

ENTERED Jun 05 2023

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 410

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,Application Regarding Amortization of  
Boardman Deferral.

ORDER

DISPOSITION: STIPULATION ADOPTED

**I. SUMMARY**

In this order, we adopt the stipulations entered into by Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Oregon Citizens' Utility Board (CUB), and the Alliance of Western Energy Consumers (AWEC) (collectively, stipulating parties) resolving the amortization of 2020, 2021, and 2022 revenues deferred associated with the retirement of the Boardman coal-fired generating facility. Under these stipulations, PGE will refund \$6.5 million associated with the deferred 2020 Boardman costs with no refund due to customers associated with the deferred 2021 and 2022 Boardman costs.

**II. PROCEDURAL HISTORY AND BACKGROUND**

On October 8, 2020, AWEC and CUB filed a request to defer revenue impacts associated with the October 15, 2020 retirement of the Boardman coal-fired generating facility (Boardman deferral) in docket UM 2119. AWEC and CUB filed a request for reauthorization of the deferral request for the period October 8, 2021 through the rate effective date in PGE's general rate case (GRC), docket UE 394. In docket UE 394, the Commission authorized the use of deferred accounting for the Boardman costs included in rates.<sup>1</sup> Also in the GRC, the Commission established parameters for applying an earnings test in determining the costs to be amortized.<sup>2</sup> The Commission directed that the earnings test would be applied to costs by the calendar year in which they were incurred.

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<sup>1</sup> *In the Matter of Portland General Electric Company, Request for a General Rate Revision*, Docket No. UE 394, Order No. 22-129, at 43-47 (Apr. 25, 2022).

<sup>2</sup> *Id.* at 52-54.

For the Boardman deferral, we found that the earnings test should provide for a refund only in the event that the company is demonstrated to have earned above its authorized return on equity (AROE) (*i.e.*, 9.5 percent).

On July 27, 2022, PGE filed an application regarding amortization of costs deferred associated with the Boardman generating facility closure for calendar years 2020 and 2021. Staff, AWEC, and CUB participated as parties to this proceeding. In its initial filing, PGE proposed that under the earnings tests for 2020 and 2021, there would be no refund to customers. On October 24, 2022, the parties filed a stipulation, resolving all issues related to the deferred 2021 Boardman costs (first partial stipulation). On November 10, 2022, the procedural schedule was suspended until preliminary 2022 financial results were available. On May 30, 2023, the parties filed a second partial stipulation, addressing the deferred 2020 and 2022 Boardman costs (second partial stipulation).

### **III. FIRST PARTIAL STIPULATION**

The stipulating parties explain that under the earnings test, no amounts are subject to refund associated with deferred 2021 costs because PGE's 2021 regulated earnings were well below the target ROE of 9.5 percent, even after including the full collection of deferred amounts for emergency events in 2021 in docket UE 408.<sup>3</sup> The stipulating parties agree that the first partial stipulation is in the public interest, and will result in fair, just, and reasonable rates.

### **IV. SECOND PARTIAL STIPULATION**

In the second partial stipulation, the stipulating parties agree that PGE will refund \$6.5 million to customers for deferred 2020 Boardman costs. The stipulating parties state that PGE's regulated earnings in 2020 were under dispute, with each party having its own perspective of how regulated earnings should be calculated. They explain that the stipulating parties did not resolve the calculation difference, but were able to achieve an agreement on amortization of the 2020 amounts for the purposes of settlement. The stipulating parties agree that PGE will amortize that amount over two years with interest at a blend of the one and three-year treasury rates. The refund will be allocated based on each rate schedule's forecasted energy on an equal percent of generation revenue basis and applied on a cents per kWh basis to each applicable rate schedule.

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<sup>3</sup> *In the Matter of Portland General Electric Company, Application for Authority to Amortize Deferred Amounts Related to 2020 and 2021 Wildfire and Ice Storm Emergency Events*, Docket No. UE 408.

The stipulating parties agree that no amounts are subject to refund for the deferred 2022 Boardman costs under the earnings test. They explain that PGE's regulated earnings in 2022 were below 9.5 percent, regardless of the approach taken to calculate the result, making a refund of any amounts associated with Boardman unnecessary. The stipulating parties agree that the second partial stipulation is in the public interest, and will result in rates that are fair, just, and reasonable.

## **V. RESOLUTION**

We review the terms of any stipulation for reasonableness and accord with the public interest. We have reviewed the record, including the terms of the stipulations, and the supporting joint testimony of the parties. In establishing an earnings test at PGE's AROE, we intended that PGE would only refund Boardman cost to the extent it is demonstrated the company was earning over its AROE. We directed PGE to apply the earnings test prescribed for the Boardman deferral, but noted that the record of that proceeding indicated the potential for some differences in understanding with regard to the application of the earnings test, and the calculation of a utility's earnings for purposes of applying an earnings test. Here, while the stipulating parties did not resolve the issue of how regulated earnings should be calculated, we are satisfied that the two stipulations are a reasonable and appropriate resolution of the deferred 2020, 2021, and 2022 Boardman costs. We further find that the stipulations will result in fair, just, and reasonable rates. Accordingly, we adopt the stipulations.

**VI. ORDER**

IT IS ORDERED that:

1. The stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Oregon Citizens' Utility Board, and Alliance of Western Energy Consumers, filed October 24, 2022, attached as Appendix A, is adopted.
2. The stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Oregon Citizens' Utility Board, and Alliance of Western Energy Consumers, filed May 30, 2023, attached as Appendix B, is adopted.
3. Portland General Electric Company shall file tariff sheets consistent with this order for effect July 1, 2023.

Made, entered, and effective Jun 05 2023.



**Megan W. Decker**  
Chair



**Letha Tawney**  
Commissioner



**Mark R. Thompson**  
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 410**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

Amortization of the Revenue Requirement  
Associated with the Boardman Coal Plant

**FIRST STIPULATION**

This 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"), and the Alliance of Western Energy Consumers ("AWEC"), (collectively, the "Stipulating Parties").

On July 27, 2022, PGE made a filing regarding the amortization of the revenue requirement associated with the Boardman Coal Plant. A settlement conference was held on September 16, and continued on September 19, resulting in the settlement included in this Stipulation. 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 the 2021 amounts in this docket, as set forth below.

### **TERMS OF FIRST STIPULATION**

1. This Stipulation resolves only the issues described below.
2. 2021 revenue requirement
  - a. Parties agree that there are no amounts to amortize for the Boardman Coal Plant for the 2021 calendar year after applying the earnings test to PGE's 2021 earnings.
    - i. PGE's 2021 earnings remain below the target ROE of 9.5% established by the Commission in Order 22-291 even after including the full collection of deferred amounts for 2021 identified in UE 408 – Amortization of Deferred Amounts for 2020-2021 Emergency Events.
3. 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.
4. 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.
5. Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties seek to obtain Commission approval of this Stipulation prior to evidentiary hearings and briefing. 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.

6. 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.
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 24<sup>th</sup> day of October, 2022.

s/ Shay LaBray

PORTLAND GENERAL ELECTRIC  
COMPANY

s/ Stephanie Andrus

STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

s/ Michael Goetz

OREGON CITIZENS' UTILITY BOARD

s/ Corinne Milnovich

ALLIANCE OF WESTERN  
ENERGY CONSUMERS



**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 410**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

Application regarding amortization of  
Boardman deferral

**SECOND 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"), and the Alliance of Western Energy Consumers ("AWEC"), (collectively, the "Stipulating Parties").

On October 8, 2020, CUB and AWEC filed a deferral requesting a refund of the revenue requirement of the Boardman coal plant, which was no longer serving customers beginning October 15, 2020. On July 27, 2022, PGE filed its request not to amortize any amounts for refund under the Boardman deferral application, which was filed by under docket UM 2119. Settlement conferences were held on September 16, 2022, and continued on September 19, 2022, resulting in a partial settlement resolving all amounts for 2021, which was filed on October 24, 2022. Additional settlement conferences to resolve 2020 and possible 2022 amounts were held on October 5, 2022, November 2, 2022, and November 7, 2022. At that time, Stipulating Parties were unable to arrive at an agreement that would resolve all remaining issues in this proceeding and on November 7, 2022, PGE filed for a suspension of the procedural schedule so that parties could reconvene in early 2023, once a preliminary 2022 earnings test could be known.

On February 28, 2023, March 2, 2023, and March 10, 2023, the Stipulating Parties further engaged in settlement conferences resulting in the settlement included in this Stipulation. The Stipulating Parties, representing all parties in this docket, participated in these settlement discussions. and reached a settlement resolving the treatment of the Boardman deferral, as set forth below.

### **TERMS OF SECOND STIPULATION**

1. This Stipulation resolves the treatment of the Boardman deferral as described below.
2. Stipulating Parties agree that PGE will refund \$6.5 million to customers for 2020 amounts related to the revenue requirement of the Boardman coal plant, which closed in October 2020.
3. Stipulating Parties agree that the amount will be amortized over two years at an interest rate of a blend of the 1- and 3-year treasury rates.
4. Stipulating Parties agree that for rate spread purposes, amounts amortized will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of generation revenue applied on a cents per kWh basis to each applicable rate schedule.
5. All Parties agree that there are no amounts to amortize for the 2022 deferral period.
6. Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable ratemaking treatment of the Boardman deferral.
7. 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.
8. 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.

9. Stipulating Parties have negotiated this Stipulation as an integrated document. 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. If a Stipulating Party withdraws from the Stipulation in a manner consistent with this Section 10 of the Stipulation, each of the Stipulating Parties reserves the right to provide evidence and argument in favor of its position on the appropriate resolution of issues that were not yet offered in this docket because of the compromise and resolution of issues reflected in the Stipulation.

10. 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.
11. 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 30th day of May, 2023.

PORTLAND GENERAL ELECTRIC COMPANY

/s/ Kim Burton

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