



Portland General Electric Company

Legal Department
121 SW Salmon Street, 1WTC1301
Portland, Oregon 97204
Phone 503-464-7822
Fax 503-464-2200
portlandgeneral.com

Kim S. Burton

Assistant General Counsel III
kim.burton@pgn.com

October 6, 2023

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301

Re: UE 416 General Rate Case - Fourth and Fifth Partial Stipulations

Dear Filing Center:

On behalf of Portland General Electric Company and Stipulating parties, enclosed for filing in the above-captioned docket is the following:

- Motion to Admit Fourth Stipulation
- Fourth Partial Stipulation
- Motion to Admit Fifth Stipulation
- Fifth Partial Stipulation
- Joint Testimony and Exhibits in Support of Fourth and Fifth Stipulations

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads 'KSB'.

Kim S. Burton
Assistant General Counsel III

KMB:ld

**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.

**MOTION TO ADMIT FOURTH PARTIAL
STIPULATION**

Portland General Electric Company (PGE), Staff of the Public Utility Commission of Oregon, the Oregon Citizens' Utility Board, the Alliance of Western Energy Consumers, Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co., Walmart, Inc., and Small Business Utility Advocates – Oregon (jointly, the “Stipulating Parties”) after conducting settlement conferences on August 29, 2023 and September 6, 2023, have reached partial settlement for the several issues memorialized in the Fourth Stipulation. 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 a party to the stipulation.

Pursuant to OAR 860-001-0350(7), PGE, on behalf of the Stipulating Parties, moves to admit into the record in this proceeding the Fourth Stipulation. OAR 860-001-350(7)(a) includes a requirement to file an explanatory brief or written testimony in support of stipulation. PGE files separately Joint Testimony in support of the Fourth and Fifth Partial Stipulation (Stipulating Parties Exhibit 300).

PGE hereby requests the Commission issue an order approving the Fourth Partial Stipulation without modification. Stipulating Parties support this motion.

DATED this 6th day of October, 2023.

Respectfully submitted,



Kim S. Burton
Assistant General Counsel III
PORTLAND GENERAL ELECTRIC COMPANY
121 SW Salmon Street, 1WTC1301
Portland, Oregon 97204
Phone: 573.356.9688
Email: kim.burton@pgn.com

**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;
and 2024 Annual Power Cost Update.

**MOTION TO ADMIT FIFTH PARTIAL
STIPULATION**

Portland General Electric Company (PGE), Staff of the Public Utility Commission of Oregon, the Oregon Citizens' Utility Board, Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co., Walmart, Inc., Community Action Partnership of Oregon, and Small Business Utility Advocates-Oregon, (jointly, the “Stipulating Parties”) after conducting settlement conferences on August 29, 2023 and September 6, 2023 have reached partial settlement for several of the issues in this docket memorialized in the Fifth Partial Stipulation. While not a signatory, Community Energy Project supports the Fifth Partial Stipulation. Calpine Solutions, Natural Resources Defense Council, and NW Energy did not take a position on the issues resolved by the stipulation and are not a party to the stipulation. The Alliance of Western Energy Consumers opposes the Fifth Partial Stipulation.

Pursuant to OAR 860-001-0350(7), PGE, on behalf of the Stipulating Parties, moves to admit into the record in this proceeding the Fifth Stipulation. OAR 860-001-350(7)(a) includes a requirement to file an explanatory brief or written testimony in support of stipulation. PGE files separately Joint Testimony in support of the Fourth and Fifth Partial Stipulation (Stipulating Parties Exhibit 300).

PGE hereby requests the Commission issue an order approving the Fifth Partial Stipulation without modification. Stipulating Parties support this motion.

DATED this 6th day of October, 2023.

Respectfully submitted,



Kim S. Burton
Assistant General Counsel III
PORTLAND GENERAL ELECTRIC COMPANY
121 SW Salmon Street, 1WTC1301
Portland, Oregon 97204
Phone: 573.356.9688
Email: kim.burton@pgn.com

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 416

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Request for 2024 General Rate Revision

FIFTH PARTIAL STIPULATION

This Fifth 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), Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co. (Kroger), Walmart, Inc. (Walmart), 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 the Stipulation. Calpine Solutions, Natural Resources Defense Counsel and NW Energy Coalition did not take a position on the issues resolved by this Stipulation, and therefore they are not a party to this Stipulation but do not oppose it. The Alliance of Western Energy Consumers (AWEC) is not a party to this Stipulation and opposes the Stipulation.

PGE filed this general rate case on February 15, 2023. The filing included 14 separate pieces of testimony and exhibits. PGE also provided to Staff and other parties robust 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 FIFTH PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.
2. Schedule 118 Income Qualified Bill Discount, Cost Recovery
 - a. Stipulating Parties agree to a 20 million kWh cap per month for cost recovery purposes in Schedule 118.

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 in a timely manner. 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

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THE KROGER CO.

Justina Caviglia

WALMART

Benedikt Springer

CAPO

Diane Henkels

SBUA-OREGON

**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

**UE 416
General Rate Revision**

**PORTLAND GENERAL ELECTRIC
COMPANY**

**Joint Testimony in Support of Fourth and Fifth
Partial Stipulations**

Direct Testimony of:

Matthew Muldoon, OPUC Staff

Bob Jenks, CUB

Lance Kaufman, AWEC

Justin Bieber, Kroger

Steve Chriss, Walmart

Benedikt Springer, CAPO

Danny Kermode, SBUA - Oregon

Robert Macfarlane, PGE

October 6, 2023

Table of Contents

I.	Introduction.....	1
II.	Resolution of Issues in the Fourth Stipulation	6
III.	Resolution of Issue in Fifth Stipulation Relating to Schedule 118	15
IV.	Qualifications.....	18
	List of Exhibits	19

I. Introduction.

1 **Q. Please state your names and positions with your respective organizations.**

2 A. My name is Matthew Muldoon. I am a Manager in the Finance and Accounting Section of the
3 Rates, Safety and Utility Performance Program testifying on behalf of the Staff of the Public
4 Utility Commission of Oregon (Staff). My qualifications appear in Exhibit Staff/401.

5 My name is Bob Jenks. I am the Executive Director for the Oregon Citizens' Utility Board
6 (CUB). My qualifications appear in Exhibit CUB/201. Aside from co-sponsoring this joint
7 testimony, I am adopting CUB Exhibits 100, 300 and 500 in their entirety.

8 My name is Lance Kaufman. I am an independent consultant testifying on behalf of the
9 Alliance of Western Energy Consumers (AWEC). My qualifications appear in Exhibit
10 AWEC/201.

11 My name is Justin Bieber. I am a Regulatory Consultant for Fred Meyer Stores and
12 Quality Food Centers, Division of The Kroger Co. (Kroger). My qualifications appear in
13 Exhibit FM/100.

14 My name is Steve W. Chriss. I am Senior Director, Utility Partnerships for Walmart Inc.
15 (Walmart). My qualifications appear in Exhibit Walmart/101.

16 My name is Benedikt Springer. I am a Utility Policy Analyst with the Community Action
17 Partnership of Oregon (CAPO). My qualifications appear in Exhibit CAPO/100.

18 My name is Danny Kermode. I am a Regulatory Consultant for the Small Business Utility
19 Advocates-Oregon (SBUA). My qualifications appear at the end of this testimony.

20 My name is Robert Macfarlane. I am a Manager in Regulatory Affairs for Portland
21 General Electric Company (PGE). My qualifications appear at the end of Exhibit PGE/1200.

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of our testimony is to describe the Fourth Partial Stipulation (Fourth Stipulation)
3 and the Fifth Partial Stipulation (Fifth Stipulation) (jointly referred to as the Stipulations)
4 reached in settlement conferences held on August 29, 2023, and September 6, 2023, and
5 agreed to on September 11, 2023, between parties to this general rate case (GRC), Docket
6 No. UE 416 (UE 416).

7 The Fourth Partial Stipulation was reached between Staff, CUB, AWEC, Walmart,
8 Kroger, SBUA, and PGE (Parties to the Fourth Stipulation), regarding various topics in this
9 GRC. The Fifth Partial Stipulation was reached between Staff, CUB, Walmart, Kroger,
10 CAPO, SBUA, and PGE (Parties to the Fifth Stipulation). Copies of the Stipulations are
11 provided as Stipulating Parties Exhibit 301 – Fourth Partial Stipulation and Exhibit 302 – Fifth
12 Partial Stipulation. Parties to the Fifth Stipulation provide testimony on the Fifth Stipulation
13 later in this joint testimony. AWEC opposes the Fifth Partial Stipulation and does not join the
14 testimony in support of that Stipulation. AWEC will file its objections to the Fifth Partial
15 Stipulation after the Fifth Partial Stipulation is filed and in accordance with
16 OAR 860-001-0350(8). While there are other parties to this case, those parties have either not
17 taken a position on the issues resolved in the Stipulations or indicated that they do not oppose
18 the Stipulations.

19 **Q. What is the basis for the Stipulations?**

20 A. PGE filed this GRC on February 15, 2023. Over the following six months, Staff, AWEC,
21 CUB, Calpine Solutions, Kroger, New Sun Energy, and NW Energy Coalition
22 (NVEC)/Natural Resources Defense Council (NRDC) submitted, and PGE responded to, over
23 1,300 data requests relating to PGE’s filed case. On April 13, 2023, parties held a workshop

1 to discuss various topics and issues related to PGE’s filing. On May 24, 2023, parties filed
2 opening testimony related to net variable power costs (NVPC), and on June 13, 2023, parties
3 filed opening testimony related to all other topics in the case.¹ On June 14, 2023, and again
4 on July 11, 2023, the parties participated in settlement conferences related to NVPC and
5 agreed to settlements of certain NVPC items. Those settlements represent the First and Third
6 Stipulations in this GRC.

7 On June 28, 2023, August 1, 2023, August 7, 2023, and August 8, 2023, the parties
8 attended settlement conferences related to non-NVPC items and agreed to additional
9 settlements of certain items in this GRC, resulting in the Second Stipulation.

10 On August 29, 2023, and September 6, 2023, the parties participated in settlement
11 conferences related to rate spread and rate design and agreed through electronic
12 communications on September 11, 2023, to the Fourth and Fifth Stipulations described below.

13 **Q. Please summarize the issues resolved in the Fourth Stipulation.**

14 A. The Fourth Stipulation represents settlement of the following issues:

- 15 • Uncollectible Rate
- 16 • Biglow
- 17 • Schedule 125, Annual Power Cost Update
- 18 • Electric Vehicle Charging for Schedule 38
- 19 • Residential Price for Schedules 115 and 118
- 20 • Residential Time of Day (TOD)
- 21 • Residential Time of Use (TOU)

¹ SBUA did not file opening testimony, but SBUA did file on June 13, 2023 a statement as much and reserving right to respond and participate in other ways. SBUA’s expert submitted public comment on May 3, 2023.

- 1 • Time of Day Pricing for Commercial Customers
- 2 • Schedule 102 Regional Power Act Exchange (RPA) Credit
- 3 • Residential Energy Block Rates
- 4 • Submersible Transformers
- 5 • Reconnection Fees
- 6 • Customer Interval Data Fee
- 7 • Customer Marginal Cost Study
- 8 • Generation Marginal Cost Study
- 9 • Hillsboro Reliability Project and Horizon #2 230kV Line and Customer Connection
- 10 Costs and Recovery
- 11 • Schedule 110 Energy Efficiency, Customer Service
- 12 • Schedules 32 and 532, Small Non-Residential Service

13 **Q. Please summarize the agreement contained in the Fifth Stipulation.**

14 A. The Fifth Stipulation addresses Schedule 118, the cost recovery mechanism of the Schedule
15 18 Income Qualified Bill Discount Program. The Fifth Stipulation is separate because not all
16 the signatories to the Fourth Stipulation support the Fifth Stipulation, as we will discuss later
17 in our testimony.

18 **Q. Do the Stipulations indicate that all parties agree on the calculations or bases employed**
19 **by other parties to determine each adjustment?**

20 A. No. Although the Parties to the Fourth Stipulation may not necessarily agree on the
21 calculations, assumptions, or bases used to determine each adjustment, we believe the
22 amounts represent a reasonable financial settlement of the respective issues in this docket.
23 The adjustments are in the public interest and are consistent with rates that are fair, just, and

1 reasonable given the disparate views of the Parties to the Fourth Stipulation regarding these
2 underlying assumptions and bases.

3 **Q. Do the Stipulations resolve all remaining issues in this proceeding?**

4 A. No. The Stipulations resolve only the items listed above.

II. Resolution of Issues in the Fourth Stipulation

1 **Q. Please describe the terms in the Fourth Stipulation regarding the uncollectible rate.**

2 A. In testimony, PGE requested an uncollectible rate of 0.5%. PGE argued that the rate is a fair
3 reflection of anticipated uncollectibles during the test year. Staff disagreed with PGE and
4 explained in testimony why PGE should instead use an uncollectible rate of 0.33%.
5 For settlement purposes, Parties to the Fourth Stipulation agreed that PGE’s uncollectible rate
6 will be 0.4% for the test year.

7 **Q. Please describe the resolution of the Biglow issues in the Fourth Stipulation.**

8 A. In testimony, CUB argued that PGE should incur a permanent reduction to rate base of
9 \$1 million for the circumstances related to the Biglow blade liberation. PGE disagreed, and in
10 testimony highlighted that PGE is in active discussions with its third-party vendor responsible
11 for the maintenance on the blades related to the event. For settlement purposes, Parties to the
12 Fourth Stipulation agree that PGE will reduce its revenue requirement by approximately
13 \$213 thousand each year, beginning January 1, 2024, and continuing through
14 December 31, 2028, for the Biglow blade liberation. PGE will also reflect a \$213 thousand
15 revenue requirement adjustment in PGE’s Results of Operation report (ROO) for calendar
16 years 2024 through 2028. Furthermore, as a result of the Fourth Stipulation, any future
17 settlements PGE may achieve with [START HIGHLY CONFIDENTIAL] [REDACTED] [END
18 HIGHLY CONFIDENTIAL] related to repair costs stemming from the Biglow blade
19 liberation incident will not be returned to customers.

20 **Q. Please describe the resolution of Schedule 125, Annual Power Cost Update issues within**
21 **the Fourth Stipulation.**

1 A. Parties to the Fourth Stipulation agree that PGE may propose NVPC forecast modeling
2 changes in non-GRC years, provided that PGE files its modeling changes and all associated
3 minimum filing requirements no later than February 15. Furthermore, under the terms of the
4 Fourth Stipulation, any non-PGE party can also propose NVPC forecast modeling changes in
5 their opening testimony in the non-GRC years if PGE files modeling changes no later than
6 February 15.

7 **Q. What pricing issues were identified by the Parties to the Fourth Stipulation?**

8 A. Below are the issues:

- 9 • Walmart proposed to modify Schedule 38 such that customers taking service under the
10 plug-in electric vehicle TOD option are allowed to exceed the 200kW demand cap that is
11 currently in place.
- 12 • CUB recommended that the residential fee for both Schedule 115 Low Income Assistance
13 and Schedule 118 Bill Adjustment Cost Recovery be developed using the 2024 forecasted
14 average usage, which is forecasted to be 795 kWh. The current fee is based on an average
15 usage of 1,000 kWh.
- 16 • PGE proposed to extend the on-peak window for residential TOD from the current
17 5 to 9 p.m. to 4 to 9 p.m.
- 18 • PGE proposed to close the residential Legacy TOU option to new enrollments after
19 December 31, 2023, and to retire the Legacy TOU offering within Schedule 7 on
20 December 31, 2024.
- 21 • Staff proposed reforming the TOD windows for Schedules 83, 85, 89, and 90 to better
22 reflect system prices.

UE 416 / Stipulating Parties / 300
Muldoon – Jenks – Kaufman – Bieber – Chriss – Springer – Kermode – Macfarlane / 8

- 1 • Staff proposed that the Schedule 102 RPA credit be distributed to eligible residential
2 customers on a per-customer basis as opposed to the current per kWh basis. Alternatively,
3 if the per-customer RPA credit was not adopted, Staff proposed instead to cap or limit the
4 credit to 2,000 kWh per month.
- 5 • PGE proposed removing inverted block rates for residential energy charges.
- 6 • PGE proposed removing language in Rule I that allows residential customers to choose
7 submersible transformers for aesthetic purposes.
- 8 • PGE proposed to update its Reconnection Fees in Schedule 300 to \$50 and \$190.
- 9 • PGE proposed to remove the Customer Interval Data Fee Charge in Schedule 300.
- 10 • CUB proposed to move Schedule 110 Energy Efficiency, Customer Service into base rates.
- 11 • SBUA proposed to remove distribution blocking differential for distribution charges for
12 Schedules 32 and 532.

13 **Q. How did the Parties to the Fourth Stipulation resolve the Schedule 38 issue?**

14 A. The Parties to the Fourth Stipulation agreed to PGE modifying the Schedule 38 Tariff to
15 include EV Charging over 200 kW up to 4000 kW.

16 **Q. How did the Parties to the Fourth Stipulation resolve the average usage used to set
17 residential price for Schedules 115 and 118 issue?**

18 A. The Parties to the Fourth Stipulation agreed to use the 2024 forecasted residential average
19 usage of 795 kWh for developing the residential prices for Schedules 115 and 118.

20 **Q. How did the Parties to the Fourth Stipulation resolve the residential TOD issue?**

21 A. The Parties to the Fourth Stipulation agreed not to extend the on-peak period to 4 to 9 p.m.
22 Instead, the current on-peak period of 5 to 9 p.m. will remain in place.

1 **Q. How did the Parties to the Fourth Stipulation resolve the residential TOU issue?**

2 A. The Parties to the Fourth Stipulation agreed that residential TOU will close to new enrollments
3 on January 1, 2024, and the rate will be retired on December 31, 2024. PGE will communicate
4 to customers currently on the TOU rate ahead of the December 31, 2024 retirement date about
5 the retirement and the participants will be offered two options: move to TOD or Schedule 7
6 Standard Service. Those customers that do not respond with a selection will be placed on
7 PGE’s Schedule 7 Standard Service.

8 **Q. How did the Parties to the Fourth Stipulation resolve the issue related to TOD pricing**
9 **for Schedules 83, 85, 89 and 90 commercial customers?**

10 A. The Parties to the Fourth Stipulation agreed that PGE will host a workshop with Staff and
11 stakeholders to discuss restructuring the on- and off-peak windows for Schedules 83, 85, 89
12 and 90. In PGE’s opening testimony in its next GRC, PGE will either make a proposal to
13 update the on- and off-peak windows for these schedules or justify why the current time
14 structures are appropriate.

15 **Q. How did the Parties to the Fourth Stipulation resolve the Schedule 102 Regional Power**
16 **Act Exchange Credit issue?**

17 A. The Parties to the Fourth Stipulation agreed that a 2,000 kWh per month cap will be
18 implemented for residential customers.

19 **Q. How did the Parties to the Fourth Stipulation resolve the residential energy block rates**
20 **issue?**

21 A. The Parties to the Fourth Stipulation agreed to retire the residential energy block rate
22 differential. In PGE’s opening testimony in its next GRC, PGE will provide the effects of
23 eliminating the block rates on residential customer usage.

1 **Q. How did the Parties to the Fourth Stipulation resolve the submersible transformers**
2 **issue?**

3 A. Parties to the Fourth Stipulation agreed that PGE will remove language in Rule I that allows
4 residential customers to choose submersible transformers for aesthetic purposes.

5 **Q. How did the Parties to the Fourth Stipulation resolve the reconnection fees issue?**

6 A. Parties to the Fourth Stipulation agreed to update reconnection fees in Schedule 300 using a
7 90/10 weighted average between remote reconnect cost and manual reconnect cost.
8 This equates to a reconnection fee of \$9 during standard hours and \$23 during after-hours.

9 **Q. How did the Parties to the Fourth Stipulation resolve the customer interval data fee**
10 **issue?**

11 A. Parties to the Fourth Stipulation agreed to remove the customer interval data fee charge in
12 Schedule 300. PGE will, in a manner of its choosing, provide a one-time notification to
13 customers of the ability to receive interval data for free and notify only new customers once
14 per year.

15 **Q. How did the Parties to the Fourth Stipulation resolve the Schedule 110 Energy**
16 **Efficiency, Customer Service issue?**

17 A. Parties to the Fourth Stipulation agreed to move Schedule 110 Energy Efficiency, Customer
18 Service into base rates and that PGE will recover \$1.2 million for Energy Efficiency,
19 Customer Service in base rates beginning in 2024.

20 **Q. How did the Parties to the Fourth Stipulation resolve the Schedules 32 and 532, Small**
21 **Non-Residential Service issue?**

22 A. Parties to the Fourth Stipulation agreed to remove the distribution blocking differential for
23 distribution charges for Schedules 32 and 532.

1 **Q. What marginal cost of service issues were identified by parties in this proceeding?**

2 A. Below are the marginal cost of service issues identified by the parties to this proceeding:

- 3 • AWEC provided the following modifications to the marginal cost of capacity:
- 4 ○ Proposed to adjust salvage cost from -5.0% to -0.5%.
- 5 ○ Proposed to increase overnight capital costs from \$1,195 per kW to \$1,214 per
- 6 kW.
- 7 ○ Proposed to remove wheeling costs.
- 8 ○ Proposed to reduce the Effective Load Carrying Capacity (ELCC) to 57%.
- 9 • AWEC proposed to remove the capacity value from the wind resource, which is the
- 10 proxy resource used in the calculation of the marginal cost of energy.
- 11 • AWEC proposed two modifications to the customer marginal cost analysis:
- 12 ○ Re-categorize certain costs currently designated and allocated as “billing function”
- 13 to “other-customer.”
- 14 ○ Allocate additional customer-related departments associated with accounts
- 15 9030001, 9050001, and 9080001 in the customer marginal cost study.

16 **Q. How did the Parties to the Fourth Stipulation resolve these issues?**

17 A. In the interest of an overall settlement, the Parties to the Fourth Stipulation agreed to

18 incorporate three of AWEC’s proposed modifications – salvage, capital and wheeling costs.

19 Additionally, PGE will adjust the ELCC of the battery to 68% for a \$180 per kW year cost of

20 capacity.

21 Parties to the Fourth Stipulation agreed to limit Table 1 (base rate) percentage increases

22 to 120% of the average Cost of Service (COS) for COS schedules using a Customer Impact

23 Offset (CIO). Direct Access Schedules will follow COS as the CIO is included in the system

1 usage charge as done in the past. If needed to limit schedules to 120%, the CIO will be
 2 implemented by adjusting the schedules with the lowest impacts first, then moving to the
 3 schedule with the next lowest impact, et cetera, until all schedules are limited to 120%. If only
 4 one schedule was needed to provide dollars into the CIO, then it would still have the lowest
 5 impact. If two schedules were needed to provide dollars into the CIO, then those two schedules
 6 would have the lowest impacts and same percentage impact. If three schedules were needed
 7 to provide dollars into the CIO, then those three schedules would have the lowest impacts and
 8 same percentage impact. And so forth. Lighting schedules (Schedules 15, 91, 92, 95, and their
 9 direct access equivalents) would be excluded from providing dollars into the CIO for the
 10 purpose of limiting impacts to 120%.

11 Finally, Parties to the Fourth Stipulation agreed that PGE will include in its opening
 12 testimony in its next GRC an analysis and estimates of any marginal cost of capacity offsets
 13 attributable to the capacity resource’s ability to provide ancillary services, market price
 14 arbitrage, and any other benefits that such capacity resource makes available in addition to
 15 helping meet net load requirements.

16 **Q. Does PGE have any clarifications to their prior testimony on this topic?**

17 A. Yes. PGE would like to clarify that all of the ELCC values discussed in this testimony were
 18 calculated using the standard approach for estimating resource capacity contributions to an
 19 untuned system, i.e., the capacity contribution before additional planned resource
 20 contributions have been incorporated. This corrects language in PGE’s reply testimony on this
 21 subject.²

22 **Q. What ratespread issues were identified by parties in this proceeding?**

^{2 2} PGE/2500, Macfarlane-Keene/5 at 7-9.

- 1 A. Below are the ratespread issues identified by parties in this proceeding:
- 2 • Staff proposed that the transmission and distribution revenue requirement related to the
3 Hillsboro Reliability Project and the Horizon Keeler No. 2 120 kV line be removed from
4 all schedules excluding Schedules 89, 489, and 90.
 - 5 • Staff was also concerned that certain transmission and distribution projects appear to
6 primarily benefit a small number of large nonresidential customers but the costs of the
7 projects are spread across all classes in a manner that does not seem to be consistent with
8 cost causation principles.

9 **Q. How did the Parties to the Fourth Stipulation resolve these issues?**

10 A. Parties to the Fourth Stipulation agreed that the transmission and distribution revenue
11 requirement related to the Hillsboro Reliability Project and the Horizon Keeler# 2 230 kV line
12 will be allocated in the same manner as all other revenue requirements are allocated based on
13 marginal cost studies. Staff will request an investigation be opened by the Commission into
14 new, large load connection and recovery costs. The Parties to the Fourth Stipulation will not
15 oppose the opening of this investigation.

1 **Q. Please explain why the Parties to the Fourth Stipulation think the Commission should**
2 **adopt the Fourth Stipulation.**

3 A. The Fourth Stipulation is in the public interest and results in just and reasonable rates.
4 The Fourth Stipulation represents a reasonable compromise on the issues presented by parties
5 that represent diverse interests.

6 **Q. What is the recommendation to the Commission concerning the resolution of the issues**
7 **and adjustments in the Fourth Stipulation described in your testimony?**

8 A. We recommend the Commission approve the Fourth Stipulation without modification.

III. Resolution of Issue in Fifth Stipulation Relating to Schedule 118

1 **Q. Is there any issue that was resolved without the support of all the signatories to the**
2 **Fourth Stipulation?**

3 A. Yes. AWEC did not agree to the Fifth Stipulation regarding Schedule 118, which is the cost
4 recovery mechanism for the Income Qualified Bill Discount Program (IQBD) in Schedule 18.
5 Because of that, this section of testimony is only sponsored by Matt Muldoon, Bob Jenks,
6 Justin Bieber, Steve Chriss, Benedikt Springer, Danny Kermode, and Rob Macfarlane.

7 **Q. What issues related to the cost recovery offsets for the PGE’s IQBD were identified by**
8 **parties in this proceeding?**

9 A. All PGE retail customers pay for IQBD via Schedule 118 charges. PGE first forecasts program
10 costs for the following year before adding any under- or over-recovery from the current year,
11 and then develops a flat charge for residential bills and a per-kWh charge for non-residential
12 bills. The current tariff incorporates a \$1,000 monthly cap on the total amount charged per
13 site,³ which limits the charge to the largest non-residential customers.

14 Below are the IQBD issues identified by parties in this proceeding:

- 15 • CUB, Community Energy Project (CEP)-CAPO, and Kroger proposed removing the cap
16 on Schedule 118 completely. Their reasoning was that a cap unfairly shifts costs from large
17 non-residential customers to all other customers.
- 18 • Staff proposed removing the dollar cap and instead applying a percent of bill cap set at 2%
19 per site to be calculated before the Schedule 118 charge is added. They noted that the 2%

³ A “site” is generally defined as co-located buildings owned by a single customer and served through a single electric meter. See Rule B in the PGE tariff for more detail.

1 proposal was not an absolute cap to program size and that changes to enrollment and
2 forecasted costs could require adjustment to the bill cap.

- 3 • AWEC proposed to increase the cap in proportion to growth in the overall costs of the
4 program. For example, assuming the cost of the IQBD increases from \$23 million in 2023
5 to \$55 million in 2024 (a 42% increase), the cap per kWh would increase proportionately
6 in 2024 from the current threshold of \$1,000 to \$2,400 per month (a 42% increase). AWEC
7 discussed the disproportionate impact to PGE’s largest customers, noting that while
8 residential customers would see a modest reduction in Schedule 118 charges if the cap were
9 eliminated, the largest customers would experience substantial incremental costs.

10 **Q. How did the Parties to the Fifth Stipulation resolve these issues?**

11 A. The Parties to the Fifth Stipulation agreed to a 20 million kWh cap per month, decreasing the
12 extent to which large non-residential customers are shielded from IQBD cost recovery.

13 **Q. Why do Parties to the Fifth Stipulation support increasing the cap to 20 million kWh
14 per month?**

15 A. The agreed-upon change will achieve two shared objectives of Parties to the Fifth Stipulation.
16 First, an increase in the cap will shift some of the program cost allocation from residential and
17 smaller non-residential customers to large non-residential customers. Under the current
18 \$1,000 cap and 2023 cost recovery price of \$0.00114, customer usage above 877,193 kWh
19 per month is not subject to cost recovery charges. By comparison, the new cap will put up to
20 20 million kWh per month subject to cost recovery charges.

21 Second, under the current dollar-based structure, as program costs and the commensurate
22 recovery price increase, the kWh subject to the cap decreases. So as the cost for the IQBD
23 program increases, the dollar-based cap will further shield large non-residential customers

1 from increasing IQBD program costs and shift these costs onto other customers. Compared to
2 a dollar-based cap, moving to a kWh-based cap will continue to allocate cost recovery to
3 capped customers when program costs increase in a symmetrical manner.

4 **Q. Why do Parties to the Fifth Stipulation think this is a reasonable settlement?**

5 A. Parties to the Fifth Stipulation think this settlement results in a fair cost recovery for Schedule
6 118 amongst all customer classes.

7 **Q. Please explain why the Parties to Fifth Stipulation think the Commission should adopt
8 the Fifth Stipulation.**

9 A. The Fifth Stipulation is in the public interest and results in just and reasonable rates. The Fifth
10 Stipulation represents a reasonable compromise on the issues presented by parties that
11 represent diverse interests.

12 **Q. What is the recommendation to the Commission concerning the resolution of the issue
13 and adjustments in the Fifth Stipulation described in your testimony?**

14 A. We recommend the Commission approve the Fifth Stipulation without modification.

15 **Q. Does this conclude your testimony?**

16 A. Yes.

IV. Qualifications

1 **Q. Mr. Kermode, please state your educational background and qualifications.**

2 A. I hold a Bachelor of Science Degree in Business Administration from Arizona State
3 University with a major in accounting. I am also a Certified Public Accountant (retired)
4 licensed in the state of Washington. I worked at the Washington Utilities and Transportation
5 Commission for twenty-five years holding the following senior positions: Acting Director of
6 Policy and Legislation, Assistant Director, Accounting Advisor to the commission, and Senior
7 Energy Policy Advisor.

8 I also have over ten years' experience within two private accounting firms specializing
9 solely in public utility regulation. I am currently a visiting faculty member and Senior Fellow
10 at Michigan State University's Institute of Public Utilities where I teach classes ranging from
11 advanced regulatory studies to basic ratemaking. In addition, I was previously a member of
12 the faculty of the annual National Association of Regulatory Utility Commissioners' Rate
13 School in San Diego and an adjunct professor at St. Martin's University teaching business
14 taxation.

15 My experience as a regulator and my consulting practice has allowed me to become
16 sensitive to the often-overlooked needs of the small commercial customer under the utility
17 rate-making setting. I also routinely review publicly available information such as government
18 reports addressing small business, public comments from small business, and other
19 information such as news articles.

20

List of Exhibits

<u>Stipulating Parties Exhibit</u>	<u>Description</u>
301	Fourth Partial Stipulation
302	Fifth Partial Stipulation

**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.

PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
OF OREGON

OREGON CITIZENS' UTILITY BOARD

ALLIANCE OF WESTERN
ENERGY CONSUMERS

THE KROGER CO.

WALMART

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

FIFTH PARTIAL STIPULATION

This Fifth 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), Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co. (Kroger), Walmart, Inc. (Walmart), 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 the Stipulation. Calpine Solutions, Natural Resources Defense Counsel and NW Energy Coalition did not take a position on the issues resolved by this Stipulation, and therefore they are not a party to this Stipulation but do not oppose it. The Alliance of Western Energy Consumers (AWEC) is not a party to this Stipulation and opposes the Stipulation.

PGE filed this general rate case on February 15, 2023. The filing included 14 separate pieces of testimony and exhibits. PGE also provided to Staff and other parties robust 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 FIFTH PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.
2. Schedule 118 Income Qualified Bill Discount, Cost Recovery
 - a. Stipulating Parties agree to a 20 million kWh cap per month for cost recovery purposes in Schedule 118.

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 in a timely manner. 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.

PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
OF OREGON

OREGON CITIZENS' UTILITY BOARD

THE KROGER CO.

WALMART

CAPO

SBUA-OREGON