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September 15, 2023

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

Re: In the Matter of PORTLAND GENERAL ELECTRIC CO.
Request for a General Rate Revision.
Docket No. UE 416

Dear Filing Center:

Please find enclosed the Positions Statement of the Alliance of Western Energy Consumers in the above-referenced docket.

Thank you for your assistance. Please do not hesitate to contact me if you have any questions.

Sincerely,

/s/ Jesse O. Gorsuch
Jesse O. Gorsuch

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UE 416**

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Request for a General Rate Revision; and
2024 Annual Power Cost Update.

**ALLIANCE OF WESTERN ENERGY
CONSUMERS' POSITIONS STATEMENT**

Pursuant to the Prehearing Conference Memorandum issued March 13, 2023, and the Memorandum Regarding Evidentiary Hearings and Oral Argument issued August 24, 2023, the Alliance of Western Energy Consumers (“AWEC”) submits the following Positions Statement regarding outstanding issues to be determined by the Commission.

1. Power Cost Adjustment Mechanism

A. Should the Commission modify the existing PCAM Principles?

AWEC position: The Commission should deny PGE’s request to modify the existing PCAM principles. The PCAM has operated as designed and intended and needs no modification.

B. Should the Commission modify the current cost recovery mechanism for PGE’s PCAM? If so, how?

AWEC position: The Commission should deny PGE’s request to modify the PCAM framework. The PCAM is operating as designed and intended and needs no modification.

i. Does the Commission wish to adopt the PCAM modifications proposed by PGE?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

ii. Does the Commission wish to adopt CUB’s proposed modification to the PCAM deadband of 100/50 basis points?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

iii. Does the Commission wish to adopt Staff’s alternative proposed multi-tiered approach?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

2. Decoupling

A. Should a decoupling mechanism be reinstated? If so, how should it be designed?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

3. Associated Energy Storage Treatment

A. Should the Commission recognize standalone energy storage at the transmission-voltage level as “Associated Energy Storage” for purposes of the Renewable Automatic Adjustment Clause (RAAC), Schedule 122?

AWEC position: While AWEC has not addressed this issue in pre-filed testimony, AWEC intends to oppose this proposal on legal grounds in briefing to the Commission.

B. Should the Commission adopt Staff’s recommendation to open an investigatory docket into the definition of associated energy storage under the renewable portfolio standard and the use of the RAAC in light of HB 2021?

AWEC position: No new investigation is needed. The language of the law is clear, and the Commission should make a determination in this case.

4. Deferrals and AACs

A. Should the Commission recognize the deferral mechanism as a separate mechanism from the AAC mechanism?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

B. Should all AACs be presumed to be subject to an earnings test?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

C. Regardless of whether an earnings test is presumed for all AACs, should an earnings test apply to schedules 150 and 153, as CUB proposes?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

D. Should the Commission adopt CUB's proposal that all trackers should have sunset dates of not more than three years from their inception and that once the sunset date is reached, PGE must justify continuing the tracker in the opening testimony of the next general rate case?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

E. Should certain deferrals be consolidated or eliminated?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

5. Miscellaneous Revenue Requirements Items:

A. Should the Commission adopt AWEC's proposal to change State Income Tax accounting from the current normalization method to a flow-through method?

AWEC position: AWEC recommends the Commission transition the PGE accounting method for state taxes to a flow-through method. As demonstrated in AWEC's testimony, the flow-through method is simpler and results in ratepayers paying only taxes that are actually incurred by the Company. In comparison, the current normalization accounting method results in taxes funded by ratepayers that are not actually paid by the utility, due to depreciation and deferrals of tax obligations. The flow-through method is used by several utilities in the West.

B. How should rate base be determined?

AWEC position: AWEC recommends the Commission adopt Staff's proposal to value rate base based upon the average of the test year, rather than a single point in time. As demonstrated in AWEC's Rebuttal Testimony, PGE's method fails to align depreciation expenses with rate base plant balances PGE employs for calculating rate base. This deficiency is remedied, in part, through adopting Staff's recommendation. AWEC further recommends that the Commission modify PGE's depreciation expense calculation to adjust for the annualized test period, depreciation expenses and deny PGE's average depreciation method.

C. Should the Commission adopt AWEC's proposal to adjust the rental rate charged to PGE for the World Trade Center location?

AWEC position: AWEC recommends the Commission modify the lease expense incurred by PGE for occupancy at the World Trade Center office. As demonstrated in AWEC's pre-filed testimony, PGE's status as the anchor tenant of the World Trade Center with a below-market lease allowed PGE's affiliate, 121 Salmon Street Corporation, to purchase the World Trade Center at a significantly reduced value. AWEC has demonstrated the appropriate affiliate transfer price for PGE's lease of the World Trade Center and the Commission should approve this adjustment.

D. Should the Commission adopt Staff's proposal to adjust the price and quantity of Fuel Stock?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

E. Should the Commission allow PGE to include the current balance of CO2 Allowances?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

6. T&D: Routine Vegetation Management (RVM)

A. What amount of RVM cost should PGE recover in base rates for the 2024 test year?

AWEC position: The Commission should reject PGE's requested increase for Routine Vegetation Management above that previously approved by the Commission, adjusted for inflation. PGE has failed to provide sufficient and reliable evidence to support the magnitude of increase requested in the current case. Furthermore, PGE has failed to demonstrate why such an increase is just and reasonable in light of the separate vegetation management expenses recovered under Schedule 151. The Commission should approve a budget for PGE's Routine Vegetation Management efforts based upon PGE's 2022 actual spend, allowing for an 8.2% inflation factor.

B. Should the Commission adopt Staff's proposed performance based rate (PBR) mechanism for RVM to impose an earnings test on the first \$6 million of incremental RVM spend beyond what is in base rates?

AWEC position: The Commission should adopt Staff's PBR proposal and earnings test if it adopts a balancing account for RVM.

C. Should there be a balancing account for any incremental/decremental amount spent beyond the levels established in subpart A.? If so, should the amounts in the balancing account be subject to a deferral and an earnings test?

AWEC position: The Commission should not adopt a balancing account for RVM. These expenses are “routine” by definition and, as such, belong in base rates and not subject to a special tracking mechanism.

7. Production

A. Should the Commission adopt a proposed reduction to costs recovered for generation outside services?

AWEC position: The Commission should adopt AWEC’s adjustment to PGE’s forecast generation outside services expenses. As AWEC demonstrated in pre-filed testimony, PGE’s explanation for the proposed 52% increase over 2022 actual expenses for generation outside services is insufficient and feckless. Maintenance at natural gas-fired generation facilities is covered under long-term service agreements and PGE has failed to demonstrate the basis of the proposed cost increases. In the event the Commission decides to increase generation outside services revenue above that actually incurred for 2022, AWEC demonstrated the combined core CPE inflation rate for the intervening years was 4.1%, which would be the maximum multiplier the Commission should apply to determine any potential increase over 2022 actual expenses.

B. Should a Qualifying Facilities Pass-Through Mechanism be established to address the volumetric and price risk associated with PURPA mandated QF projects?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

8. Compensation

A. Should the Commission adopt Staff’s unresolved adjustment to the Test Year wages and salary expense and rate base?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

B. Should the Commission adopt CUB’s proposal to reduce the PGE-offered employee discount on electric service from the current 25% to 5%?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

9. Property Insurance Premiums

- A. What amount of costs should be recognized for Property Insurance premium rates?

AWEC position: Property insurance premiums included in base rates should be based on known and measurable premium expenses incurred for the 2023 insurance year.

10. ROE

- A. What should be PGE's authorized Return on Equity (ROE)?

AWEC position: As demonstrated in pre-filed testimony, PGE's authorized Return on Equity should be set at 9.5%.

11. Income Qualified Discount Program

- A. What changes does the Commission think are appropriate design parameters for the Income Qualified Bill Discount Program?

AWEC Position: The Commission should make no changes to the IQBD Program.

- B. Should PGE conduct or contract for a Low Income Needs Assessment Study suitable and if so, what requirements should apply, i.e., date by which study is completed?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

12. Additional Energy Justice Items

- A. Should the Commission initiate a proceeding (which authorizes discovery or discovery like access to data) to reform residential customer rates to limit energy burden in the long run?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

B. Should the Commission initiate an investigation to determine criteria/metrics/processes all utilities shall employ to comprehensively integrate energy justice into decision making and, specifically, all facets of a general rate case?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

C. Should the Commission convene a multi-agency (including OHCS, ETO, ODOE) proceeding to identify how to better utilize weatherization programs to address energy burden as directed by HB 2475 (2021)?

AWEC position: AWEC has not taken a position on this in testimony but may take a position in briefing after further consideration.

DATED this 15th day of September, 2023.

Respectfully submitted,

/s/ Brent Coleman

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