

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

**UE 423
Power Cost Adjustment Mechanism**

**PORTLAND GENERAL ELECTRIC
COMPANY**

**Joint Testimony in Support of the
PCAM**

Direct Testimony of

Julie Jent, OPUC

Bob Jenks, CUB

Stefan Cristea, PGE

October 05, 2023

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I. Introduction

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

2 A. My name is Julie Jent. I am a Senior Economist employed in the Energy Costs Sections of
3 the Rates, Safety, and Utility Performance Division of the Public Utility Commission of
4 Oregon (OPUC). My qualifications appear in Stipulating Parties Exhibit 102.

5 My name is Bob Jenks. I am the Executive Director of the Oregon Citizens' Utility
6 Board (CUB). My qualifications appear in Stipulating Parties Exhibit 103.

7 My name is Stefan Cristea. I am a Regulatory Consultant at PGE. My qualifications
8 appear in PGE Exhibit 100.

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

10 A. Our purpose is to describe and support the stipulation (Stipulation) between OPUC Staff
11 (Staff), CUB, and PGE, collectively the Stipulating Parties, in Docket No. UE 423. A copy of
12 the Stipulation is provided as Stipulating Parties Exhibit 101. The Stipulating Parties request
13 that the Commission issue an order approving the Stipulation and implementing its terms.

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

15 A. On June 30, 2023, PGE made its Annual Power Cost Adjustment Mechanism (PCAM) filing
16 under tariff Schedule 126. That filing included testimony, work papers, and the information
17 required by the minimum filing requirements previously agreed to regarding Schedule 126.
18 Following PGE's filing in this docket, PGE shared requested information with the parties and
19 the parties examined PGE's filing and work papers and sent data requests. A settlement
20 conference was held on September 12, 2023, at which, the Stipulating Parties reached an
21 agreement that they found reasonable for settlement. The Stipulation reached at the September
22 12th meeting concluded that operation of the Schedule 126 Power Cost Deadbands in this

1 docket results in there being no credit or debit to customers for the 2022 power cost variance.
2 Some parties could have raised issues regarding the calculation of the Power Cost Variance
3 or earnings test, but did not do so because such adjustments, even if adopted, would not have
4 changed the final Schedule 126 rates.

II. Discussion

5 **Q. Please briefly describe PGE's 2022 PCAM filing.**

6 A. Tariff Schedule 126 is designed to recognize in rates the difference between actual net variable
7 power costs (as defined in the tariff) and the net variable power cost forecast pursuant to tariff
8 Schedule 125, subject to certain thresholds. Schedule 126 defines how the Power Cost
9 Variance is calculated, including deadbands, that are applied to either a positive or negative
10 power cost variance, and sharing of the variance outside the applicable deadband. The Power
11 Cost Variance is also subject to an earnings test.

12 PGE's filing in this docket explained how it calculated the Power Cost Variance for 2022.
13 As calculated by PGE, the variance between forecast and actual power costs in 2022 was
14 approximately \$23.2 million. This is within the \$30 million Positive Annual Power Cost
15 Deadbands. As such, the sharing percentages in Schedule 126 are not triggered.

16 PGE's filing also performed the earnings review required by Schedule 126. The Schedule 126
17 return on equity (ROE) deadband is +/-100 basis points of PGE's authorized ROE, which for
18 2022 was 9.5%. PGE's testimony showed that PGE's final regulated adjusted 2022 ROE was
19 9.02% which is within the 8.50% to 10.50% earnings deadbands. As noted above, the Power
20 Cost Variance for 2022 is within the power cost deadbands, so the variance is not subject to
21 this earnings test.

22 **Q. Did parties raise any issues with regards to PGE's PCAM filing in this docket?**

1 A. No. Parties to this docket did not raise any issues. However, in addition to verifying the
2 accuracy of PGE’s PCAM calculations and sending data requests, Staff and CUB reviewed
3 PGE’s filing at the September 12, 2023 settlement conference attended by Staff, CUB, and
4 PGE.

5 **Q. What is the rate impact resulting from PGE’s 2022 PCAM?**

6 A. PGE’s 2022 PCAM results in no change to rates because, as indicated above, the PCAM
7 variance was within the power cost deadbands.

III. Recommendation to the Commission

8 **Q. What is your recommendation to the Commission regarding the adjustments contained**
9 **in the Stipulation?**

10 A. Each of the Stipulating Parties, representing their respective interests, agree that the settlement
11 contained in the Stipulation results in fair, just and reasonable rates in this 2022 Annual Power
12 Cost Variance Mechanism proceeding. The result is consistent with and supported by the
13 record in this docket. For the reasons set forth above, the Stipulating Parties request that the
14 Commission approve the Stipulation.

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

16 A. Yes.

IV. List of Exhibits

<u>Stipulating Parties Exhibit</u>	<u>Description</u>
101	Annual Power Cost Variance Mechanism Stipulation
102	Julie Jent Qualification Statement
103	Bob Jenks Qualification Statement

**BEFORE THE PUBLIC UTILITY COMMISSION
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In the Matter of

PORTLAND GENERAL ELECTRIC
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STIPULATION

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

I. INTRODUCTION

In accordance with its tariff Schedule 126, PGE filed its Annual Power Cost Variance Mechanism update in this docket on June 30, 2023. Included with that filing were PGE’s testimony and work papers regarding the 2022 power cost variance and earnings review results. This information included the data required by the minimum filing requirements agreed to for Power Cost Variance (PCV) dockets. PGE’s filing showed that the 2022 power cost variance was within the deadbands contained in Schedule 126, and therefore results in no power cost variance refund or collection for 2022.

The Parties subsequently reviewed PGE’s filing and work papers. The Parties held a settlement conference on September 12, 2023. As a result of those discussions, and discovery, the Parties have reached agreement settling this docket as set forth below. The Parties request that the Commission issue an order adopting this Stipulation.

II. TERMS OF STIPULATION

1. This Stipulation settles all issues in this docket.
2. PGE's actual power costs for 2022 were below forecast power costs but within the Schedule 126 power cost deadbands. This results in no rate impact to customers for the 2022 power cost variance. Some parties could have proposed adjustments to the power cost calculation or earnings review in this docket but such adjustments, if accepted, would not have altered the Schedule 126 rates. As such, the lack of issues being raised and decided in this docket is not to be construed as agreement to any or all of the aspects of the calculations done by PGE and is not precedent for future PCV dockets or any other case.
3. The Parties recommend and request that the Commission approve this Stipulation as an appropriate and reasonable resolution of the issues in this docket.
4. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable and will meet the standard in ORS 756.040.
5. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. Without the written consent of all 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.
6. The Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties, after consultation, may seek to obtain Commission approval of this Stipulation 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. The 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, the 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. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The 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 Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

7. 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 12th day of September, 2023.

**PORTLAND GENERAL ELECTRIC
COMPANY**

/s/ Brett Sims

Brett Sims

**STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON**

/s/ Stephanie Andrus

Stephanie Andrus

OREGON CITIZEN'S UTILITY BOARD

/s/ Michael Goetz

Michael Goetz

WITNESS QUALIFICATIONS STATEMENT

NAME: Julie Jent

EMPLOYER: Public Utility Commission of Oregon

TITLE: Senior Economist
Rates, Finance and Audit Division

ADDRESS: 201 High Street SE. Suite 100
Salem, OR. 97301

EDUCATION: I have a Bachelor of Science from Berea College in Political Science where I concentrated on economics and the regions of Eastern Europe and Southeastern Asia. I also hold a Masters of Integral Economic Development Policy specializing in the public sector and econometrics.

EXPERIENCE: I have been employed as a Junior Financial Analyst by the Oregon Public Utility Commission since June 2021 in the Telecommunications and Water division. I transitioned to the Rates, Safety and Utility Performance Division in July of 2022 within the Energy Costs section. Within this division, I currently perform a range of financial analysis duties related to natural gas, electric, and water utilities, with a focus on operations and maintenance. In addition, I assist with Purchased Gas Adjustments, Annual Power Cost filings, and General Rate Cases. Past rate cases include UG 435 and UE 399. I was previously employed as an adjunct professor of Econometrics at the Catholic University of American and as an Analyst in the Office of Management and Budget (OMB) within the Executive Office of the President (EOP), where I worked as part of a team on education funding. Prior to EOP, I was an Economic Consultant for the U.S. Conference of Catholic Bishops.

WITNESS QUALIFICATION STATEMENT

NAME: Bob Jenks

EMPLOYER: Oregon Citizens' Utility Board of Oregon

TITLE: Executive Director

ADDRESS: 610 SW Broadway, Suite 400
Portland, OR 97205

EDUCATION: Bachelor of Science, Economics
Willamette University, Salem, OR

EXPERIENCE: Provided testimony or comments in a variety of OPUC dockets, including UE 88, UE 92, UM 903, UM 918, UE 102, UP 168, UT 125, UT 141, UE 115, UE 116, UE 137, UE 139, UE 161, UE 165, UE 167, UE 170, UE 172, UE 173, UE 207, UE 208, UE 210, UE 233, UE 246, UE 283, UG 152, UM 995, UM 1050, UM 1071, UM 1147, UM 1121, UM 1206, UM 1209, UM 1355, UM 1635, UM 1633, and UM 1654. Participated in the development of a variety of Least Cost Plans and PUC Settlement Conferences. Provided testimony to Oregon Legislative Committees on consumer issues relating to energy and telecommunications. Lobbied the Oregon Congressional delegation on behalf of CUB and the National Association of State Utility Consumer Advocates.

Between 1982 and 1991, worked for the Oregon State Public Interest Research Group, the Massachusetts Public Interest Research Group, and the Fund for Public Interest Research on a variety of public policy issues.

MEMBERSHIP: National Association of State Utility Consumer Advocates
Board of Directors, OSPIRG Citizen Lobby
Telecommunications Policy Committee, Consumer Federation of America
Electricity Policy Committee, Consumer Federation of America
Board of Directors (Public Interest Representative), NEEA

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DECLARATION OF JULIE JENT IN
SUPPORT OF TESTIMONY & EXHIBITS

I, Julie Jent, declare under penalty of perjury under the laws of the State of
Oregon:

1. My full name is Julie Jent. My position is Senior Economist in the Rates, Finance,
and Audit Division of Oregon Public Utility Commission (OPUC).
2. On behalf of OPUC, I sponsored joint testimony (Stipulating Parties/100). I also
sponsored supporting exhibits Stipulating Parties/101-103.
3. To the best of my knowledge and belief, my testimony is true and accurate. If I were
asked the same questions today, my answers would be the same.

DATED this 5th day of October, 2023.

Respectfully submitted,

/s/ Julie Jent
Julie Jent

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DECLARATION OF BOB JENKS IN
SUPPORT OF TESTIMONY & EXHIBITS

I, Bob Jenks, declare under penalty of perjury under the laws of the State of
Oregon:

1. My full name is Bob Jenks. My position is Executive Director of Oregon Citizens' Utility Board.
2. On behalf of Oregon Citizens' Utility Board, I sponsored joint testimony (Stipulating Parties/100). I also sponsored supporting exhibits Stipulating Parties/101-103.
3. To the best of my knowledge and belief, my testimony is true and accurate. If I were asked the same questions today, my answers would be the same.

DATED this 5th day of October, 2023.

Respectfully submitted,

/s/ Bob Jenks
Bob Jenks

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DECLARATION OF STEFAN CRISTEA IN
SUPPORT OF TESTIMONY & EXHIBITS

I, Stefan Cristea, declare under penalty of perjury under the laws of the State of Oregon:

1. My full name is Stefan Cristea. My position is Regulatory Consultant in the Rates and Regulatory Affairs Department at Portland General Electric Company (PGE).
2. On behalf of PGE, I sponsored direct testimony (PGE/100 with errata) and joint testimony (Stipulating Parties/100). I also sponsored supporting exhibits PGE/101-104 and Stipulating Parties/101-103.
3. To the best of my knowledge and belief, my testimony is true and accurate. If I were asked the same questions today, my answers would be the same.

DATED this 5th day of October, 2023.

Respectfully submitted,

/s/ Stefan Cristea
Stefan Cristea

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DECLARATION OF GREG BATZLER IN
SUPPORT OF TESTIMONY & EXHIBITS

I, Greg Batzler, declare under penalty of perjury under the laws of the State of
Oregon:

1. My full name is Greg Batzler. My position is Senior Regulatory Consultant in the Rates and Regulatory Affairs Department at Portland General Electric Company (PGE).
2. On behalf of PGE, I sponsored direct testimony (PGE/100 with errata). I also sponsored supporting exhibits PGE/101-104.
3. To the best of my knowledge and belief, my testimony is true and accurate. If I were asked the same questions today, my answers would be the same.

DATED this 5th day of October, 2023.

Respectfully submitted,

/s/ Greg Batzler

Greg Batzler