlement Conference,
12 the Stipulating Parties agreed to a settlement of certain items in this GRC.

13 **Q. Please summarize the agreement for the items contained in the revenue requirement
14 portion of the Stipulation.**

15 A. The Stipulating represents the settlement of several revenue requirement issues. A copy of
16 the Stipulation is provided as Exhibit 201. Table 1 summarizes the settled issues with a short
17 description. Exhibit 202 provides an updated revenues requirement incorporating the results
18 of this Stipulation.

**Table 1
Settled Revenue Requirement Items**

| Issue No. | Category | Brief Description |
|------------------|------------------------------------|---|
| S-23 | Integrated Operations Center (IOC) | Total capital for the IOC will be reduced by \$9 million, for a total of \$206.7 million |
| S-12 | Level III Outage Accrual | PGE will reduce its 2022 forecast of Distribution operation and maintenance expenses (O&M) by \$6,920,000 |

**UE 394 / Stipulating Parties / 200
Muldoon – Gehrke – Mullins – Bieber – Chriss – Ferchland / 3**

| | | |
|---------------------|---|--|
| S-18 | Working Capital | Parties agree to a working capital factor of 3.891% |
| A-07 and C-05 | Miscellaneous Directors Expenses | PGE will reduce administrative and general expenses (A&G) by \$150,000 |
| S-08, S-09 and S-10 | First Bundled Settlement | PGE will reduce A&G by \$700,000 for Membership Costs, CAISO Membership, and Meals & Entertainment |
| C-04 | Campground Revenue | PGE will increase Other Revenue by \$165,000 for campground revenue |
| A-11 | Research and Development (R&D) | No adjustment will be made |
| A-26 | Trojan Decommissioning Costs – Schedule 136 Surcharge | No adjustment will be made |
| A-18 | Accumulated Deferred Income Taxes (ADIT) Incentives | PGE will reduce its incentive related ADIT by \$5,761,000 |
| S-03, S-04 and A-12 | Second Bundled Settlement | PGE will reduce capital by \$10,522,085 for the Beaver Modernization Project (P36836) and the Excitation System Project (P36444) |
| S-22, A-20 and A-23 | Third Bundled Settlement | PGE will reduce rate base by \$10,500,000 million for Fuel Stock, ADIT Boardman Removal, Colstrip Smart Burn |
| A-05 | Directors’ Deferred Compensation Plan | PGE will reduce A&G by \$203,000 |
| A-06 | Directors’ and Officers’ (D&O) Liability Insurance | PGE will reduce A&G by \$100,000 |
| S-06 | Oregon Corporate Activities Tax (OCAT) | PGE will move OCAT into base rates in an amount of \$8,375,000 |
| N/A | Colstrip Schedule 146 | PGE will update Schedule 146 Parts A, B, and C annually |

1 **Q. Does this Stipulation indicate that all parties agree on the calculations or bases employed**
2 **by other parties to determine each adjustment?**

3 A. No. Although the Stipulating Parties may not necessarily agree on the calculations,
4 assumptions, or bases used to determine each adjustment, we believe the amounts represent a
5 reasonable financial settlement of the respective issues in this docket. The adjustments are in
6 the public interest and are consistent with rates that are fair, just, and reasonable.

- 1 **Q. Does the Stipulation resolve all revenue requirement issues in this proceeding?**
- 2 A. No. The Stipulation resolves only the issues related to Revenue Requirement, as listed above.

II. Resolved Revenue Requirement Issues

1 **Q. Please describe the Stipulation resolving the IOC.**

2 A. In its opening testimony PGE’s revenue requirement included \$215.7 million of capital
3 associated with the IOC. Staff proposed a \$10.4 million reduction splitting the difference
4 between PGE’s included amount and information received in data requests showing a total
5 capital budget for the IOC of \$194.0 million.

6 At the November 5 Settlement Conference PGE shared with the Stipulating Parties that
7 it has board resolutions supporting the total budget of \$215.7 million. PGE also shared that
8 the IOC was completed as of October 31, employees are moving into the building, and the
9 project was completed underbudget. PGE agreed to settle the IOC for \$206.7 million, a
10 reduction of \$9.0 million, because it aligns with the underspend on the project.

11 **Q. Please describe the Stipulation regarding the Level III Outage Accrual.**

12 A. In testimony, Staff, AWEC and CUB all proposed to reduce the annual Level III Outage
13 Accrual by removing the costs associated with the February 2021 storm emergency from the
14 Accrual’s 10-year average because PGE is seeking cost recovery of those expenses through a
15 separate deferral. The Stipulating Parties agree to remove the February 2021 storm, thus
16 reducing the annual Level III Outage Accrual by \$6,920,000.

17 Additionally, Parties understand and agree to the re-establishment of approximately \$8
18 million to the outage reserve, which had previously been used to reduce the cost of the
19 February 2021 ice storm expenses.

20 Lastly, Parties agree to either support or not oppose the approval of PGE’s deferral filed
21 under Docket UM 2156 for the February 2021 ice storm, with the understanding that this does
22 not signify an agreement as to the prudence of the expenditures, the timing of amortization,

1 or whether amortization of some or all of the costs would result in fair, just, and reasonable
2 rates.

3 **Q. Please describe the Stipulation regarding Working Capital.**

4 A. Consistent with settlements achieved in prior GRCs, Stipulating Parties agree to average the
5 results of the lead-lag studies from the prior three GRCs to determine a working capital factor.
6 This results in a working capital factor of 3.891 percent.

7 **Q. Please describe the Stipulation regarding Miscellaneous Directors' Expenses.**

8 A. In testimony, AWEC raised issues regarding board of directors' (BoD) expenses and
9 recommended a reduction to BoD expenses of \$296,004. CUB raised issues regarding the
10 cost of the BoD's strategic offsite meeting and recommend a reduction to BoD expenses of
11 \$78,000. The Stipulating Parties agree to settle both issues with a reduction to PGE's A&G
12 expense of \$150,000.

13 **Q. Please describe the Stipulation regarding the First Bundled Settlement for membership
14 costs, etc.**

15 A. In testimony, Staff proposed reductions the A&G expense of \$137,037 of membership costs,
16 \$600,000 for CAISO membership costs and \$273,479 for meals and entertainment. The
17 Stipulating Parties agree to settle all three issues with a reduction to A&G expense of
18 \$700,000.

19 **Q. Please describe the Stipulation regarding Campground Revenues.**

20 A. In testimony, CUB proposed to increase PGE's Campground Revenues back to 2019 levels.
21 In CUB's Opening Testimony, CUB made an error on this adjustment, which should have
22 been stated as an increase to Other Revenues of \$165,000. The Stipulating Parties agree to

1 settle this issue by increasing Other Revenues by \$165,000. This agreement does not resolve
2 OPUC Staff issue S-11 regarding Other Revenues.

3 **Q. Please describe the Stipulation regarding R&D Expenses.**

4 A. In testimony AWEC proposed to adjust the R&D expense included in PGE’s rate case. At the
5 November 5 Settlement Conference, PGE reminded the Stipulating Parties that a stipulation
6 regarding R&D Expenses had been reached in PGE’s last GRC, UE 335 and was adopted by
7 Commission Order No. 18-464. The stipulation directed PGE to include R&D Expenses at a
8 rate of 0.825 percent of its forecasted transmission, distribution, and generation fixed O&M
9 costs in its next three GRCs or 10 years, whichever comes first. The Stipulating Parties agree
10 to no adjustment for R&D Expenses.

11 **Q. Please describe the Stipulation regarding the Trojan Decommissioning Costs – Schedule**
12 **136 Surcharge.**

13 A. In testimony, AWEC proposed a reduction of \$1,964,590 to Production O&M for double
14 collection of the Trojan Nuclear Decommissioning Trust. At the November 5 Settlement
15 Conference, PGE noted that no Trojan Decommission Costs are being or have been amortized
16 to customers through a separate schedule. The Stipulating Parties agree to no adjustment for
17 this issue in this rate case.

18 **Q. Please describe the Stipulation regarding ADIT Incentives.**

19 A. In testimony, AWEC proposed to adjust PGE’s ADIT Incentives by \$5,761,000 to align the
20 amount with the 50 percent of incentives included in the GRC. The Stipulating Parties agree
21 to adjust ADIT Incentives by \$5,761,000.

1 **Q. Please describe the Stipulation regarding the Second Bundled Settlement.**

2 A. Information provided in data requests showed that two capital projects, the Beaver
3 Modernization project (P36836) and the Excitation System Project (P3644) will have delayed
4 in-service dates past the rate-effective date of this GRC. The Stipulating Parties agree to
5 reduce capital by \$10,522,085 to resolve both issues.

6 Additionally, the Stipulating Parties agree that this does not constitute any agreement to
7 arguments posed by AWEC in testimony regarding the prudence of the Beaver Modernization
8 project. The Stipulating Parties agree that the prudence of the project should be reviewed in
9 a future rate recovery proceeding.

10 **Q. Please describe the Stipulation regarding Third Bundled Settlement.**

11 A. In testimony, Staff raised issues regarding the number of CO2 allowances and quantity of coal
12 in PGE's fuel stock, and AWEC raised issues regarding ADIT associated with the Boardman
13 removal and the prudence of the Colstrip Smart Burn investment. Both Staff and AWEC
14 proposed adjustments related to the items. The Stipulating Parties agree to a reduction of
15 PGE's rate base in this GRC of \$10,500,000 to resolve all issues associated with all three
16 items.

17 **Q. Please describe the Stipulation regarding Director's Deferred Compensation Plan.**

18 A. In testimony, AWEC proposed an adjustment of (\$4,838,378) to capital for the financing
19 benefits associated with the deferred compensation plan given that PGE included a cost for
20 the interest on the plan in this GRC. In the November 5 Settlement Conference, PGE shared
21 that deferred compensation is kept in a separate trust and therefore is not accessible to the
22 company as funds available for use. Stipulating Parties agree to remove the interest associated
23 with the plan resulting in a reduction to A&G expense of \$203,000.

1 **Q. Please describe the Stipulation regarding D&O Insurance.**

2 A. In testimony, AWEC proposed a decrease of \$197,098 to D&O Insurance related to increases
3 assumed to be the result of PGE’s 2020 trading losses. The Stipulating Parties agree to reduce
4 D&O Insurance by \$100,000 to resolve the issue.

5 **Q. Please describe the Stipulation regarding the Oregon Corporate Activities Tax.**

6 A. In testimony, Staff proposed to move OCAT out of a deferral with a separate schedule and
7 into base rates for an amount of \$7,784,480. The Stipulating Parties agree to move OCAT to
8 base rates in an amount of \$8,375,000, which is supported by the calculation provided in
9 Exhibit 203.

10 In addition, the Stipulating Parties agree that the current OCAT deferral filed under
11 Docket UM 2037 will terminate as of the rate effective date of this general rate revision. The
12 parties agree that PGE will be able to update its 2022 forecast only if the calculation
13 methodology changes as described in the Second Partial Stipulation.

14 **Q. Please describe the Stipulation regarding Schedule 146 Updates.**

15 A. In testimony, Staff, AWEC, and CUB all proposed versions of an annual update to the Colstrip
16 Schedule 146 to allow customers to benefit from the declining plant balance associated with
17 increased depreciation. The Stipulating Parties agree to annual updates each January 1 of
18 Parts A, B and C of the Colstrip Units 3 and 4 revenue requirement under Schedule 146.

19 The Stipulating Parties also agree to all the listed requirements in the Second Partial
20 Stipulation related to this item. This includes: 1) the conditions under which PGE will vote
21 ‘no’ on capital investments in the Colstrip plant meant to extend its useful life beyond 2025;
22 2) changes in the language of the Schedule 146 tariff; and 3) the timing of providing

1 Colstrip O&M and Capital budgets. Finally, the Stipulating Parties' agree to support or not
2 oppose PGE's request for deferred accounting of decommissioning costs.

3 **Q. Do the stipulating parties agree that the settlement would result in rates that are fair,**
4 **just, and reasonable?**

5 A. Yes, the stipulating parties agree the rates consistent with this stipulation would be fair, just,
6 and reasonable and recommend the Commission approve this stipulation.

7 **Q. Do you have any other items to discuss?**

8 A. No.

9 **Q. Does this conclude your testimony?**

10 A. Yes.

IV. List of Exhibits

| <u>Stipulating Parties Exhibit</u> | <u>Description</u> |
|---|-----------------------------|
| 201 | Partial Stipulation |
| 202 | Updated Revenue Requirement |
| 203 | OCAAT Forecast Calculation |

**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 Second 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 did not take a position on the issues resolved by this Stipulation, therefore is not a party to this Stipulation but does not oppose it.

PGE previously filed a First Partial Stipulation in this docket resolving all issues related to Cost of Capital in this general rate case. After reaching that agreement the parties continued settlement discussions on November 5, 2021. The Stipulating Parties participated in these settlement discussions, and no other parties participated in the discussion. As a result of the discussions, the Stipulating Parties have reached a compromise settlement resolving several additional issues in this docket, as set forth below.

TERMS OF SECOND PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.
2. Integrated Operations Center (IOC), S-23
 - a. Stipulating Parties agree to include \$206.7 million of capital related to the IOC in this general rate revision. This is a \$9.0 million reduction to PGE's original proposal and resolves all issues related to the IOC's costs.
3. Level III Outage Accrual, S-12
 - a. Stipulating Parties agree to remove the February 2021 ice storm costs from the calculation of the Level III Outage Accrual. Stipulating Parties acknowledge that PGE is seeking recovery of this expense through a separate deferral. Consequently, PGE will reduce its 2022 forecast of Distribution operation and maintenance expenses (O&M) by \$6,920,000.
 - b. Stipulating Parties also agree to either support or not oppose the approval of PGE's deferral filed under Docket UM 2156 for the February 2021 ice storm emergency, but do not necessarily agree to the level of costs identified in PGE's deferral, whether recovery of all costs is appropriate, the appropriate interest rate, or the timing for amortization.
 - c. Lastly, Stipulating Parties agree to the re-establishment of approximately \$8 million to the Level III Reserve, which had previously been reduced by that portion of the 2021 February ice storm expenses and not included in PGE's initial filing in Docket UM 2156.

4. Working Capital, S-18
 - a. Stipulating Parties agree to use an average of the prior three lead-lag study values from the last three general rate cases as the working capital percentage in this case, resulting in a working capital factor of 3.891 percent.
5. Miscellaneous Directors' Expenses, A-07 & C-05
 - a. Stipulating Parties agree to resolve all issues regarding PGE's Board of Directors' expenses and offsite meeting costs with a reduction to administrative and general expenses (A&G) of \$150,000.
6. Membership Costs, CAISO Membership, Meals & Entertainment, S-08, S-09, S-10
 - a. Stipulating Parties agree to resolve all issues related to PGE's membership costs, CAISO membership and meals & entertainment with a reduction to A&G of \$700,000.
7. Campground Revenue, C-04
 - a. Stipulating Parties agree to an increase of Other Revenues associated with campground revenue of \$165,000. Settlement of this item does not resolve OPUC Staff's issue S-11 regarding Other Revenues.
8. Research and Development (R&D), A-11
 - a. Stipulating Parties agree there will be no adjustment to PGE's test year expense for this issue.
9. Trojan Decommissioning Costs – Schedule 136 Surcharge, A-26
 - a. Stipulating Parties agree to no adjustment to PGE's filed case for this issue. Any issues associated with refunds and collections from the Department of Energy and 2019 customer collections not submitted to the Trojan decommissioning trust are not resolved by this Stipulation.

10. Accumulated Deferred Income Taxes (ADIT) Incentives, A-18
 - a. Stipulating Parties agree to reduce PGE’s incentive-related ADIT by \$5,761,000.
11. Two Capital Projects, S-03, S-04, A-12
 - a. Stipulating Parties agree that the investments associated with the Beaver Modernization Project (P36836) and the Excitation System Project (P36444) will be removed from this rate case because both projects have in-service dates that have been delayed past April 30, 2022. This will result in a reduction to capital of \$10,522,085.
 - b. Stipulating Parties agree that this stipulation does not constitute any admission or agreement with AWEC’s arguments regarding the prudence of the Beaver Modernization Project. Stipulating Parties agree that prudence of this project should be reviewed in a future proceeding when PGE seeks recovery of the investment.
12. Three Rate Base Items, S-22, A-20, A-23
 - a. Stipulating Parties agree to resolve the issues related to Fuel stock, ADIT – Boardman Removal, and Colstrip Smart Burn for a reduction to PGE’s rate base of \$10,500,000
13. Directors’ Deferred Compensation Plan, A-05
 - a. Stipulating Parties agree to a reduction to PGE’s A&G of \$203,000 for the interest charge associated with the Directors’ Deferred Compensation Plan.
14. Directors’ and Officers’ (D&O) Liability Insurance, A-06
 - a. Stipulating Parties agree to reduce PGE’s test year expense for D&O Liability Insurance by \$100,000 as an offset to potential premium increases that may be deemed associated with PGE’s 2020 trading losses.
15. Oregon Corporate Activities Tax (OCAT), S-06

Stipulating Parties agree

- a. to move OCAT to base rates in an amount of \$8,375,000, and PGE agrees to provide a detailed calculation showing how the amount was derived.
- b. that PGE’s OCAT deferral (Docket UM 2037) will terminate as of the rate effective date of this general rate case.
- c. that PGE will be able to update its 2022 forecast if the calculation methodology changes as a result of a prospective change in the underlying OCAT legislation, OCAT rulemaking by the Oregon Department of Revenue (ODOR), a judicial proceeding, or an ODOR policy decision. Further, if a change described above occurs after the rate effective date for this rate case, PGE will be required to defer a surcharge or credit to reflect the difference in calculation methodology and amortize the surcharge or credit in full until the rate effective date of PGE’s next rate case. Stipulating Parties will support, or not oppose, PGE’s deferral and amortization filings pending their review of the calculation details.
- d. that PGE will not propose any updates to the 2022 forecast based solely on changes to input amounts of that forecast.

16. Schedule 146 Updates

- a. Stipulating Parties agree to annual updates of Schedule 146 for Colstrip beginning on January 1st of each year, the rate effective date, to reflect the subsequent year’s change in the Colstrip Power Plant Units 3 and 4 revenue requirement (Parts A, B, and C).
 - i. Consistent with Montana laws and all applicable law, PGE agrees to vote ‘no’ on any capital investments intended to extend the life of the Colstrip plant past 2025. Notwithstanding the foregoing, Stipulating Parties agree that PGE is not obligated to so vote if in PGE’s sole discretion such vote may result in any fines,

penalties, adverse orders or rulings, undesirable outcomes or other punitive measures imposed on PGE.

- ii. Stipulating Parties agree that this Stipulation will not prejudice AWEC's position in the current depreciation study docket (UM 2152) or other issues related to the Colstrip revenue requirement included in Schedule 146 discussed in AWEC's testimony.
- iii. Stipulating Parties agree to the following language change to PGE's filed Schedule 146 Tariff:

DETERMINATION OF ADJUSTMENT AMOUNTS

The Adjustment Rates will be updated annually to reflect the subsequent year's change in the Colstrip Power Plant Units 3 and 4 ~~decommissioning revenue requirement and depreciation~~ revenue requirement (Parts A ~~and~~, B, and C). ~~Any additional updates (Part C) to this schedule can only be made pursuant to 1) the removal of Colstrip from regulated service, or 2) rate change requests effectuated through a separate docketed proceeding as allowable through Oregon Revised Statutes and Oregon Administrative Rules (e.g., through a general rate case).~~

- iv. PGE agrees to make available the approved Colstrip O&M and capital budgets, as well as the associated revenue requirement calculation, for the next year for Parties' review by November 1 of each year or within seven (7) business days of the approval of the budget, consistent with the timing of PGE's Owners and Operators' agreement with the Colstrip co-owners.
 - v. Stipulating Parties agree to support or not oppose PGE's request for deferred accounting in support of decommissioning costs included in Part A and associated with the balancing account balance.
17. Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of all issues addressed in this Stipulation.

18. 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.
19. Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all 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.
20. Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties seek to obtain Commission approval of this Stipulation after initial briefs were filed but 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. 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, 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.

21. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). 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.
22. 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 2nd day of December, 2021.



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

Jill Goatcher

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

OREGON CITIZENS' UTILITY BOARD

Corinne Milusich

ALLIANCE OF WESTERN
ENERGY CONSUMERS

THE KROGER CO.

WALMART

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ALLIANCE OF WESTERN
ENERGY CONSUMERS

THE KROGER CO.

A handwritten signature in blue ink, appearing to be "V. D. W. C.", is written over a horizontal line.

WALMART

Portland General Electric Company
2022 Revenue Requirement Summary
(\$000)

| | Revenue | Percent |
|-----------------|---------|---------|
| Total Increase: | 103,521 | 5.11% |

| | Base Business 2022 | Blank | Total Results |
|-------------------------------------|-----------------------|-------|------------------|
| | (1) | (2) | (3) |
| 1 Sales to Consumers | 2,127,491 | - | 2,127,491 |
| 2 Sales for Resale | - | - | - |
| 3 Other Revenues | 29,511 | - | 29,511 |
| 4 Total Operating Revenues | 2,157,002 | - | 2,157,002 |
| 5 Net Variable Power Costs | 543,993 | - | 543,993 |
| 6 Production O&M (excludes Trojan) | 126,068 | - | 126,068 |
| 7 Trojan O&M | 93 | - | 93 |
| 8 Transmission O&M | 19,874 | - | 19,874 |
| 9 Distribution O&M | 145,849 | - | 145,849 |
| 10 Customer & MBC O&M | 83,085 | - | 83,085 |
| 11 Uncollectibles Expense | 6,943 | - | 6,943 |
| 12 OPUC Fees | 8,628 | - | 8,628 |
| 13 A&G, Ins/Bene., & Gen. Plant | 177,078 | - | 177,078 |
| 14 Total Operating & Maintenance | 1,111,610 | - | 1,111,610 |
| 15 Depreciation | 338,741 | - | 338,741 |
| 16 Amortization | 59,713 | - | 59,713 |
| 17 Property Tax | 83,814 | - | 83,814 |
| 18 Payroll Tax | 16,503 | - | 16,503 |
| 19 Other Taxes | 11,310 | - | 11,310 |
| 20 Franchise Fees | 54,375 | - | 54,375 |
| 21 Utility Income Tax | 92,808 | - | 92,808 |
| 22 Total Operating Expenses & Taxes | 1,768,873 | - | 1,768,873 |
| 23 Utility Operating Income | 388,129 | - | 388,129 |
| 24 Rate Base | | | |

| | Check | | |
|-----------|-----------|------|----|
| 2,127,491 | 2,127,491 | TRUE | OK |
| - | - | TRUE | OK |
| 29,511 | 29,511 | TRUE | OK |
| 2,157,002 | 2,157,002 | TRUE | OK |
| 543,993 | 543,993 | TRUE | OK |
| 126,068 | 126,068 | TRUE | OK |
| 93 | 93 | TRUE | OK |
| 19,874 | 19,874 | TRUE | OK |
| 145,849 | 145,849 | TRUE | OK |
| 83,085 | 83,085 | TRUE | OK |
| 0.3264% | 6,943 | TRUE | OK |
| 0.4055% | 8,628 | TRUE | OK |
| 177,078 | 177,078 | TRUE | OK |
| 1,111,610 | 1,111,610 | TRUE | OK |
| 338,741 | 338,741 | TRUE | OK |
| 59,713 | 59,713 | TRUE | OK |
| 83,814 | 83,814 | TRUE | OK |
| 16,503 | 16,503 | TRUE | OK |
| 11,310 | 11,310 | TRUE | OK |
| 2.5558% | 54,375 | TRUE | OK |
| 92,808 | 92,808 | TRUE | OK |
| 1,768,873 | 1,768,873 | TRUE | OK |
| 388,129 | 388,129 | TRUE | OK |

| | Base Business 2022 | Blank | Total Results | Check | | |
|------------------------------------|-----------------------|-------|------------------|----------------|------|----|
| | (1) | (2) | (3) | | | |
| 25 Avg. Gross Plant | 11,600,118 | | 11,600,118 | 11,600,118 | TRUE | OK |
| 26 Avg. Accum. Deprec. / Amort | (5,284,044) | | (5,284,044) | (5,284,044) | TRUE | OK |
| 27 Avg. Accum. Def Tax | (687,715) | | (687,715) | (687,715) | TRUE | OK |
| 28 Avg. Accum. Def ITC | - | | - | - | TRUE | OK |
| 29 Net Utility Plant | 5,628,359 | - | 5,628,359 | 5,628,359 | TRUE | OK |
| 30 Misc. Deferred Debits | 6,294 | | 6,294 | 6,294 | TRUE | OK |
| 31 Operating Materials & Fuel | 67,724 | | 67,724 | 67,724 | TRUE | OK |
| 32 Misc. Deferred Credits | (73,887) | | (73,887) | (73,887) | TRUE | OK |
| 33 Working Cash | 68,818 | - | 68,818 | 3.8905% 68,818 | TRUE | OK |
| 34 Rate Base | 5,697,308 | - | 5,697,308 | 5,697,308 | TRUE | OK |
| 35 Rate of Return | 6.813% | | 6.813% | 6.813% | | |
| 36 Implied Return on Equity | 9.500% | | 9.500% | 9.500% | | |

| | Base Business 2022 | Blank | Total Results | Check | | |
|-------------------------------------|-----------------------|---------|------------------|-----------|------|----|
| | (1) | (2) | (3) | | | |
| 37 Effective Cost of Debt | 4.125% | 4.125% | 4.125% | 4.1250% | TRUE | |
| 38 Effective Cost of Preferred | 0.000% | 0.000% | 0.000% | 0.0000% | TRUE | |
| 39 Debt Share of Cap Structure | 50.000% | 50.000% | 50.000% | 50.0000% | TRUE | |
| 40 Preferred Share of Cap Structure | 0.000% | 0.000% | 0.000% | 0.0000% | TRUE | |
| 41 Weighted Cost of Debt | 2.063% | 2.063% | 2.063% | 2.0625% | TRUE | |
| 42 Weighted Cost of Preferred | 0.000% | 0.000% | 0.000% | 0.0000% | TRUE | |
| 43 Equity Share of Cap Structure | 50.000% | 50.000% | 50.000% | 50.0000% | TRUE | |
| 44 State Tax Rate | 7.594% | 7.594% | 7.594% | 7.5943% | TRUE | |
| 45 Federal Tax Rate | 21.000% | 21.000% | 21.000% | 21.0000% | TRUE | |
| 46 Composite Tax Rate | 27.000% | 27.000% | 27.000% | 26.9995% | TRUE | |
| 47 Bad Debt Rate | 0.326% | 0.326% | 0.326% | 0.3264% | TRUE | |
| 48 Franchise Fee Rate | 2.556% | 2.556% | 2.556% | 2.5558% | TRUE | |
| 49 Working Cash Factor | 3.891% | 3.891% | 3.891% | 3.8905% | TRUE | |
| 50 Gross-Up Factor | 1.370 | 1.370 | 1.370 | 136.9854% | TRUE | |
| 51 ROE Target | 9.500% | 9.500% | 9.500% | 9.5000% | TRUE | |
| 52 Grossed-Up COC | 8.569% | 8.569% | 8.569% | 8.5693% | TRUE | |
| 53 OPUC Fee Rate | 0.4055% | 0.406% | 0.406% | 0.4055% | TRUE | |
| Utility Income Taxes | | | | | | |
| 54 Book Revenues | 2,157,002 | - | 2,157,002 | 2,157,002 | TRUE | OK |
| 55 Book Expenses | 1,676,065 | - | 1,676,065 | 1,676,065 | TRUE | OK |
| 56 Interest Deduction | 117,507 | - | 117,507 | 117,507 | TRUE | OK |
| 57 Production Deduction | - | - | - | - | TRUE | OK |
| 58 Permanent Ms | (14,248) | - | (14,248) | (14,248) | TRUE | OK |
| 59 Deferred Ms | 154,217 | - | 154,217 | 154,217 | TRUE | OK |
| 60 Taxable Income | 223,461 | - | 223,461 | 223,461 | TRUE | OK |
| 61 Current State Tax | 16,970 | - | 16,970 | 16,970 | TRUE | OK |
| 62 State Tax Credits | (10) | - | (10) | (10) | TRUE | OK |
| 63 Net State Taxes | 16,960 | - | 16,960 | 16,960 | TRUE | OK |
| 64 Federal Taxable Income | 206,501 | - | 206,501 | 206,501 | TRUE | OK |
| 65 Current Federal Tax | 43,365 | - | 43,365 | 43,365 | TRUE | OK |

| | Base Business 2022 | Blank | Total Results |
|--------------------------------|-----------------------|-------|------------------|
| | (1) | (2) | (3) |
| 66 Federal Tax Credits | - | | - |
| 67 Excess ADIT Reversal (ARAM) | (9,156) | | (9,156) |
| 68 Deferred Taxes | 41,638 | - | 41,638 |
| 69 Total Income Tax Expense | 92,808 | - | 92,808 |
| 70 Regulated Net Income | 270,622 | | 270,622 |
| 71 Check Regulated NI | | | 270,622 |

| Check | | | |
|---------|------|----|--|
| - | TRUE | OK | |
| (9,156) | TRUE | OK | |
| 41,638 | TRUE | OK | |
| 92,808 | TRUE | OK | |

Portland General Electric Company
2022 Revenue Requirement - Base Business
(\$000)

| | | |
|-----------------|--------------------|------------------|
| Total Increase: | Revenue 103,521 | Percent 5.11% |
|-----------------|--------------------|------------------|

| | At Current Rates (1) | Sept. Load Forecast Delta (2) | GRC Change for RROE (3) | Proposed 2022 (4) | Non-NVPC Adjustments (5) | NVPC Adjustments (6) | Total Results (7) |
|-------------------------------------|----------------------------|-------------------------------------|-------------------------------|-------------------------|--------------------------------|----------------------------|-------------------------|
| 1 Sales to Consumers | 2,006,036 | 17,935 | 81,032 | 2,105,003 | (10,949) | 33,437 | 2,127,491 |
| 2 Sales for Resale | - | | | - | - | - | - |
| 3 Other Revenues | 29,346 | | | 29,346 | 165 | - | 29,511 |
| 4 Total Operating Revenues | 2,035,381 | | 81,032 | 2,134,349 | (10,784) | 33,437 | 2,157,002 |
| 5 Net Variable Power Costs | 511,766 | | | 511,766 | - | 32,227 | 543,993 |
| 6 Production O&M (excludes Trojan) | 126,068 | | | 126,068 | - | - | 126,068 |
| 7 Trojan O&M | 93 | | | 93 | - | - | 93 |
| 8 Transmission O&M | 19,874 | | | 19,874 | - | - | 19,874 |
| 9 Distribution O&M | 152,769 | | | 152,769 | (6,920) | - | 145,849 |
| 10 Customer & MBC O&M | 83,085 | | | 83,085 | - | - | 83,085 |
| 11 Uncollectibles Expense | 6,547 | | 323 | 6,870 | (36) | 109 | 6,943 |
| 12 OPUC Fees | 8,135 | | 401 | 8,537 | (44) | 136 | 8,628 |
| 13 A&G, Ins/Bene., & Gen. Plant | 178,231 | | | 178,231 | (1,153) | - | 177,078 |
| 14 Total Operating & Maintenance | 1,086,568 | | 724 | 1,087,292 | (8,153) | 32,471 | 1,111,610 |
| 15 Depreciation | 338,741 | | | 338,741 | - | - | 338,741 |
| 16 Amortization | 59,713 | | | 59,713 | - | - | 59,713 |
| 17 Property Tax | 83,814 | | | 83,814 | - | - | 83,814 |
| 18 Payroll Tax | 16,503 | | | 16,503 | - | - | 16,503 |
| 19 Other Taxes | 2,935 | | | 2,935 | 8,375 | - | 11,310 |
| 20 Franchise Fees | 51,271 | | 2,529 | 53,800 | (280) | 855 | 54,375 |
| 21 Utility Income Tax | 67,679 | | 25,835 | 93,513 | (2,696) | 23 | 92,808 |
| 22 Total Operating Expenses & Taxes | 1,707,222 | | 29,089 | 1,736,311 | (2,754) | 33,349 | 1,768,873 |
| 23 Utility Operating Income | 328,159 | | 69,878 | 398,038 | (8,030) | 88 | 388,129 |
| | | | | 398,038 | | | 388,129 |
| 24 Average Rate Base | | | | | | | |
| 25 Avg. Gross Plant | 11,630,140 | | | 11,630,140 | (30,022) | - | 11,600,118 |
| 26 Avg. Accum. Deprec. / Amort | (5,284,044) | | | (5,284,044) | - | - | (5,284,044) |
| 27 Avg. Accum. Def Tax | (681,954) | | | (681,954) | (5,761) | - | (687,715) |

| | | | | | | | |
|------------------------------------|-----------|-------|-----------|----------|--------|--|-----------|
| 28 Avg. Accum. Def ITC | - | | - | | - | | - |
| 29 Avg. Net Utility Plant | 5,664,142 | - | 5,664,142 | (35,783) | - | | 5,628,359 |
| 30 Misc. Deferred Debits | 6,294 | | 6,294 | - | - | | 6,294 |
| 31 Operating Materials & Fuel | 67,724 | | 67,724 | - | - | | 67,724 |
| 32 Misc. Deferred Credits | (73,887) | | (73,887) | - | - | | (73,887) |
| 33 Working Cash | 71,984 | 1,227 | 73,210 | (107) | 1,297 | | 68,818 |
| 34 Average Rate Base | 5,736,257 | 1,227 | 5,737,484 | (35,890) | 1,297 | | 5,697,308 |
| 35 Rate of Return | 5.721% | | 6.938% | | 6.813% | | 6.813% |
| 36 Implied Return on Equity | 7.067% | | 9.500% | | 9.500% | | 9.500% |

Non-NVPC Adjustment Detail

| | 9/30/21 Stipulation | | | 12/2/21 Stipulation | | | 12/2/21 Stipulation | | | | | | | | | | | | |
|-------------------------------------|---------------------|--------------|---------------|---------------------|-------------------|--------------------|-------------------------|----------------------|----------|-------------------|-----------------------------|---------|---------------------|---------|-----------------|---------|-----------------|--------------------|---------|
| | S-1 | | Comp Tax Rate | S-18 | | Revenue Sensitives | Total RevReq Sensitives | S-3 | S-4 | S-6 | S-12 / A-24 / C-3 | A-5 | A-6 | A-7 | A-11 | A-18 | Portion of S-23 | A-26 | C-4 |
| | ROE | Cost of Debt | | Working Cash | Excitation System | | | Beaver Modernization | OCAT | Level III Accrual | Directors' Def Compensation | D&O Ins | Directors' Expenses | R&D | ADIT-Incentives | IOC | Trojan Sch. 136 | Campground Revenue | |
| 1 Sales to Consumers | (7,918) | - | (7,417) | - | (509) | - | (7,918) | (31) | (902) | 8,690 | (7,180) | (211) | (104) | (156) | - | (511) | (798) | - | (171) |
| 2 Sales for Resale | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 Other Revenue | 29,346 | 29,346 | 29,346 | 29,346 | 29,346 | 29,346 | - | - | - | - | - | - | - | - | - | - | - | - | 165 |
| 4 Total Operating Revenues | 2,126,430 | 2,134,349 | 2,126,932 | 2,134,349 | 2,133,839 | 2,134,349 | (7,918) | (31) | (902) | 8,690 | (7,180) | (211) | (104) | (156) | - | (511) | (798) | - | (6) |
| 5 Net Variable Power Costs | 511,766 | 511,766 | 511,766 | 511,766 | 511,766 | 511,766 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 Production O&M (Excludes Trojan) | 126,068 | 126,068 | 126,068 | 126,068 | 126,068 | 126,068 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 Trojan O&M | 93 | 93 | 93 | 93 | 93 | 93 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 Transmission O&M | 19,874 | 19,874 | 19,874 | 19,874 | 19,874 | 19,874 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 Distribution O&M | 152,769 | 152,769 | 152,769 | 152,769 | 152,769 | 152,769 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 Customer & MBC O&M | 83,085 | 83,085 | 83,085 | 83,085 | 83,085 | 83,085 | - | - | - | - | (6,920) | - | - | - | - | - | - | - | - |
| 11 Uncollectibles Expense | 6,844 | 6,870 | 6,845 | 6,870 | 6,868 | 6,870 | (26) | (0) | (3) | 28 | (23) | (1) | (0) | (1) | - | - | (3) | - | (1) |
| 12 OPUC Fees | 8,505 | 8,537 | 8,507 | 8,537 | 8,535 | 8,537 | (32) | (0) | (4) | 35 | (29) | (1) | (0) | (1) | - | (2) | (3) | - | (1) |
| 13 A&G, Ins/Bene., & Gen. Plant | 178,231 | 178,231 | 178,231 | 178,231 | 178,231 | 178,231 | - | - | - | - | (203) | (100) | (150) | - | - | - | - | - | - |
| 14 Total Operating & Maintenance | 1,087,234 | 1,087,292 | 1,087,238 | 1,087,292 | 1,087,288 | 1,087,292 | (58) | (0) | (7) | 64 | (6,973) | (205) | (101) | (151) | - | (4) | (6) | - | (1) |
| 15 Depreciation | 338,741 | 338,741 | 338,741 | 338,741 | 338,741 | 338,741 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16 Amortization | 59,713 | 59,713 | 59,713 | 59,713 | 59,713 | 59,713 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 17 Property Tax | 83,814 | 83,814 | 83,814 | 83,814 | 83,814 | 83,814 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 18 Payroll Tax | 16,503 | 16,503 | 16,503 | 16,503 | 16,503 | 16,503 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 19 Other Taxes | 2,935 | 2,935 | 2,935 | 2,935 | 2,935 | 2,935 | - | - | - | 8,375 | - | - | - | - | - | - | - | - | - |
| 20 Franchise Fees | 53,598 | 53,800 | 53,610 | 53,800 | 53,787 | 53,800 | (202) | (1) | (23) | 222 | (184) | (5) | (3) | (4) | - | (13) | (20) | - | (4) |
| 21 Utility Income Tax | 93,414 | 93,513 | 93,513 | 93,513 | 93,414 | 93,513 | (2,067) | (6) | (179) | 6 | (5) | (0) | (0) | (0) | - | (101) | (158) | - | (0) |
| 22 Total Operating Expenses & Taxes | 1,735,951 | 1,736,311 | 1,736,067 | 1,736,311 | 1,736,194 | 1,736,311 | (2,327) | (7) | (209) | 8,667 | (7,161) | (210) | (103) | (155) | - | (118) | (184) | - | (6) |
| 23 Utility Operating Income | 390,480 | 398,038 | 390,865 | 398,038 | 397,645 | 398,038 | (74) | (24) | (694) | 23 | (19) | (1) | (0) | (0) | - | (393) | (614) | - | (0) |
| 24 Average Rate Base | 390,480 | 398,038 | 390,865 | 398,038 | 397,645 | 398,038 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 Avg. Gross Plant | 11,630,140 | 11,630,140 | 11,630,140 | 11,630,140 | 11,630,140 | 11,630,140 | - | (350) | (10,172) | - | - | - | - | - | - | - | (9,000) | - | - |
| 26 Avg. Accum. Deprec. / Amort | (5,284,044) | (5,284,044) | (5,284,044) | (5,284,044) | (5,284,044) | (5,284,044) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 27 Avg. Accum. Def Tax | (681,954) | (681,954) | (681,954) | (681,954) | (681,954) | (681,954) | - | - | - | - | - | - | - | - | - | (5,761) | - | - | - |
| 28 Avg. Accum. Def ITC | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 29 Avg. Net Utility Plant | 5,664,142 | 5,664,142 | 5,664,142 | 5,664,142 | 5,664,142 | 5,664,142 | - | (350) | (10,172) | - | - | - | - | - | - | (5,761) | (9,000) | - | - |
| 30 Misc. Deferred Debits | 6,294 | 6,294 | 6,294 | 6,294 | 6,294 | 6,294 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 31 Operating Materials & Fuel | 67,724 | 67,724 | 67,724 | 67,724 | 67,724 | 67,724 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 Misc. Deferred Credits | (73,887) | (73,887) | (73,887) | (73,887) | (73,887) | (73,887) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 33 Working Cash | 67,537 | 73,210 | 73,200 | 73,210 | 67,547 | 73,210 | (91) | (0) | (8) | 337 | (279) | (8) | (4) | (6) | - | - | - | - | (0) |
| 34 Average Rate Base | 5,731,810 | 5,737,484 | 5,737,473 | 5,737,484 | 5,731,820 | 5,737,484 | (91) | (350) | (10,180) | 337 | (279) | (8) | (4) | (6) | - | (5,766) | (9,007) | - | (0) |
| 35 Rate of Return | 6.813% | 6.938% | 6.813% | 6.938% | 6.938% | 6.938% | 6.813% | 6.813% | 6.813% | 6.812% | 6.813% | 6.813% | 6.813% | 6.812% | #DIV/0! | 6.813% | 6.813% | #DIV/0! | 6.812% |
| 36 Implied Return on Equity | 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% | 9.500% | #DIV/0! | 9.500% | 9.500% | #DIV/0! | 9.500% |
| 37 Effective Cost of Debt | 4.125% | 4.375% | 4.125% | 4.375% | 4.375% | 4.375% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% |
| 38 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% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 39 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% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% |
| 40 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% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 41 Weighted Cost of Debt | 2.188% | 2.063% | 2.188% | 2.063% | 2.188% | 2.063% | 2.188% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% |
| 42 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% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 43 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% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% |
| 44 State Tax Rate | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% |
| 45 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% | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% |
| 46 Composite Tax Rate | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% |
| 47 Bad Debt Rate | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% | 0.3264% |
| 48 Franchise Fee Rate | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% |
| 49 Working Cash Factor | 3.891% | 4.216% | 4.216% | 4.216% | 3.891% | 4.216% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% |
| 50 Gross-Up Factor | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 |
| 51 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% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% |
| 52 Grossed-Up COC | 8.569% | 8.694% | 8.569% | 8.694% | 8.694% | 8.694% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% |
| 53 OPUC Fee Rate | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% |
| Utility Income Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 54 Book Revenues | 2,126,430 | 2,134,349 | 2,126,932 | 2,134,349 | 2,133,839 | 2,134,349 | (7,918) | (31) | (902) | 8,690 | (7,180) | (211) | (104) | (156) | - | (511) | (798) | - | (6) |
| 55 Book Expenses | 1,642,537 | 1,642,797 | 1,642,553 | 1,642,797 | 1,642,781 | 1,642,797 | (260) | (1) | (30) | 8,661 | (7,156) | (210) | (103) | (155) | - | (17) | (26) | - | (6) |
| 56 Interest Deduction | 118,219 | 125,507 | 118,335 | 125,507 | 125,384 | 125,507 | (2) | (7) | (210) | 7 | (6) | (0) | (0) | (0) | - | (119) | (186) | - | (0) |
| 57 Production Deduction | (14,248) | (14,248) | (14,248) | (14,248) | (14,248) | (14,248) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 58 Permanent Ms | 154,217 | 154,217 | 154,217 | 154,217 | 154,217 | 154,217 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 59 Deferred Ms | 225,706 | 226,075 | 226,074 | 226,075 | 225,707 | 226,075 | (7,656) | | | | | | | | | | | | |

Non-NVPC Adjustment Detail

| | S-8, S-9, S-10 Bundled | | | | S-22, A-20, A-23 Bundled | | | | Total Non-NVPC Adjustments |
|-------------------------------------|------------------------|------------------|-------------------------|--------------------|--------------------------|-------------------------|---------------------|--------------------|----------------------------|
| | Memberships | CAISO Membership | Meals and Entertainment | Bundled Adjustment | Fuel Stock Adjustment | ADIT - Boardman Removal | Colstrip Smart Burn | Bundled Adjustment | |
| 1 Sales to Consumers | - | - | - | (726) | - | - | - | (931) | (10,949) |
| 2 Sales for Resale | | | | | | | | | - |
| 3 Other Revenue | | | | | | | | | 165 |
| 4 Total Operating Revenues | - | - | - | (726) | - | - | - | (931) | (10,784) |
| 5 Net Variable Power Costs | | | | | | | | | - |
| 6 Production O&M (Excludes Trojan) | | | | | | | | | - |
| 7 Trojan O&M | | | | | | | | | - |
| 8 Transmission O&M | | | | | | | | | - |
| 9 Distribution O&M | | | | | | | | | (6,920) |
| 10 Customer & MBC O&M | | | | | | | | | - |
| 11 Uncollectibles Expense | - | - | - | (2) | - | - | - | (3) | (36) |
| 12 OPUC Fees | - | - | - | (3) | - | - | - | (4) | (44) |
| 13 A&G, Ins/Bene., & Gen. Plant | - | - | - | (700) | - | - | - | - | (1,153) |
| 14 Total Operating & Maintenance | - | - | - | (705) | - | - | - | (7) | (8,153) |
| 15 Depreciation | | | | | | | | | - |
| 16 Amortization | | | | | | | | | - |
| 17 Property Tax | | | | | | | | | - |
| 18 Payroll Tax | | | | | | | | | - |
| 19 Other Taxes | | | | | | | | | 8,375 |
| 20 Franchise Fees | - | - | - | (19) | - | - | - | (24) | (280) |
| 21 Utility Income Tax | - | - | - | (0) | - | - | - | (185) | (2,767) |
| 22 Total Operating Expenses & Taxes | - | - | - | (724) | - | - | - | (215) | (2,825) |
| 23 Utility Operating Income | - | - | - | (2) | - | - | - | (716) | (7,959) |
| 24 Average Rate Base | | | | | | | | | |
| 25 Avg. Gross Plant | | | | | | | | | |
| 26 Avg. Accum. Deprac. / Amort | - | - | - | - | - | - | - | (10,500) | (30,022) |
| 27 Avg. Accum. Def Tax | | | | | | | | | |
| 28 Avg. Accum. Def ITC | | | | | | | | | (5,761) |
| 29 Avg. Net Utility Plant | - | - | - | - | - | - | - | (10,500) | (35,783) |
| 30 Misc. Deferred Debits | | | | | | | | | - |
| 31 Operating Materials & Fuel | | | | | | | | | - |
| 32 Misc. Deferred Credits | | | | | | | | | - |
| 33 Working Cash | - | - | - | (28) | - | - | - | (8) | (110) |
| 34 Average Rate Base | - | - | - | (28) | - | - | - | (10,508) | (35,893) |
| 35 Rate of Return | #DIV/0! | #DIV/0! | #DIV/0! | 6.812% | #DIV/0! | #DIV/0! | #DIV/0! | 6.813% | 22.174% |
| 36 Implied Return on Equity | #DIV/0! | #DIV/0! | #DIV/0! | 9.500% | #DIV/0! | #DIV/0! | #DIV/0! | 9.500% | 40.223% |
| 37 Effective Cost of Debt | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% |
| 38 Effective Cost of Preferred | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 39 Debt Share of Cap Structure | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% |
| 40 Preferred Share of Cap Structure | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 41 Weighted Cost of Debt | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% |
| 42 Weighted Cost of Preferred | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 43 Equity Share of Cap Structure | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% |
| 44 State Tax Rate | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% |
| 45 Federal Tax Rate | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% |
| 46 Composite Tax Rate | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% |
| 47 Bad Debt Rate | 0.326% | 0.326% | 0.326% | 0.326% | 0.326% | 0.326% | 0.326% | 0.326% | 0.326% |
| 48 Franchise Fee Rate | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% |
| 49 Working Cash Factor | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% |
| 50 Gross-Up Factor | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 |
| 51 ROE Target | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% |
| 52 Grossed-Up COC | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% |
| 53 OPUC Fee Rate | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% | 0.4055% |
| Utility Income Taxes | | | | | | | | | |
| 54 Book Revenues | - | - | - | (726) | - | - | - | (931) | (10,784) |
| 55 Book Expenses | - | - | - | (724) | - | - | - | (31) | 202 |
| 56 Interest Deduction | - | - | - | (1) | - | - | - | (217) | (738) |
| 57 Production Deduction | | | | | | | | | - |
| 58 Permanent Ms | | | | | | | | | - |
| 59 Deferred Ms | | | | | | | | | - |
| 60 Taxable Income | - | - | - | (2) | - | - | - | (684) | (10,248) |
| 61 Current State Tax | - | - | - | (0) | - | - | - | (52) | (778) |
| 62 State Tax Credits | | | | | | | | | - |
| 63 Net State Taxes | - | - | - | (0) | - | - | - | (52) | (778) |
| 64 Federal Taxable Income | - | - | - | (2) | - | - | - | (632) | (9,470) |
| 65 Current Federal Tax | - | - | - | (0) | - | - | - | (133) | (1,989) |
| 66 Federal Tax Credits | | | | | | | | | - |
| 67 Excess ADIT Reversal (ARAM) | | | | | | | | | - |
| 68 Deferred Taxes | - | - | - | - | - | - | - | - | - |
| 69 Total Income Tax Expense | - | - | - | (0) | - | - | - | (185) | (2,767) |
| 73 Regulated Net Income | - | - | - | (1) | - | - | - | (499) | (7,221) |

NVPC Adjustment Detail

| | 7/15/2021 NVPC Update (1) | 8/31/2021 Stipulation (2) | 10/1/2021 NVPC Update (3) | 11/5/2021 NVPC Update (4) | 11/15/2021 NVPC Update (5) | Blank (6) | Total NVPC Adjustments |
|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|--------------|-----------------------------------|
| 1 Sales to Consumers | 1,628 | (8,378) | 13,903 | 26,075 | 209 | - | 33,437 |
| 2 Sales for Resale | | | | | | | - |
| 3 Other Revenues | | | | | | | - |
| 4 Total Operating Revenues | 1,628 | (8,378) | 13,903 | 26,075 | 209 | - | 33,437 |
| 5 Net Variable Power Costs | 1,569 | (8,075) | 13,400 | 25,131 | 201 | | 32,227 |
| 6 Production O&M (Excludes Trojan) | | | | | | | - |
| 7 Trojan O&M | | | | | | | - |
| 8 Transmission O&M | | | | | | | - |
| 9 Distribution O&M | | | | | | | - |
| 10 Customer & MBC O&M | | | | | | | - |
| 11 Uncollectibles Expense | 5 | (27) | 45 | 85 | 1 | - | 109 |
| 12 OPUC Fees | 7 | (34) | 56 | 106 | 1 | - | 136 |
| 13 A&G, Ins/Bene., & Gen. Plant | | | | | | | - |
| 14 Total Operating & Maintenance | 1,581 | (8,136) | 13,502 | 25,322 | 203 | - | 32,471 |
| 15 Depreciation | | | | | | | - |
| 16 Amortization | | | | | | | - |
| 17 Property Tax | | | | | | | - |
| 18 Payroll Tax | | | | | | | - |
| 19 Other Taxes | | | | | | | - |
| 20 Franchise Fees | 42 | (214) | 355 | 666 | 5 | - | 855 |
| 21 Utility Income Tax | 1 | (6) | 9 | 18 | 0 | - | 23 |
| 22 Total Operating Expenses & Taxes | 1,623 | (8,356) | 13,866 | 26,006 | 208 | - | 33,349 |
| 23 Utility Operating Income | 4 | (22) | 37 | 69 | 1 | - | 88 |
| 24 Average Rate Base | | | | | | | |
| 25 Avg. Gross Plant | | | | | | | - |
| 26 Avg. Accum. Deprec. / Amort | | | | | | | - |
| 27 Avg. Accum. Def Tax | | | | | | | - |
| 28 Avg. Accum. Def ITC | | | | | | | - |
| 29 Avg. Net Utility Plant | - | - | - | - | - | - | - |
| 30 Misc. Deferred Debits | | | | | | | - |
| 31 Operating Materials & Fuel | | | | | | | - |
| 32 Misc. Deferred Credits | | | | | | | - |
| 33 Working Cash | 63 | (325) | 539 | 1,012 | 8 | - | 1,297 |
| 34 Average Rate Base | 63 | (325) | 539 | 1,012 | 8 | - | 1,297 |
| 35 Rate of Return | 6.813% | | | | | | 6.813% |
| 36 Implied Return on Equity | 9.500% | | | | | | 9.500% |

UE 394 / Stipulating Parties / 202
Muldoon - Gehrke - Mullins - Bieber - Chriss - Ferchland / 10
UE 215 / PGE Exhibit / 1601
Tooman - Tinker

| | | | | | | | |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| 37 Effective Cost of Debt | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% | 4.125% |
| 38 Effective Cost of Preferred | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 39 Debt Share of Cap Structure | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% |
| 40 Preferred Share of Cap Structure | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 41 Weighted Cost of Debt | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% | 2.063% |
| 42 Weighted Cost of Preferred | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 43 Equity Share of Cap Structure | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% | 50.000% |
| 44 State Tax Rate | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% | 7.594% |
| 45 Federal Tax Rate | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% | 21.000% |
| 46 Composite Tax Rate | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% | 27.000% |
| 47 Bad Debt Rate | 0.326% | 0.326% | 0.326% | 0.326% | 0.326% | 0.326% | 0.326% |
| 48 Franchise Fee Rate | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% | 2.556% |
| 49 Working Cash Factor | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% | 3.891% |
| 50 Gross-Up Factor | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 | 1.370 |
| 51 ROE Target | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% | 9.500% |
| 52 Grossed-Up COC | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% | 8.569% |
| 53 OPUC Fee Rate | 0.406% | 0.406% | 0.406% | 0.406% | 0.406% | 0.406% | 0.406% |
| Utility Income Taxes | | | | | | | |
| 54 Book Revenues | 1,628 | (8,378) | 13,903 | 26,075 | 209 | - | 33,437 |
| 55 Book Expenses | 1,622 | (8,350) | 13,857 | 25,989 | 208 | - | 33,326 |
| 56 Interest Deduction | 1 | (7) | 11 | 21 | 0 | - | 27 |
| 57 Production Deduction | | | | | | | - |
| 58 Permanent Ms | | | | | | | - |
| 59 Deferred Ms | | | | | | | - |
| 60 Taxable Income | 4 | (21) | 35 | 66 | 1 | - | 84 |
| 61 Current State Tax | 0 | (2) | 3 | 5 | 0 | - | 6 |
| 62 State Tax Credits | | | | | | | - |
| 63 Net State Taxes | 0 | (2) | 3 | 5 | 0 | - | 6 |
| 64 Federal Taxable Income | 4 | (20) | 32 | 61 | 0 | - | 78 |
| 65 Current Federal Tax | 1 | (4) | 7 | 13 | 0 | - | 16 |
| 66 Federal Tax Credits | | | | | | | - |
| 67 ITC Amort | | | | | | | - |
| 68 Deferred Taxes | - | - | - | - | - | - | - |
| 69 Total Income Tax Expense | 1 | (6) | 9 | 18 | 0 | - | 23 |
| 73 Regulated Net Income | 3 | (15) | 26 | 48 | 0 | - | 62 |

Category A Advertising

Adjust Result to 1/8 of 1% per OAR

| | | |
|---------|------------------------------------|---------------|
| 9090001 | CustSvc-InformAdvertisingExp | 2,035,889 |
| | Less: Legally Mandated Advertising | 5,257 |
| | | 2,030,632 |
| | 2022 Total Revenue Requirement | 2,127,491 |
| | Factor per OAR | <u>0.125%</u> |
| | Presumed Reasonable Cat A Costs | 2,659,364 |
| | Total Adjustment | - |

Production Tax Credits (PTCs) in 2022 Net Variable Power Cost

| | |
|----------------------|---------------|
| Grossed Up for Taxes | (40,431) |
| Gross Up Factor | <u>1.3696</u> |
| PTCs | (29,519) |

PGE
CAT - Analysis
2022 Budget Estimate

