



Introduction to Energy Utility Rate Cases

Julie Jent and Bret Stevens - May 2023

PGE Proposed / Potential Changes in Rates

Scenario	Total Company Proposed Increase Jan. 1, 2024	Residential Average Bill	Residential Average Bill	Residential Average Bill
		Current	Proposed *	Proposed *
1. Company Proposal Excluding Power Costs	\$230 million	\$127.99	\$143.72	12.1%
2. Company Proposal plus Power Costs	\$340 million	\$127.99	\$148.60	16.0%

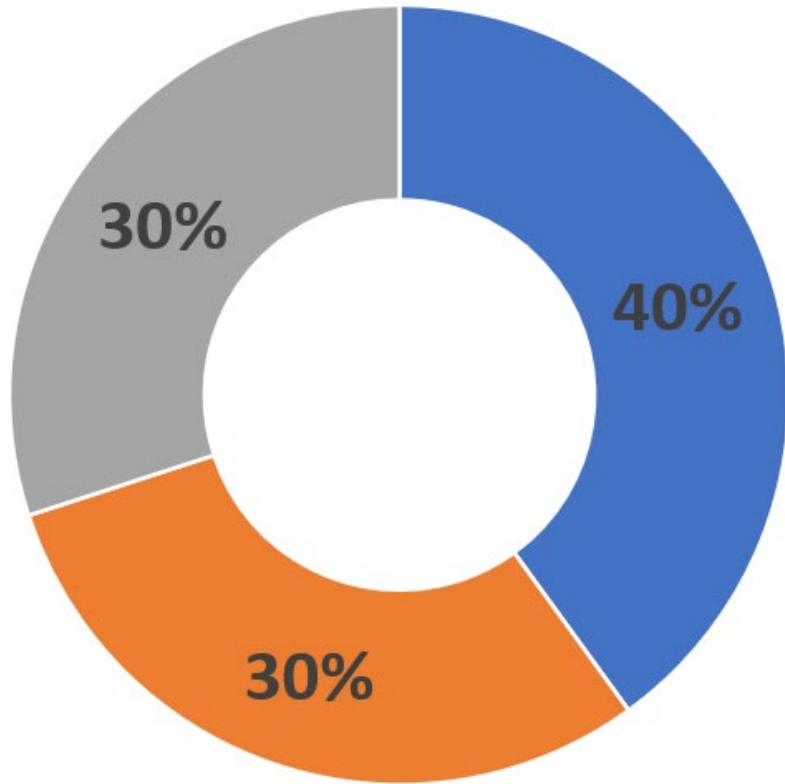
* Without differentiating single- vs. multi-family residential bills.

Potential Single vs. Multi-Family Residential Rate Impact

	Current	Residential Avg. Bill \$/Mo.		
	Single Family	\$	141.65	
	Multi-Family	\$	95.35	
PGE Proposed	Jan. 1, 2024 Increase	Scenario if increase were \$338 M*		
With Power Costs		\$/Mo.	Increase \$/Mo	% Increase
Single Family	\$338 Million*	\$	164.12	\$ 22.47 15.90%
Multi-Family		\$	110.92	\$ 15.57 16.30%

* After errata, requested increase is about \$340M, early in rate case

Key Cost Drivers in UE 416



Cost Driver	%
Capital Investments	40%
Cost of Purchased Natural Gas and Electricity	30%
Higher Operations and Maintenance Costs (Inflation)	30%

Key Cost Drivers in PGE UE 416

- Approximate Values -

Driver	PGE Revenue Requirement Impact
Capital Projects (Examples Below) Current Rate Base \$6.3 Billion PGE Proposed Increase \$859 Million +16%	\$135 Million
Example: Faraday Dam Repowering Project (Clackamas River) in service	
Example: Transmission & Distribution T&D Improvements	
Higher Operations and Maintenance Costs	\$100 Million
Cost of Purchased Natural Gas & Electricity	<u>\$100 Million</u>
Total Approximately	\$335 Million

What this General Rate Case Won't Address

- New HB 2475 and Docket UM 2211 Energy Justice Programs
 - However, Staff will view PGE's filing with an Energy Justice Lens.
- Broad State Environmental Programs or Building Electrification
 - However, Staff will review green energy projects for prudent management and efficient cost control.

About Staff

- Work in teams and also individually on rate case issues.
 - Accountants
 - Financial Analysts (like MBAs)
 - Economists
 - Engineers
 - Other Skills
- Paired with Attorney from DOJ

Staff Role

- Analyze Company filing
- Send requests for information
- Submit and defend written testimony
- Review all testimony submitted by other parties and assess reasonableness
- Develop settlement positions
 - Other parties get advance notice to any settlement meeting staff intends to attend
- Cross examine other witnesses
- Submit legal briefs

Questions about Oregon Utility Rate Cases

- We are happy to answer questions about rate cases.

- Julie Jent and Bret Stevens
OPUC Staff