ORDER NO. 23-386

ENTERED Oct 30 2023

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 416

In the Matter of	
PORTLAND GENERAL ELECTRIC COMPANY	ORDER
Request for a General Rate Revision; and 2024 Annual Power Cost Update.	

DISPOSITION: FIRST, SECOND, THIRD, FOURTH, AND SIXTH PARTIAL STIPULATIONS ADOPTED; REQUEST FOR GENERAL RATE REVISION APPROVED AS REVISED.

I. SUMMARY

In this order we adopt five partial stipulations addressing Portland General Electric Company's request for a general rate revision and the company's 2024 annual power cost update. We will address in a future order the remaining contested stipulation regarding the cap in Schedule 118, Income-Qualified Bill Discount (IQBD) program cost recovery.

In its initial filing, PGE requested an overall increase in revenues of $338 million, comprised of $208.2 million associated with its general rates and $129.8 million associated with the forecast of net variable power costs (NVPC) for 2024. In this order, we approve an increase to PGE's general rates of approximately $174.6 million, representing an average increase of 7.3 percent from the company's previous rates, and a reduction of 16 percent from the company's initial request.[1] Primary cost drivers of the increase in general rates are capital investments, including the Faraday Resiliency and Repowering hydroelectric project, resilience and reliability upgrades to the transmission and distribution systems, and increased costs of the vegetation management program necessary to ensure the safety and reliability of the system. We also recognize the role that high inflation levels have played in increasing the company's operating costs. The stipulations adopted in this order achieved long-term cost savings for customers in the form of an annual reduction of $4.5 million for sixteen years for new capital additions and provide for reductions of over $17 million in operations and maintenance expenses.

[1] The overall change from the company's previous rates also includes the removal of wildfire mitigation costs that will be separately recovered in Schedule 151 effective January 1, 2024.

Additionally, the stipulations provide for a credit to customers of approximately $17 million each year for the next two years.

The stipulations also represent a step forward in expanding the company's IQBD program to provide increased bill discounts of 40 or 60 percent to customers with income at or below 15 percent of the Oregon state median income (SMI) and establishing the next steps for developing a future discount program tailored to the needs of PGE's customers. Continued progress in developing this program is essential to protecting low-income customers.

As noted above, PGE also requested an increase of $129.8 million associated with its 2024 projected NVPC. Under PGE's annual update tariff, Schedule 125, the company's rates are adjusted annually based on projected NVPC for the following year. We address any NVPC-related issues in an order issued in October of each year to set transition adjustments ahead of the November direct access window. Under the tariff, PGE files updates to its NVPC forecast in November, consistent with the directives of that order to arrive at a final NVPC forecast. Based upon PGE's October NVPC forecast update and the adjustments adopted in this order, PGE's 2024 NVPC forecast is $933.7, or an increase of $203.4 million over its 2023 NVPC forecast, and an increase of $73.6 million over the 2024 forecast in its initial filing. While this order resolves the NVPC issues raised in this proceeding, the actual increase in rates will be based on an updated 2024 power cost forecast to be filed by the company on November 15, 2023, consistent with the stipulated adjustments adopted here. The elements that are updated in the final 2024 NVPC forecast may result in an overall increase or decrease relative to the current projection.

II. PROCEDURAL HISTORY AND BACKGROUND

On February 15, 2023, PGE filed Advice No. 23-03 to request a general rate revision and 2024 annual power cost update. In this proceeding, we investigated the propriety and reasonableness of the proposed tariffs. Staff of the Public Utility Commission of Oregon (Staff), the Alliance of Western Energy Consumers (AWEC), Calpine Energy Solutions, LLC (Calpine Solutions), Community Action Partnership of Oregon (CAPO), Community Energy Project, Oregon Citizens' Utility Board (CUB), Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co. (Fred Meyer), NewSun Energy LLC, (NewSun), Natural Resources Defense Council (NRDC) and the NW Energy Coalition (NWEC), Small Business Utility Advocates (SBUA), and Walmart Inc. participated as parties to this proceeding. During the course of the investigation, parties filed testimony and exhibits.

The general public was given the opportunity to comment on PGE's filing at a public hearing on May 3, 2023, which was conducted online.

On August 21, 2023, Staff, AWEC, CUB, PGE, and Walmart filed the first partial stipulation (attached as Appendix A), and the third partial stipulation (attached as Appendix B), with supporting testimony addressing NVPC issues.

On August 21, 2023, PGE filed a partial settlement stipulation (second partial stipulation) with supporting testimony on behalf of Staff, CUB, AWEC, Walmart, and the company resolving numerous revenue requirement issues. The second partial stipulation is attached as Appendix C.

On October 6, 2023, PGE filed three partial settlement stipulations (fourth, fifth, and sixth partial stipulations) with supporting testimony. The fourth partial stipulation (attached as Appendix D) addressed rate spread and rate design issues.[2] The sixth partial stipulation (attached as Appendix E) addressed the remaining revenue requirement and NVPC issues.[3] No party opposed the first, second, third, fourth or sixth stipulations. AWEC opposed the fifth partial stipulation regarding the cap in Schedule 118, IQBD program cost recovery, which will be addressed in a subsequent order.[4]

The ALJ issued a ruling admitting evidence into the record on October 24, 2023.

III. COMPANY FILING

In its initial filing, PGE's forecast of NVPC for 2024 was $860.1 million, representing an increase of approximately $129.8 million relative to its final 2023 NVPC forecast. PGE submitted Multi-area Optimization Network Energy Transaction (MONET) model updates on March 31, July 14, and October 2. In its October 2 MONET update, PGE provided a revised forecast of NVPC for 2024 of $933.7 million, which incorporated the terms of the first and second partial stipulations, new power purchase agreements, updated electric and gas forward price curves, as well as updates related to commercial operation dates, term contracts, Energy Imbalance Market Net Benefits, California-Oregon border trading margin, and the load forecast. PGE will provide two more MONET updates in November, with the final MONET update for the 2024 NVPC forecast due on November 15, 2023.

[2] The stipulating parties to the fourth partial stipulation are Staff, PGE, CUB, AWEC, Fred Meyer, Walmart, and SBUA.
[3] The stipulating parties to the sixth partial stipulation are Staff, PGE, CUB, AWEC, Fred Meyer, Walmart, NRDC and NWEC, CAPO, and SBUA. Additionally, while not a signatory, CEP supports the terms of this stipulation addressing the IQBD program and low-income needs assessment.
[4] The stipulating parties to the fifth partial stipulation are Staff, PGE, CUB, Fred Meyer, CAPO, and SBUA. CEP is not a signatory but supports the fifth partial stipulation.

Additionally, PGE proposed an increase to general rates of $208.2 million or 9.5 percent. The company's general rate request was based on a forecasted 2024 test year with plant as of December 31, 2023, and depreciation expense calculated on plant-in-service through December 31, 2023. According to the company, the main drivers for the proposed increase are capital investments since the company's last rate case and increased operating costs due to high levels of inflation. The company identified increases to expense for fuel and power purchases, cyber and physical security and emergency management, insurance, property tax, information technology, and vegetation management as significant cost drivers.

PGE proposed a rate of return of 7.06 percent, based on a capital structure of 50 percent equity, and 50 percent debt, with a 9.8 percent return on equity (ROE), and a 4.317 percent cost of debt.

PGE's filing included a marginal cost of service study. Additionally, PGE proposed changes to its rate design, including eliminating the tiered rate structure for residential customers, modifying time-of-day rates, and reinstating a revised decoupling mechanism. PGE also proposed changes to its power cost adjustment mechanism, requested changes to existing practices related to deferrals and automatic adjustment clauses, and proposed to define "associated storage" in its Renewable Automatic Adjustment clause to include storage used to integrate and firm renewable energy that is not co-located with the renewable resource.

IV. APPLICABLE LAW

In a rate case, the Commission must take two primary steps. First, we must determine how much overall revenue the company is entitled to receive. A utility's revenue requirement is determined on the basis of the utility's reasonable and prudent costs. Second, we must allocate the revenue requirement among the utility's customer classes.[5]

In establishing a revenue requirement, we must determine: (1) the expected gross utility revenues; (2) the utility's operating expenses to provide utility service; (3) the rate base on which a return should be earned; and (4) the rate of return to be applied to the rate base to establish the return to which the stockholders of the utility are reasonably entitled.[6] Establishing these values allows us to determine the utility's reasonable costs of providing service and required revenues so that the company's rates will be set at just and reasonable levels.

[5] *See, e.g., American Can Company v. Lobdell*, 55 Or App 451, 454-55, *rev den* 293 Or 190 (1982).
[6] *See Pacific Northwest Bell Telephone Company v. Sabin*, 21 Or App 200, 205 & n 4, *rev den* (1975).

As the petitioner in this rate case, PGE has the burden of proof. The phrase "burden of proof" has two meanings: one to refer to a party's burden of producing evidence; the other to a party's obligation to establish a given proposition in order to succeed.[7] To distinguish these two meanings, we refer to the burden of production and the burden of persuasion.[8]

ORS 757.210 establishes the burden of proof and provides that in a rate case "the utility shall bear the burden of showing that the rate or schedule of rates proposed to be established or increased or changed is fair, just and reasonable." Thus, PGE must submit evidence showing that its proposed rates are just and reasonable. Once the company has presented its evidence, the burden of going forward (burden of production) then shifts to the party or parties who oppose including the costs in the utility's revenue requirement.[9] Staff or an intervenor, if it opposes the utility's claimed costs, may in turn show that the costs are not reasonable. For any change proposed by PGE that is disputed by another party, PGE still must show, by a preponderance of evidence, that the change is just and reasonable. If the company fails to meet that burden, either because the opposing party presented persuasive evidence in opposition to the proposal, or because PGE failed to present adequate information in the first place, then PGE does not prevail because it has not carried its burden of proof.[10]

V. STIPULATION(S)

A. First Partial Stipulation

Under the first partial stipulation, the stipulating parties agreed to include Bonneville Power Administration (BPA) wheeling costs and benefits consistent with the terms of the stipulation adopted in Docket No. UE 402.[11] The stipulating parties agree to model BPA 2023 Reserve Distribution Clause benefits based on AWEC's proposed modeling. Also consistent with the Docket No. UE 402 stipulation, PGE will include the difference between the change to BP-24 transmission rates and the company's projected BPA transmission rate escalation modeled effective October 1, 2023, in the final 2023 NVPC forecast. Additionally, PGE will remove the BPA escalation rate modeled for October

[7] *In the Matter of Portland General Electric Company's Proposal to Restructure and Reprice Its Services in Accordance with the Provisions of SB 1149*, Docket No. UE 115, Order No. 01-777 at 4 (Aug. 31, 2001), *citing Hansen v. Oregon-Wash. R.R. & Nav. Co.*, 97 Or 190 (1920).

[8] *See, e.g.*, ORS 40.105; ORS 40.115.

[9] *See In the Matter of the Application of Northwest Natural Gas Company for a General Rate Revision*, Docket No. UG 132, Order No. 99-697 at 3 (Nov. 12, 1999).

[10] *See In the Matter of PacifiCorp's Proposal to Restructure and Reprice its Services in Accordance with the Provisions of SB 1149*, Docket No. UE 116, Order No. 01-787 at 6 (Sep. 7, 2001).

[11] *In the Matter of Portland General Electric Company*, 2023 Annual Power Cost Update Tariff (Schedule 125), Docket No. UE 402, Order No. 22-427 (Nov. 1, 2022).

through December in the company's initial 2024 NVPC forecast and instead use actual BP-24 transmission rates in the final 2024 forecast.

Under the first partial stipulation, the stipulating parties also agree that PGE will adjust the 2024 NVPC forecast by $325,000 for delivered gas and will not make modeling changes to reflect delivered gas availability during winter months in the forecast. The stipulating parties explain that this adjustment is intended to reflect that there is some amount of delivered gas available in the months of March and November.

Finally, the first partial stipulation includes a black box settlement of $5.6 million resolving the treatment of 2024 production tax credits (PTCs), the Carty natural gas generation facility's forced outage rate, the Biglow Canyon wind generation facility's capacity factor, and the California-Oregon border trading margin.

B. Second Partial Stipulation

The second partial stipulation addresses numerous revenue requirement issues, including a black box rate base settlement, a black box operations and maintenance (O&M) expense settlement, and ten individually settled issues.

Under the black box rate base agreement, the stipulating parties agree to reduce rate base by $27.5 million and the revenue requirement by $4.25 million each year for 16 years to resolve the issues listed in Table 1 of Stipulating Parties/200. PGE will reflect a $27.5 million rate base reduction in its results of operations reports (ROOs) filed for calendar year 2024 and each subsequent year until rates from PGE's next general rate case (GRC) go into effect. PGE will reflect the $4.25 million revenue requirement adjustment in its ROOs for calendar years 2024 through 2039. Additionally, PGE will include the associated revenue requirement impact of the capital-related elements of the Carty intake fire as presented in AWEC's opening testimony. The stipulating parties note that this includes resolution of all issues related to the Faraday Resiliency and Repowering Project raised in this case.

Under the black box O&M settlement, the stipulating parties agreed to an $11 million reduction in O&M expense to resolve issues related to health and wellness benefits, grid modernization positions, wages and salaries, generation expenses, customer service, other revenues, and transportation electrification operating expense.

The stipulating parties agree that PGE will maintain a hypothetical capital structure of 50 percent debt and 50 percent equity. They also agree upon a weighted cost of debt of 4.485 percent. The agreed-upon cost of debt is based on the known rate, term, and size of PGE's 2023 issuances, and using Staff's method to determine the coupon rate for one projected issuance in 2024.

PGE will remove the $32.1 million of 2023 PTCs currently included in PGE's rate base as a deferred tax asset (DTA). The stipulating parties agree to support or not oppose a property sales application to sell the 2023 PTCs for no less than 90 percent of the PTCs' value. The stipulating parties agree that the difference between the full value and the discounted value will be recoverable from customers within PGE's property sales balancing account. If PGE cannot obtain at least 90 percent of the value, the company will not proceed with the sale and the PTCs' value will be returned to the DTA in PGE's test year rate base. Under the second partial stipulation, expenses incurred for the request for proposal process to sell the PTCs will be considered a normal ongoing business expense and not subject to deferral.

Under the second partial stipulation, PGE will work with Staff to incorporate Staff's proposed changes to the autoregressive integrated moving average (ARIMA) models for the September 2023 load forecast in this case. Additionally, PGE also agrees to hold at least one workshop ahead of its 2025 AUT filing to discuss the other Staff-proposed changes to the load forecast method and any other proposed changes raised by workshop participants.

The second partial stipulation provides that excess Schedule 145, Boardman Decommissioning amounts and deferred Open Access Transmission Tariff (OATT) revenues be amortized to customers over two years beginning January 1, 2024.

The stipulating parties agree PGE may continue to offer the Amazon Pay program to customers and will exclude associated costs from this GRC, resulting in a reduction of $7,745. In its next GRC, PGE will provide information showing the transaction costs for the Amazon Pay payment option. PGE may propose recovery of Amazon Pay expenses in future proceedings.

Finally, the stipulating parties agree to: (1) a $180,000 reduction to O&M forecast and a $120,000 reduction to rate base for fleet fuel, (2) a $25,000 reduction to O&M budget for apprentice training in utility operations; (3) a $27,262 reduction to the O&M budget related to memberships; and (4) a decrease to O&M of $1,014,969 and an increase to capital of $95,441 associated with updating PGE's major maintenance accrual proposal to reflect Staff's adjustments.

C. Third Partial Stipulation

Under the third partial stipulation, the stipulating parties agree that PGE will reduce the 2024 NVPC forecast by $3.0 million to resolve the Beaver plant cycling issue. The stipulating parties explain that this resolves all Beaver plant capital and depreciation issues raised in the GRC.

The third partial stipulation also includes an agreement that PGE will remove the forecasted costs associated with a proxy physical gas call option from the 2024 NVPC forecast and that such costs will not be included even if the company executes a physical gas call option for 2024.

The stipulating parties also agree to a reduction in the forecast amount for reliability contingency events (RCEs) of $1.6 million. PGE will investigate the wind generation assumptions used in RCE modeling and will propose changes in the 2025 NVPC forecast if warranted.

Further, under the third partial stipulation, PGE will remove the cost associated with the Washington Climate Commitment Act (CCA) carbon compliance from the forecast. PGE will file for a deferral of the actual amounts associated with the Washington CCA. The stipulating parties agree not to oppose such a deferral request and agree any amortization request would be made through Schedule 125. The stipulating parties may still challenge any amortization request. Finally, the stipulating parties agree that the issue raised by AWEC regarding potential revenue from specified source, non-emitting power sales will not result in a change to PGE's 2024 NVPC forecast.

D. Fourth Partial Stipulation

The fourth partial stipulation addresses issues regarding the marginal cost study, rate design, tariff changes, and two revenue requirement issues.

The stipulating parties agree to set PGE's uncollectible rate to 0.4 percent. Additionally, they agree to reduce the revenue requirement by approximately $213,000 annually, from January 1, 2024, through December 31, 2028, for the Biglow blade liberation incident. Under the fourth partial stipulation, any future settlements regarding repair costs achieved by PGE will not be returned to customers. Further, PGE will reflect the $213,000 revenue requirement adjustment in its annual ROOs for calendar years 2024-2028.

The stipulating parties agree to modify Schedule 125, the Annual Power Cost Update tariff to permit PGE to propose modeling changes in non-GRC years with any modeling changes and all associated minimum filing requirements to be filed no later than February 15. They further agree that any other party may propose modeling changes in their opening testimony in the non-GRC years when PGE had filed modeling changes under the terms above.

The stipulating parties reached the following agreements regarding issues raised associated with rate design, fees, and tariff changes.

Schedule 38	Modified to include electric vehicle charging over 200kW up to 4000kW.
Schedules 115 and 118	Flat usage amount revised to 795kWh (2024 average residential use per customer) for purposes of calculating residential charge.
Residential Time of Day (TOD)	Proposal to expand the on-peak window is withdrawn.
Residential Time of Use (TOU)	Legacy program will be closed to new enrollments effective January 1, 2024, and program will be retired on December 31, 2024. PGE will communicate to TOU customers options of moving to TOD program, or Schedule 7 standard service. Customers who do not make a selection will be moved to Schedule 7.
Time of Day Pricing for Commercial Customers	PGE will hold a workshop and examine restructuring the on-and off-peak windows for Schedules 83, 85, 89 and 90 to better reflect system costs. PGE's opening testimony in next GRC will either include a proposal to update the windows or explain why the existing windows are appropriate.
Schedule 102 Regional Power Act Exchange Credit	Credit for residential customers will be capped at 2,000 kWh's per monthly billing cycle.
Residential Energy Block Rates	Residential energy block rate differential will be eliminated. In the next GRC, PGE will provide an evaluation demonstrating the effects of eliminating the block rates on customer usage.
Submersible Transformers	Amend the language of Rule I to remove language allowing residential customers to choose submersible transformers for aesthetic purposes only.

Reconnection Fees	Reconnection fees in Schedule 300 will be updated using a 90/10 percent weighted average between remote reconnect cost and manual reconnect cost, resulting in a reconnection fee of $9 during standard hours and $23 for after hours.
Customer Interval Data Fee	Customer Interval Data Fee charge will be removed from Schedule 300. PGE will notify customers once of the ability to receive interval data for free in a manner of the company's choosing and will notify new customers once per year.
Schedule 110 Energy Efficiency, Customer Service	Schedule will terminate with $1.2 million for Energy Efficiency, Customer Service to be recovered in base rates beginning in 2024.
Schedules 32 and 532, Small Non-Residential Service	The blocking differential for distribution charges will be eliminated.

The stipulating parties also agree to PGE's proposed updates to the customer marginal cost study as set forth in PGE's reply testimony.[12] PGE will include the additional departments identified in AWEC's opening testimony in the customer marginal cost study in the company's next GRC.[13] The stipulating parties further agree to PGE's proposed adjustments to the generation marginal cost study addressed in PGE's reply testimony.[14] PGE will also adjust the effective load carrying contribution (ELCC) of the battery to 68 percent for a $180 per kW year cost of capacity.

PGE's opening testimony in its next GRC will include an analysis and estimates of any marginal cost of capacity offsets attributable to a capacity resource's ability to provide ancillary services, market price arbitrage, and any other benefits beyond contributing to meeting net load requirements.

The stipulating parties agree to limit rate increases to 120 percent of the average cost of service (COS) for COS schedules using a customer impact offset (CIO). Consistent with prior practice, direct access schedules will follow COS schedules because the CIO is included in the system usage charge. The sixth partial stipulation addresses implementation of the CIO, with adjustments made to only the schedule with the lowest impact first and moving to the schedule with the next lowest impact, if necessary, until all schedules' increases are limited to 120 percent. Under this approach, if the adjustment of only one schedule is required, that schedule would still have the lowest impact after

[12] PGE/2500, Macfarlane-Keene/8-9.
[13] AWEC/300, Kaufman/4.
[14] PGE/2500, Macfarlane-Keene/4.

funding the CIO. If adjustment was required to two or more schedules, those schedules would still have the lowest impacts and would have the same percentage impact after implementation. Under the stipulation, lighting schedules are excluded from contributing to the CIO for the purpose of limiting impacts to 120 percent.

Staff will withdraw its proposal that the transmission and distribution revenue requirement related to the Hillsboro Reliability Project and the Horizon Keeler #2 230 kV line be removed from all schedules except Schedules 89, 489, and 90. Staff will propose to open an investigation to address new load connection costs and the stipulating parties agree not to oppose opening the investigation.

E. Sixth Partial Stipulation

The sixth partial stipulation resolves the remaining GRC and NVPC issues raised in this proceeding, with the exception of the Schedule 118 cap issue addressed in the opposed fifth partial stipulation.

Under the sixth partial stipulation, PGE will update its IQBD as soon as practicable to implement the discount tiers as proposed within PGE's surrebuttal and set forth below.

Tier	Income (percent of state median income)	Discount level
0	0-5	60 percent
1	6-15 percent	40 percent
2	16-30 percent	25 percent
3	31-45 percent	20 percent
4	45-60 percent	15 percent

Additionally, PGE will complete a low-income needs assessment (LINA) by June 30, 2024, and will submit a new discount program informed by the LINA within 90 days of receiving the assessment.

Under the sixth partial stipulation, the stipulating parties agree to certain revisions to the company's power cost adjustment mechanism. Under the stipulation, 80 percent of actual reliability contingency events (RCE) costs above those forecast in the AUT will be recovered through Schedule 126 and will not be subject to the earnings test or deadbands applicable to the annual power cost variance. The remaining RCE costs not recovered will flow through the existing PCAM. The stipulating parties agree this RCE mechanism will sunset after December 31, 2025.

The remaining issues resolved in the sixth partial stipulation are summarized below.

Wages and Salaries and Fuel Stock	Rate base reduction of $16 million to resolve all outstanding issues.
NVPC black box settlement	Reduction of $3 million to resolve remaining issues regarding flexibility reserves and the July 14 MONET updates.
HIGHLY CONFIDENTIAL START [redacted]	[redacted] END HIGHLY CONFIDENTIAL.
GRC revenue requirement black box settlement	Reduction of $6 million to resolve issues regarding state income tax method, routine vegetation management, property insurance, generation outside services, World Trade Center rent expense.
Employee discount	Recovery limited to 15 percent of costs.
ROE	Authorized ROE to be maintained at 9.50 percent.
Rate base calculation	No change to PGE's calculation method. Stipulating parties agree to address issue at future stakeholder workshop.
Routine vegetation management	PGE will establish a balancing account for routine vegetation management expenses. Baseline for balancing account will be based on level of costs included in PGE's filing $51.9 million.[15] Stipulating parties agree to engage in future process to establish metrics to be applied to vegetation management expense subject to an earnings test at PGE's authorized ROE on the annual under- or over-collection with mechanism to sunset after December 31, 2026.

[15] PGE/3600, Putnam-Ferchland/3.

Decoupling	PGE will file a decoupling tariff that includes a 3 percent soft cap on residential and small non-residential customers and sunset date of December 31, 2025. Tariff filing is due within 90 days after the Commission order in this case. Parties remain free to support or oppose the tariff once filed.
Renewable Automatic Adjustment Clause (RAAC)	PGE agrees to withdraw RAAC "associated storage" proposal within this proceeding.
Stakeholder workshops	Stipulating parties agree to hold workshops on specified topics raised during this proceeding: single-issue ratemaking, automatic adjustment clauses, power cost adjustment mechanism, and decoupling.
Earnings Test on Schedule 153, Community Benefits Impact Advisory Group	The true-up associated with the Community Benefits Impact Advisory Group will be subject to an earnings test at PGE's authorized ROE.
Schedule 32 User Information	PGE will provide a breakdown of the electricity consumption of the larger Schedule 32 users by Standard Industrial Classification (SIC) or similar industry classification scheme by June 2024, under appropriate confidentiality protections.
Low Clearance Report	PGE will file its low clearance report no later than May 1 annually unless Staff and PGE agree to an extension.

VI. RESOLUTION

Under OAR 860-001-0350, the Commission may adopt, reject, or propose to modify a stipulation. If the Commission proposes to modify a stipulation, the Commission must explain the decision and provide the parties sufficient opportunity on the record to present evidence and argument to support the stipulation.

In reviewing a stipulation, we review to determine whether the overall result of the stipulation results in fair, reasonable, and just rates. We review settlements on a holistic basis to determine whether they serve the public interest and result in just and reasonable rates. A party may challenge a settlement by presenting evidence that the overall settlement results in something that is not compatible with a just and reasonable outcome. Where a party opposes a settlement, we will review the issues pursued by that party, and consider whether the information and argument submitted by the party (which may be technical, legal, or policy information and argument) suggests that the settlement is not in the public interest, will not produce rates that are just and reasonable, or otherwise is not in accordance with the law. To support the adoption of a settlement, the stipulating parties must present evidence that the stipulation is in accord with the public interest, and results in just and reasonable rates.

We have reviewed the five partial stipulations, supporting briefs, and testimony submitted by the parties. We find the terms of the stipulations are supported by sufficient evidence, appropriately resolve the issues in this case, and will result in fair, just, and reasonable rates. We find that the stipulations, taken together, represent a reasonable resolution of the identified issues and contribute to an overall settlement in the public interest. Accordingly, we adopt the first, second, third, fourth, and sixth partial stipulations in their entirety.

Under the fourth partial stipulation, the parties agree that Staff will propose to open an investigation to address new load connection costs and the stipulating parties agree not to oppose opening the investigation. With the fast pace and large scale of new large load connections potentially emerging in our state, we need to promptly consider both the needs of those new large customers and the potential costs and risks to other customers. Accordingly, by this order, we open the investigation to which all parties have agreed and direct the Administrative Hearings Division to open a docket and set a schedule. In the near term, we wish to consider whether to adopt an interim measure to mitigate customer risk during the pendency of the investigation, and therefore PGE should be prepared to file a proposal for an interim tariff in this new docket by December 28, 2023.

In adopting these stipulations, which comprehensively resolve numerous issues about both general rates and the annual change to NVPC, we acknowledge the magnitude of these changes occurring at the same time.[16] The cost drivers in this case demonstrate both the volatility of a strained system and the extensive up-front cost of transformation. In the future, PGE, parties, and Staff will need to confront managing the impacts of advancing multiple policy objectives through utility investment while simultaneously keeping rates reasonable for all customers. We are asked to decarbonize the system with significant community benefit, and to provide substantial low-income support while ensuring many

[16] As discussed above, the actual increase in rates will be based on an updated 2024 power cost forecast to be filed by the company on November 15, 2023, consistent with the stipulated adjustments adopted in this order. The elements that are updated in the final 2024 NVPC forecast may result in an overall increase or decrease relative to the current projection.

new investments are made to harden the system and mitigate risks associated with wildfires and other natural disasters. Achieving these objectives, while keeping rates reasonable in a time of historic inflation and market price volatility will require creativity, compromise, and potentially difficult choices. PGE and all stakeholders must recognize that we intend to be proactive about this central challenge to utility oversight.

VII. ORDER

IT IS ORDERED that:

1. The first partial stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Alliance of Western Energy Consumers, Oregon Citizens' Utility Board, and Walmart Inc., filed August 21, 2023, attached as Appendix A, is adopted.

2. The second partial stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Alliance of Western Energy Consumers, Oregon Citizens' Utility Board, and Walmart Inc., filed August 21, 2023, attached as Appendix C, is adopted.

3. The third partial stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Alliance of Western Energy Consumers, Oregon Citizens' Utility Board, and Walmart Inc., filed August 21, 2023, attached as Appendix B, is adopted.

4. The fourth partial stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Alliance of Western Energy Consumers, Oregon Citizens' Utility Board, Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co., Small Business Utility Advocates, and Walmart Inc., filed October 6, 2023, attached as Appendix D, is adopted.

5. The sixth partial stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Alliance of Western Energy Consumers, Oregon Citizens' Utility Board, Community Action Partnership of Oregon, Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co., Natural Resources Defense Council and the NW Energy Coalition, Small Business Utility Advocates, and Walmart Inc., filed October 6, 2023, attached as Appendix E, is adopted.

6. Advice No. 23-03 filed by Portland General Electric, is permanently suspended.

7. Portland General Electric Company must file its final MONET run on or before November 15, 2023, producing the final Annual Update Tariff adjustment for 2024.

8. Portland General Electric Company must file revised rate schedules consistent with this order to be effective January 1, 2024.

Made, entered, and effective Oct 30 2023 .

Megan W. Decker Chair	**Letha Tawney** 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.

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OF OREGON

UE 416

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for 2024 General Rate Revision; and 2024 Annual Power Cost Update.	**FIRST PARTIAL STIPULATION**

This First 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"), and Walmart, Inc. (“Walmart”), (collectively, the "Stipulating Parties"). Calpine Solutions, Kroger, CAPO, and NRDC did not take a position on the issues resolved by this Stipulation and are not a party to this Stipulation.

PGE filed this general rate case on February 15, 2023. The filing included fourteen separate pieces of testimony and exhibits. PGE also provided to Staff and other parties voluminous work papers in support of its filing. Since that time, Staff and intervening parties have submitted approximately 1,300 data requests obtaining additional information. A settlement conference regarding net variable power costs was held on June 14, 2023, in this general rate case resulting in the settlement included in this Stipulation. The Stipulating Parties participated in these settlement discussions. 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 FIRST PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.

2. BPA Wheeling

   a. Parties agree that PGE will include BPA 2023 Reserves Distribution Clause benefits in the 2024 NVPC forecast, consistent with the Stipulation adopted by the Commission in Docket No. UE 402. Parties agree to model BPA 2023 Reserve Distribution Clause benefits consistent with AWEC's proposed modeling.

   b. Parties agree that PGE will include the difference between the change to BP-24 transmission rates and PGE's projected BPA transmission rate escalation modeled with an effective date of October 1, 2023 in the final 2023 NVPC forecast, consistent with the Stipulation adopted by the Commission in Docket No. UE 402.

   c. Parties agree that PGE will remove the BPA transmission rates escalation modeled for the months of October through December 2024 in the 2024 NVPC initial forecast. Parties agree that PGE will reflect in the final 2024 NVPC forecast actual BP-24 transmission rates, as published in the BP-24 Record of Decision.

3. Delivered Gas

   a. Parties agree that PGE will adjust the 2024 NVPC forecast downward by $325,000.

   b. Parties agree that PGE will not apply modeling changes to reflect delivered gas availability during winter months in the 2024 NVPC forecast

4. Black Box Settlement

   a. Parties agree to a NVPC reduction of $5.6 million resolving all issues related to: 2024 PTC Rate, Carty FOR, Biglow Capacity Factor, and COB Trading Margin.

5. 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.
6. 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.
7. 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.
8. 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.

9. 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.

10. 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 14th day of June, 2023.

/s/ *Brett Sims*
PORTLAND GENERAL ELECTRIC COMPANY

/s/ *Stephanie S. Andrus*
STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

/s/ *Michael P. Goetz*
OREGON CITIZENS' UTILITY BOARD

/s/ *Tyler C. Pepple*
ALLIANCE OF WESTERN ENERGY CONSUMERS

/s/ *Justina Caviglia*
WALMART

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 416

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for 2024 General Rate Revision; and 2024 Annual Power Cost Update.	**THIRD PARTIAL STIPULATION**

This Third 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"), and Walmart, Inc. ("Walmart"), (collectively, the "Stipulating Parties"). Calpine Solutions, Kroger, CAPO, and NRDC did not take a position on the issues resolved by this Stipulation and are not a party to this Stipulation.

PGE filed this general rate case on February 15, 2023. The filing included fourteen separate pieces of testimony and exhibits. PGE also provided to Staff and other parties voluminous work papers in support of its filing. Since that time, Staff and intervening parties have submitted approximately 1,300 data requests obtaining additional information. PGE previously achieved partial settlements in this docket on June 14, 2023 and June 28, 2023 resolving certain issues related to net variable power costs and several other issues in this general rate case. After the June 28, 2023 settlement discussion, Parties met again on July 11, 2023. 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 more issues related primarily to net variable power costs in this docket, as set forth below.

TERMS OF THIRD PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.

2. Beaver Cycling

   a. Parties agree that PGE will reduce the 2024 NVPC forecast by $3.0 million.

   b. Parties agree that this stipulation resolves all Beaver capital and depreciation related issues raised by Parties in Docket No. UE 416.

3. Physical Gas Call Option

   a. For settlement purposes in this docket Parties agree PGE will remove the forecasted costs associated with this contract from the 2024 NVPC forecast. Parties agree that PGE will not include the cost of the option even if PGE executes a physical gas call option for 2024. The removal of the forecasted cost representative of this contract from this AUT cycle is not precedential as to prudence of these types of agreements and PGE reserves the right to propose to include this type of agreement in future proceedings.

4. Reliability Contingency Events (RCE)

   a. For settlement purposes in this docket, Parties agree to reduce the RCE cost included in the 2024 NVPC forecast by $1.6 million.

   b. Parties agree that PGE will investigate the wind generation assumptions used in the RCE modeling and propose changes in the 2025 NVPC forecast, if PGE identifies that changes are warranted.

5. Washington Climate Commitment Act (CCA) Carbon Compliance Costs

   a. Parties agree that PGE will remove the estimated carbon compliance costs associated with the Washington CCA from the 2024 NVPC forecast.

   b. Parties agree that PGE will submit, and Parties will not oppose, a deferral application under ORS 757.259(2)(e) to defer 2024 carbon compliance costs associated with the Washington CCA.

   c. Parties agree that if PGE seeks to amortize any deferred amounts under ORS 757.259(5), it will request amortization through Schedule 125.

   d. Although Parties agree to support PGE's deferral of Washington CCA costs, this agreement does not mean the Parties will necessarily support the amortization of those costs. Parties reserve the right to challenge the amortization of the costs and raise issues when PGE requests amortization of deferred amounts.

6. Washington CCA – Specified Source, Non-Emitting Sales

   a. Parties agree to resolve the issue with no adjustment to the 2024 NVPC forecast

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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 11th day of July, 2023.

/s/ *Brett Sims*
PORTLAND GENERAL ELECTRIC COMPANY

/s/ *Stephanie S. Andrus*
STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

/s/ *Michael P. Goetz*
OREGON CITIZENS' UTILITY BOARD

/s/ *Tyler C. Pepple*
ALLIANCE OF WESTERN
ENERGY CONSUMERS

/s/ *Justina Caviglia*
WALMART

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 416

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for 2024 General Rate Revision; and 2024 Annual Power Cost Update.	**SECOND 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"), and Walmart, Inc. ("Walmart"), (collectively, the "Stipulating Parties"). Because Calpine Solutions, CAPO, Kroger, and NRDC did not take a position on the issues resolved by this Stipulation, they are not parties to this Stipulation but each have individually indicated they do not oppose it.

Select parties have achieved two other partial settlements in this docket on June 14, 2023, and July 11, 2023, resolving certain issues related to net variable power costs (NVPC) in this general rate case. The parties also engaged in settlement discussions on June 28, 2023, August 1, 2023, August 7, 2023, and August 8, 2023, regarding non-NVPC items in this general rate case. The Stipulating Parties participated in the settlement discussions related to this non-NVPC settlement, and, beyond those described above, 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. Black box settlement for rate base

   a. Stipulating Parties agree that PGE will reduce its rate base in this general rate case by $27.5 million and PGE will reduce its revenue requirement by another $4.25 million each year, beginning January 1, 2024, and continuing through December 31, 2039 (16 calendar years) for the following items raised by the Parties:

      i. Accumulated Deferred Income Taxes on deferrals (A-04), Carty Air Intake Fire (C-02 and A-09), Faraday Resiliency and Repowering (S-13 and A-15), Fleet Charging (S-16), New Fleet Electrification (S-17), Line Extension Allowances reductions from UE 394 (S-18), New Line Extension Allowances (S-19), Transportation Electrification (TE) Investments (S-20), TE Electric Island Investments (S-21), TE Database Investment (S-22), TE Stranded Charging Assets (S-24), Transmission & Distribution (T&D) Overhead FITNES (S-26), T&D non-FITNES Investments (S-27), Cloud Based License and Hosting Fees Deferred Debit (S-28).

   b. The $27.5 million rate base reduction will be reflected in all PGE Results of Operation Reports filed beginning with calendar year 2024 and prior to the effective date of rates adopted in PGE's next General Rate Case, and the $4.25 million of revenue requirement reduction will be reflected in all PGE Results of Operations Reports filed for calendar years 2024 through 2039, inclusive.

c. In addition, PGE will include the associated elements of rate base as presented in testimony by AWEC for only the proposed capital-related revenue requirement reductions related to the Carty Intake Fire.

d. Parties agree that this resolves all issues concerning the recovery of costs included in this 2024 general rate revision for the Faraday Resiliency and Repowering Project.

3. Black Box Settlement for O&M

a. Stipulating Parties agree that PGE will reduce its O&M in this general rate case by $11 million for the following items raised by the Staff:

i. Health and Wellness Benefits (S-06), Grid Modernization Positions (S-09), Wages & Salaries and Incentives O&M (S-10), Generation Expenses (S-11), Customer Service (S-12), Other Revenue (S-14), Transportation Electrification Operating Expense (S-23).

4. Production Tax Credits (A-03)

a. Parties agree to fully resolve AWEC's recommendations regarding PTCs given the following:

i. Parties recognize that 2022 PTCs cannot be sold at this time.

ii. The 2023 PTC value has already been forecast into PGE's 2023 annual power cost update, which was finalized through Commission Order No. 22-427.

iii. The $32.1 million of 2023 PTCs currently included in PGE's rate base as a deferred tax asset (DTA) will be removed.

iv. Parties agree to support or not oppose a property sales application filed by PGE to sell the 2023 PTCs for no less than 90% of the PTC value.

- The difference between the full value and the discounted value will be recoverable from customers within PGE's property sales balancing account.
- If PGE cannot obtain 90% or more of the value, PGE will not proceed with the sale and the PTC value will be returned to the DTA in PGE's test year rate base.

v. Any additional expenses incurred to run a request for proposal process to sell the PTCs will not be recoverable and will be considered a normal ongoing business expense.

5. <u>Capital Structure</u>

a. Stipulating Parties agree that for regulatory purposes, PGE's capital structure will be 50% equity and 50% debt.

6. <u>Load Forecast</u>

a. Stipulating Parties agree to resolve the method used to develop the load forecast for this GRC recognizing there will be an update in September 2023, and PGE will work with Staff to include Staff's proposed ARIMA changes in this GRC. PGE will hold at least one workshop prior to the 2025 AUT to discuss the other Staff-proposed changes to the load forecast method proposed in this case, at which stakeholders may also participate and propose changes to the load forecasting method.

7. <u>Major Maintenance Accrual (MMA) (S-30)</u>

a. Parties agree that PGE will update its MMA proposal in this GRC to reflect the changes identified by Staff. This results in a decrease to O&M of $1,014,969 and an increase to capital of $95,441.

8. Amortization of excess Boardman Decommissioning collections and Deferred Open Access Transmission Tariff (OATT) Revenue (A-11, A-12, S-03)

   a. Parties agree that PGE will begin to refund any excess Schedule 145, Boardman Decommissioning amounts and OATT Revenues deferred under Docket No. UM 2217, beginning January 1, 2024, over a period of two years.

9. Amazon Pay (C-03)

   a. Parties agree PGE may continue to offer this program to customers but will not include the cost of the program in the revenue requirement in this rate case, but PGE may propose recovery in future proceedings. This will result in a reduction of $7,745. In its next GRC, PGE will include information showing the transaction costs for the Amazon Pay payment option.

10. Cost of Debt (S-02)

    a. Parties agree to a weighted cost of debt of 4.485%, consistent with the Stipulating Parties' Confidential Exhibit 202.

11. Fleet Fuel (A-15)

    a. Parties agree that PGE will reduce its O&M forecast for fleet fuel by $180,000, and remove from rate base an amount equal to $120,000.

12. Apprentice training in utility operations (S-04)

    a. Parties agree that PGE will reduce its O&M budget by $25,000.

13. Memberships (S-07)

    a. Parties agree that PGE will reduce its O&M budget by $27,262.

14. 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.

15. 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.

16. 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, is confidential and not admissible in this instance or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

17. 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.

18. 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.

19. 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 21st day of August, 2023.

/s/ Brett Sims
PORTLAND GENERAL ELECTRIC COMPANY

/s/ Stephanie S. Andrus
STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON

/s/ Michael P. Goetz
OREGON CITIZENS' UTILITY BOARD

/s/ Tyler C. Pepple
ALLIANCE OF WESTERN ENERGY CONSUMERS

/s/ Justina Caviglia
WALMART

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 416

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for 2024 General Rate Revision	**FOURTH PARTIAL STIPULATION**

This Fourth 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"), Walmart, Inc. ("Walmart"), and Small Business Utility Advocates – Oregon ("SBUA-Oregon") (collectively, the "Stipulating Parties"). Calpine Solutions, Community Action Partnership of Oregon, Community Energy Project, Natural Resources Defense Council and NW Energy Coalition did not take a position on the issues resolved by this Stipulation and are not parties to this Stipulation but do not oppose it.

PGE filed this general rate case on February 15, 2023. The filing included fourteen separate pieces of testimony and exhibits. PGE also provided to Staff and other parties voluminous work papers in support of its filing. Since that time, Staff and intervening parties have submitted approximately 1,300 data requests obtaining additional information.

PGE previously achieved partial settlements in this docket on June 14, 2023 and July 11, 2023, resolving certain issues related to net variable power costs (NVPC) in this general rate case as detailed in the First and Third Stipulations filed on August 21, 2023. The parties also engaged in settlement discussions on June 28, 2023, August 1, 2023, August 7, 2023, and August 8, 2023, regarding non-NVPC items in this general rate case resulting in the Second Stipulation filed on August 21, 2023.

The Stipulating Parties continued to meet for settlement discussions on August 29, 2023 and September 6, 2023 resulting in settlements primarily related to rate spread and rate design. The Stipulating Parties participated in these settlement discussions. 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 FOURTH PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.
2. Uncollectible Rate
   a. Parties agree that PGE uncollectible rate will be set to 0.4%.
3. Biglow
   a. Parties agree that PGE will reduce its revenue requirement by approximately $213 thousand each year, beginning January 1, 2024 and continuing through December 31, 2028 for the Biglow Blade Liberation (C-01). Furthermore, any future settlements PGE may achieve with **[START HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** related to repair costs stemming from the Biglow blade liberation incident will not be returned to customers.

4. Schedule 125 Annual Power Cost Update changes

   a. Parties agree that PGE may propose modeling changes in non-GRC years provided that PGE files its modeling changes and all associated minimum filing requirements no later than February 15.

   b. Parties agree that any non-PGE party can propose modeling changes in their opening testimony in the non-GRC years when PGE files modeling changes no later than February 15.

5. Schedule 38

   a. Parties agree that PGE will modify the Schedule 38 Tariff to include EV Charging over 200kW up to 4000kW.

6. Residential Price for Schedules 115 and 118

   a. Parties agree that PGE will adjust the flat usage amount on which the residential charge is calculated to the 2024 average residential use per customer which is 795 kWh.

7. Residential Time of Day (TOD)

   a. Parties agree that PGE will withdraw its proposal to expand the On-Peak TOD window in this rate case.

8. Retire Residential Time of Use (TOU)

   a. Parties agree that PGE can close its Legacy TOU rate to new enrollments on January 1, 2024, and retire the rate on December 31, 2024. PGE will communicate to customers currently on the rate and they will be offered two options, they can move to TOD, or Schedule 7 Standard Service. If customers do not make an indication, they will be moved to Schedule 7 Standard Service.

9. Time of Day Pricing for Commercial Customers

   a. Parties agree that PGE will hold a workshop and examine restructuring the on-and off-peak windows for Schedules 83, 85, 89 and 90 to better reflect system costs. In PGE's next GRC opening testimony, PGE will either make a proposal to update these rates or justify why the current time structures are appropriate.

10. Schedule 102 Regional Power Act Exchange Credit

    a. Parties agree that PGE will cap the credit for residential customers to 2,000 kWh's per monthly billing cycle.

11. Residential Energy Block Rates

    a. Parties agree that PGE may retire the residential energy block rate differential. PGE will provide an evaluation report in the next GRC showing the effects of eliminating the block rates on customer usage.

12. Submersible Transformers

    a. Parties agree that PGE can remove language in Rule I that allows residential customers to choose submersible transformers for aesthetic purposes only.

13. Reconnection Fees

    a. Parties agree that PGE will update reconnection fees in Schedule 300 using a 90/10 weighted average between remote reconnect cost and manual reconnect cost. This equates to a reconnection fee of $9 during standard hours and $23 for after hours.

14. Customer Interval Data Fee

    a. Parties agree that PGE can remove the Customer Interval Data Fee charge in Schedule 300. PGE agrees to notify customers once of the ability to receive interval data for free in a manner of the Company's choosing and to notify only new customers once per year.

15. Customer Marginal Cost Study

    a. Parties agree to PGE's proposed updates as filed in the Company's reply testimony. In PGE's next GRC, the Company will include additional departments AWEC identified in their opening testimony that are not currently included in the Customer Marginal Cost Study.

16. Generation Marginal Cost Study

    a. Parties agree to PGE's proposed adjustments as filed in the Company's reply testimony. Additionally, PGE will adjust the ELCC of the battery to 68% for a $180 per kW year cost of capacity.

    b. Parties agree to limit Table 1 (Ratespread) increases to 120% of the average Cost of Service (COS) for COS schedules using a customer impact offset (CIO). Direct Access Schedules will follow COS as the CIO is included in the system usage charge as done in the past. If needed to limit schedules to 120%, the CIO will be implemented by adjusting the schedules with the lowest impacts first, then moving to the schedule with the next lowest impact until all schedules are limited to 120%. If only one schedule was needed to provide dollars into the CIO, then it would still have the lowest impact. If two schedules were needed to provide dollars into the CIO, then those two schedules would have the lowest impacts and same percentage impact. If three schedules were needed to provide dollars into the CIO, then those three schedules would have the lowest impacts and same percentage impact. And so forth. Lighting schedules would be excluded from providing dollars into the CIO for the purpose of limiting impacts to 120%.

    c. Parties agree that PGE will include in its opening testimony in its next GRC an analysis and estimates of any marginal cost of capacity offsets attributable to the capacity resource's ability to provide ancillary services, market price arbitrage, and any other benefits that such capacity resource makes available in addition to helping meet net load requirements.

17. Hillsboro Reliability Project and Horizon #2 230kV Line and Customer Connection Costs and Recovery

    a. Parties agree that Staff will withdraw its proposal that the transmission and distribution revenue requirement related to the Hillsboro Reliability Project and the Horizon Keeler# 2 230 kV line be removed from all schedules except Schedules 89, 489, and 90.

    b. Parties agree to Staff proposing an investigation be opened into new load connection costs.

18. Schedule 110 Energy Efficiency, Customer Service

    a. Parties agree to CUB's proposal to move Schedule 110 Energy Efficiency, Customer Service into base rates.

    b. Parties agree that PGE will recover $1.2 million for Energy Efficiency, Customer Service in base rates beginning in 2024.

19. Schedules 32 and 532, Small Non-Residential Service

    a. Parties agree to remove the distribution blocking differential for distribution charges for Schedules 32 and 532.

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.

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.

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.

Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties seek to obtain Commission approval of this Stipulation no later than December 18. 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.

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.

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 6th day of October, 2023.

Brett Sims

PORTLAND GENERAL ELECTRIC COMPANY

Stephanie Andrus

STAFF OF THE PUBLIC UTILITY OF OREGON

Mike Goetz

OREGON CITIZENS' UTILITY BOARD

Brent Coleman

ALLIANCE OF WESTERN ENERGY CONSUMERS

Kurt Boehm

THE KROGER CO.

Justina Caviglia

WALMART

Diane Henkels

SBUA-OREGON

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 416

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request for 2024 General Rate Revision	**SIXTH PARTIAL STIPULATION**

This Sixth 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), Walmart, Inc. (Walmart), Natural Resources Defense Council (NRDC) and NW Energy Coalition (NWEC), Community Action Partnership of Oregon (CAPO), and Small Business Utility Advocates – Oregon (SBUA-Oregon) (collectively, the Stipulating Parties). While not a signatory, Community Energy Project (CEP) supports Term 13 of the Stipulation and does not oppose the other terms of the Stipulation. 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 filed this general rate case (GRC) on February 15, 2023. The filing included 14 separate pieces of testimony and exhibits. PGE also provided to Staff and other parties voluminous work papers in support of its filing. Since that time, Staff and intervening parties have submitted approximately 1,300 data requests obtaining additional information.

PGE previously achieved partial settlements in this docket on June 14, 2023, and July 11, 2023, resolving certain issues related to net variable power costs (NVPC) in this GRC as detailed in the First and Third Stipulations filed on August 21, 2023. The parties also engaged in settlement discussions on June 28, 2023, August 1, 2023, August 7, 2023, and August 8, 2023, regarding non-NVPC items in this GRC resulting in the Second Stipulation filed on August 21, 2023. The parties continued to meet for settlement discussions on August 29, 2023, and September 6, 2023, and through email arrived at an agreement resulting in the Fourth and Fifth Stipulations, which were primarily related to rate spread and rate design.

Finally, parties met on September 14, 2023, and September 20, 2023, resulting in a final settlement resolving all remaining issues in this case not yet addressed in any prior stipulation. The Stipulating Parties participated in these settlement discussions with Calpine Solutions and CEP. As a result of the discussions, the Stipulating Parties have reached a compromise settlement resolving all remaining issues in this docket, as set forth below.

TERMS OF SIXTH PARTIAL STIPULATION

1. Wages & Salaries and Fuel Stock (S-10 and S-29)
    a. Parties agree that PGE will reduce rate base by $16 million to resolve all outstanding Wages & Salaries and Fuel Stock issues in this case.
2. Blackbox settlement for net variable power costs
    a. Parties agree that PGE will reduce power costs by $3 million to address AWEC's proposed adjustments for flexibility reserves and AWEC's adjustments related to the July 14 MONET Updates.

3. **[HIGHLY CONFIDENTIAL START]** [redacted] **[HIGHLY CONFIDENTIAL END]**

4. Blackbox settlement for remaining revenue requirement issues

   a. Parties agree that PGE will reduce its revenue requirement by $6 million for all remaining revenue requirement issues including State Tax – Flow Through (A-02), Routine Vegetation Management (A-05 & S-25), Property Insurance (A-07), Generation Outside Services (A-08), and World Trade Center Rental Expense (A-16).

5. Employee Discount (C-04)

   a. Parties agree that PGE may recover the costs associated with its employee discount equal to 15%.

6. Return on Equity (ROE) (S-01, A/C-01)

   a. Parties agree that PGE will maintain an authorized ROE of 9.5%.

7. Average Rate Base (S-05)

   a. Parties agree to no change to PGE's rate base calculation.

   b. Parties agree to discuss the topic and work through any issues as part of a future Stakeholder workshop.

c. Parties expressly agree the stipulated determination of PGE's rate base in this docket is without prejudice to litigation regarding the appropriate method to establish rate base in a subsequent proceeding.

8. Routine Vegetation Management Mechanism

a. Parties agree that PGE will establish a balancing account for routine vegetation management expenses.

b. For purposes of establishing a baseline for the balancing account, Parties agree to the amount of vegetation management as filed by PGE in this rate case.

c. Parties agree to engage in a subsequent process to establish metrics that can be applicable going forward to PGE's routine vegetation management spending subject to an earnings test at PGE's authorized ROE on the annual under- or over-collection.

d. Parties agree that this mechanism will sunset after 12/31/2026.

9. Decoupling

a. Parties agree that PGE will file a tariff for decoupling no later than 90 days after the Commission order in this GRC.

b. The tariff will include a 3% soft cap on residential and small non-residential customers.

c. The decoupling tariff will include a sunset after 12/31/2025.

d. Parties will be free to support or oppose the tariff when it is filed.

10. Power Cost Adjustment Mechanism (PCAM)

a. Parties agree that 80% of actual Reliability Contingency Events (RCE)[1] costs above the RCE forecast from PGE's Annual Update Tariff (AUT) will be recovered through

[1] To be consistent with the definition provided in the proposed revisions to Schedule 126 included in PGE's Initial Filing.

rates in Schedule 126 and not be subject to the earnings test or deadbands for the annual power cost variance.

b. Parties agree that the remaining RCE costs not recovered will flow through the existing PCAM.

c. This mechanism will sunset after 12/31/2025.

11. Workshops to address various topics

a. Parties agree to hold stakeholder workshops on single-issue ratemaking, automatic adjustment clause (AAC), PCAM, and decoupling.

12. Renewable Automatic Adjustment Clause (RAAC)

a. Parties agree that PGE agrees to withdraw RAAC "associated storage" proposal within this proceeding.

13. Income Qualified Bill Discount (IQBD) and Low Income Needs Assessment (LINA)

a. Parties agree that PGE will update its IQBD program as soon as practicable to reflect the discount tiers as proposed within PGE's surrebuttal.

b. Parties agree that PGE will complete a LINA study by June 30, 2024.

c. Parties agree that PGE will submit a new discount program informed by the LINA report within 90 days of receiving the report.

14. Earnings Test on Schedule 153

a. For settlement purposes, Parties agree that PGE will be subject to an earnings test on the true-up associated with the Community Benefits Impact Advisory Group at PGE's authorized ROE.

15. Schedule 32 User Information

    a. Parties agree that, under appropriate confidentiality protections, PGE will provide a breakdown of the electricity consumption of the larger Schedule 32 users by Standard Industrial Classification (SIC) or similar industry classification scheme by June 2024.

16. Low Clearance Report

    a. Parties agree that PGE will file its low clearance report no later than May 1 each year unless Staff and PGE agree to an extension.

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.

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.

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.

Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties seek to obtain Commission approval of this Stipulation no later than December 18. 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.

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. Unless provided otherwise 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.

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 6th day of October, 2023.

Brett Sims
PORTLAND GENERAL ELECTRIC COMPANY

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Mike Goetz
OREGON CITIZENS' UTILITY BOARD

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