

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 423

In the Matter of

PORTLAND GENERAL ELECTRIC,

2022 Annual Power Cost Adjustment
Mechanism.

ORDER

DISPOSITION: STIPULATION ADOPTED

In this order, we adopt the stipulation entered into by Portland General Electric Company (PGE), Staff of the Public Utility Commission of Oregon, and the Oregon Citizens' Utility Board (CUB) resolving all issues in this docket.

I. BACKGROUND

On June 30, 2023, PGE filed its annual Power Cost Adjustment Mechanism (PCAM) update. Schedule 126 is designed to recognize in rates the difference between actual net variable power costs and the net variable power cost forecast under Schedule 125, subject to certain thresholds. Schedule 126 defines how the power cost variance is calculated, including deadbands, that are applied to either a positive or negative variance, and sharing of the variance outside the applicable deadband. The power cost variance is also subject to an earnings test of +/- 100 basis points of PGE's authorized return on equity (*i.e.*, 9.5 percent for 2022).

In its filing, PGE calculated a 2022 variance between forecast and actual power costs of approximately \$23.2 million. Schedule 126 includes a \$30 million positive deadband, and therefore the 2022 variance is within the positive deadband.

PGE, Commission Staff, and CUB participated as parties in these proceedings and held a settlement conference on September 12, 2023. The parties reached an agreement settling all issues in this docket and filed joint testimony, a stipulation, and motion to admit relevant documents into the record on October 6, 2023. The stipulation is attached as Appendix A.

II. STIPULATION

The stipulating parties recommend that the Commission approve the stipulation as an appropriate and reasonable resolution of the issues in this docket. The stipulation states that PGE's actual power costs for 2022 were below forecast power costs but within the Schedule 126 power cost deadbands, resulting in no rate impact to customers for the 2022 power cost variance.¹ No issues were raised by the parties in this docket. The stipulating parties agree that the stipulation is in the public interest, will result in rates that are fair, just, and reasonable, and will meet the standard in ORS 756.040.

III. RESOLUTION

We review the terms of any stipulation for reasonableness and accord with the public interest. We have reviewed the PGE filing, the terms of the stipulation, and the supporting joint testimony of the parties. We find that the stipulation represents a reasonable and appropriate resolution of this docket and that it will result in fair, just, and reasonable rates. Accordingly, we adopt the stipulation.

¹ While the Stipulation states that actual power costs were below the forecast, this refers to power costs after normalizing for load. Actual power costs were above forecasts before normalizing for load.

IV. ORDER

IT IS ORDERED that:

- 1. The stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, and the Oregon Citizens’ Utility Board, filed October 6, 2023, attached as Appendix A, is adopted.
- 2. Portland General Electric Company shall file a revised Schedule 126 consistent with the directives of this order for effect January 1, 2023.

Made, entered, and effective on Nov 29, 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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STIPULATION

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

I. INTRODUCTION

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

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

II. TERMS OF STIPULATION

1. This Stipulation settles all issues in this docket.
2. PGE's actual power costs for 2022 were below forecast power costs but within the Schedule 126 power cost deadbands. This results in no rate impact to customers for the 2022 power cost variance. Some parties could have proposed adjustments to the power cost calculation or earnings review in this docket but such adjustments, if accepted, would not have altered the Schedule 126 rates. As such, the lack of issues being raised and decided in this docket is not to be construed as agreement to any or all of the aspects of the calculations done by PGE and is not precedent for future PCV dockets or any other case.
3. The Parties recommend and request that the Commission approve this Stipulation as an appropriate and reasonable resolution of the issues in this docket.
4. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable and will meet the standard in ORS 756.040.
5. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. Without the written consent of all Parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.
6. The Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties, after consultation, may seek to obtain Commission approval of this Stipulation prior to evidentiary hearings. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this

Stipulation, each Stipulating Party reserves its right: (i) pursuant to OAR 860- 001-0350(9), to present evidence and argument on the record in support of the Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (ii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission’s final order. The Stipulating Parties agree that in the event the Commission rejects all or any material part of this Stipulation or adds any material condition to any final order that is not consistent with this Stipulation, the Stipulating Parties will meet in good faith within ten days and discuss next steps. A Stipulating Party may withdraw from the Stipulation after this meeting by providing written notice to the Commission and other Stipulating Parties. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission’s resolution of issues that this Stipulation does not resolve. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

7. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 12th day of September, 2023.

**PORTLAND GENERAL ELECTRIC
COMPANY**

/s/ Brett Sims
Brett Sims
**STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON**

/s/ Stephanie Andrus
Stephanie Andrus
OREGON CITIZEN'S UTILITY BOARD

/s/ Michael Goetz
Michael Goetz