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October 18, 2024

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 COMPANY,
Request for a General Rate Revision
Docket No. UE 435

Dear Filing Center:

Please find enclosed the Alliance of Western Energy Consumers' Motion to Supplement Position Statement in the above-referenced docket, as well as the redlined and clean copies of the Supplemental Position Statement.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Anna V. Congdon
Anna V. Congdon

Enclosure

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the enclosed **Motion to Supplement Position Statement and Supplemental Position Statement on behalf of the Alliance of Western Energy Consumers** upon the parties below by electronic mail.

DATED this 18th day of October 2024.

Davison Van Cleve, P.C.

/s/ Anna V. Congdon
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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 435

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision.	**MOTION TO SUPPLEMENT POSITION STATEMENT OF ALLIANCE OF WESTERN ENERGY CONSUMERS**

Pursuant to OAR 860-001-0420, the Alliance of Western Energy Consumers ("AWEC") moves the Public Utility Commission of Oregon ("Commission") for leave to Supplement AWEC's Position Statement filed in the above captioned proceeding on October 8, 2024. AWEC's omission of its position regarding Rate Base Issue #4 was an oversight. AWEC files both a redline and clean version of AWEC's Supplemental Position Statement in conjunction with this Motion. As noted in AWEC's Supplemental Position Statement, AWEC provided testimony on this issue and therefore requests that this Motion be granted such that the Commission has an accurate and complete record of AWEC's position on outstanding issues to be determined by the Commission. AWEC conferred with parties to this proceeding regarding this Motion to Supplement. Calpine Solutions, ChargePoint, Oregon Citizens Utility Board, PGE, Staff, and Verde do not object.

WHEREFORE, AWEC respectfully submits this Supplement to AWEC's Position Statement on Rate Base Issue #4 to be determined by the Commission. AWEC specifically reserves the right to address any outstanding issue in briefing, should it be necessary after further development of the evidentiary record.

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Dated this 18th day of October, 2024.

Respectfully submitted,

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 435

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision.	**POSITION STATEMENT OF ALLIANCE OF WESTERN ENERGY CONSUMERS**

Pursuant to the Commission's ruling issued September 27th, 2024, and Portland General Electric Company's ("PGE" or Company") Motion to Modify Procedural Schedule filed September 26, 2024, the Alliance of Western Energy Consumers ("AWEC") hereby submits AWEC's Position Statement on select outstanding issues to be determined by the Commission. AWEC provides a Position Statement on specific issues it has addressed in detail in pre-filed testimony but specifically reserves the right to address any outstanding issue in briefing, should it be necessary after further development of the evidentiary record.

Cost of Capital

1. What should be PGE's authorized return on equity?

   ***AWEC position**: The Commission should authorize a return on equity of 9.25 percent for PGE. (See AWEC/400 Kaufman/24:20).*

2. What should be PGE's capital structure?

   ***AWEC position**: The Commission should use PGE's 2023 actual capital structure when calculating the cost of capital, with 44.6 percent equity and 55.4 percent debt. (See AWEC/200, Kaufman/2:16-17).*

3. What should be PGE's cost of long-term debt?

   ***AWEC position**: The Commission should reduce PGE's cost of long-term debt to 4.63%. (See AWEC/200, Kaufman/75:7).*

Rate Base

4. What method should be used to calculate rate base and to calculate depreciation expense?

   AWEC position*: The Commission should reject PGE's hybrid rate base valuation technique and establish rate base and depreciation expense using an Average-of-Monthly-Averages calculation performed over the 12-months ending December 31, 2024. (See AWEC/100 Mullins/4:1-3, 15:16-17:14; AWEC/300 Mullins/16:1-2).*

5. What amount of Cash Working Capital (CWC) should be included in rate base?

6. What is the appropriate amount for PGE to recover in rate base of fuel stock?

   a. Should a year-end or average balance method be used to set the amount of fuel stock?
   b. Should PGE be required to conduct an analysis to show economic value of holding a minimum of 1.2 million dth of natural gas at North Mist?
   c. Should fuel stock be valued at "actual price at time of purchase" or should fuel stock be valued at weighted average cost?
   d. What is the appropriate way to value Beaver oil fuel stock?

7. What is the appropriate method to determine the amount for PGE to recover in rates for Materials and Supplies?

Revenues

8. What is the appropriate amount of Other Revenue for Joint Pole Attachments and Steam Revenue?

Compensation

9. What adjustments, if any, should be made to the following employee compensation items?
   a. Labor expense as they relate to FTE count, union expenses, non-union expenses, and contract labor expenses

   AWEC position*: The Commission should adopt the 2023 actual FTE levels, with known and measurable wage rate increases through 2025. This would result in an overall 7% increase to the 2023 wages and salaries levels incurred in 2023, compared to the 20% increase PGE had proposed in its filing. Relative to PGE's proposed budget, this recommendation would result in a $34,238,543 reduction in labor expense. (See AWEC/300, Mullins/27:19-23).*

   b. Annual cash incentives

   c. Capitalized incentives (from 2024)

d. Stock incentives

AWEC position*: The Commission should remove all stock incentives from revenue requirement because stock incentives are not an expenditure to the utility but reflect the issuance of new stock instruments to employees and therefore do not represent a cost of providing utility services that is appropriate to include in revenue requirement. From a financial accounting perspective, the accrual associated with stock incentives is a form of equity dilution, which is not a cost of providing utility service. Further, because stock incentives are specifically designed to align the interest of employees with the interest of shareholders, it is doubly necessary to exclude them from utility rates. (See AWEC/100, Mullins/46:3-13; AWEC/300, Mullins/35:11-18).*

e. Incentives overheads

AWEC position*: Because PGE reduces the allocation credit associated with incentives overheads, but does not reduce the incentive overheads themselves, the Commission should remove the reduction to the allocation credit amount from revenue requirement. (See AWEC/100, Mullins/47:17-48:16; AWEC/300, Mullins/37:7-9).*

f. Costs related to the above compensation amounts, i.e., payroll taxes and key customer management department costs.

AWEC position*: The Commission should reduce key customer management costs by $700,000 to reflect historical cost growth. (See AWEC/200, Kaufman/1:15).*

10. Should the Commission adopt AWEC's recommendation to split director's fees and expense between shareholders and ratepayers?

AWEC position*: Yes. It is reasonable for directors' fees to be split 90/10 between shareholders and ratepayers. Directors owe a fiduciary responsibility towards = shareholders, not ratepayers. Directors and ratepayers have divergent interests. Considering these divergent interests, it is reasonable for shareholders and ratepayers to share in both directors' fees and expense. Given that directors' activities are predominantly for the benefit of shareholders, shareholders should pay 90% of the cost of directors' fees and expense. (See AWEC/100, Mullins/44:13-46:15).*

Capital Projects

11. Should PGE be required to provide project attestations for plant put in service by December 31, 2024?

AWEC position*: Yes. The Commission should require PGE to submit a project-by-project capital attestation to ensure that all plant included in rates is used and useful by the January 1, 2025 rate effective date. (See AWEC/100, Mullins/4:7-9).*

If attestations are required:

a. What should the project value threshold be?

***AWEC position**: Projects with capital costs greater than $1,000,000 should be reviewed on a project-by-project basis. Projects with capital budgets of less than $1 million should be reviewed on a portfolio basis. (See AWEC/300, Mullins/18:2-3, 20:14-15).*

b. What in-service dates should be covered?

***AWEC position**: All plant included in rates by the January 1, 2025 rate effective date. (See AWEC/100, Mullins/4:7-9).*

c. What should the attestation timing be?

***AWEC position**: The Commission should order PGE to execute a provisional capital attestation filing approximately 15 days before the rate effective date and a final capital attestation 45 days after the rate effective date. (See AWEC/300, Mullins/18:6-9).*

d. Should the attestation process be allowed for both over and under-budget amounts in this rate proceeding?

12. What is the appropriate level for contingency funds? What adjustments, if any, should be made to the contingency funds from forecasted capital costs?

13. Has the Company demonstrated that the actual project costs for the three transmission and distribution capital investments, Horizon-Keeler BPA #2 230kV Line, Shute WJ1 and WJ2 Upgrade, and Shute Feeder Reconfiguration, identified by Staff are prudent?

14. Should the Commission remove forecasted investment for Diesel Particulate Filter Installations that are not complete by the rate effective date?

15. What amount should be included in rate base for IT capital additions?

    a. Should PGE recover its investments in the Zero Trust Program and EMS upgrade in rate base at the lower of the forecasted amount in PGE's filing ($5.7 million and $4.3 million, respectively), or the actual cost?

    b. Should PGE recovery of its investments in Network Fitness and CTO Desktop Fitness in rate base be reduced to the three-year average of expenditure?

Constable and Seaside Energy Storage Projects

16. Constable Battery Project:

a. If PGE's Constable investment is not operating prior to the rate effective date of this rate case, should the Commission authorize PGE's proposed tracker for the Constable project? If so, what if any conditions should be included?

***AWEC position**: No. Authorization of PGE's proposed tracker for the Constable project would constitute unfair single-issue ratemaking. (See AWEC/300, Mullins/43:3-7).*

b. If the Constable project is included in rates through a tracker or otherwise, should the Commission adopt Staff's recommended $14 million reduction to rate base?

17. Seaside Battery Project:
    a. Should the Commission approve PGE's request for a tracker? If so, what conditions should be included?

***AWEC position**: No. Authorization of PGE's proposed tracker for the Constable project would constitute unfair single-issue ratemaking. (See AWEC/300, Mullins/43:3-7).*

b. If the tracker for the Seaside Battery Project is approved, should the Commission adopt Staff's recommended $44 million reduction to rate base?

18. What amortization period and treatment should apply to ITCs for Constable and Seaside?

***AWEC position**: The amortization period included in PGE's initial filing should apply to ITCs for Constable and Seaside, such that PGE monetizes the ITCs in 2025 and returns the sales value to customers through a separate tariff schedule over five years with 35% of the total value provided to customers in the first year and reduced by an equal amount each year thereafter until year five, at which point the credits will have been fully amortized. (See AWEC/300, Mullins/45:21; UE 435 PGE / 500 Felton / 30:9-12).*

a. Should the ITC reduce rate base within the revenue requirement or be amortized through a separate schedule?

***AWEC position**: Amortized through a separate schedule, as proposed by PGE in its initial filing. (See AWEC/300, Mullins/45:21; UE 435 / PGE / 500 Felton / 30:9-12).*

b. Should the ITC be amortized over the life of Seaside or five years?

***AWEC position**: Five years. (See AWEC/300, Mullins/45:21; UE 435 / PGE / 500 Felton / 30:9-12).*

c. Should the value of the ITC to refunded to customers be equal to the actual value of the ITCs received net of the cost to sell up to 10% of the sale value?

***AWEC position**: The value should be the full amount of the ITCs. If PGE determines to sell the ITCs, the prudence of any discount on the sale should be evaluated after the fact. (AWEC/300, Mullins/46:4-9).*

d. Should the Commission condition a finding that the Constable and Seaside projects are prudent on PGE's agreement to opt out of Investment Tax Credit (ITC) normalization for ITCs associated with Seaside.

AWEC position*: The Commission should determine PGE's actions to be imprudent if it does not opt-out of normalization for Constable and Seaside. (See AWEC/300, Mullins/45:7-9).*

Non-labor Operations and Maintenance (O&M) expense

19. What is the appropriate amount of recovery for PGE's Virtual Power Plant (VPP) O&M expense? What adjustments, if any, should be made to the amount proposed by PGE? How should VPP items be addressed in the future?

20. What adjustments, if any, should be made to the amount proposed by PGE for non-labor generation O&M?

AWEC position*: The Commission should order PGE to limit its budget, with the exception of Clearwater O&M and the major maintenance accrual, to the annual rate of inflation, which reduces PGE's non-labor O&M expense by $5,790,911. (See AWEC/100 31:14-32:1,6; AWEC/300, Mullins/26 (Table REB-2)).*

a. What adjustments, if any, should be made to the amount proposed by PGE for the following corporate support (A&G) items:

b. General A&G category reduction

AWEC position*: The increase to non-labor A&G expense should be limited to two years of inflationary escalation based on the most recent Federal Reserve FOMC forecast (2.6% for 2024 and 2.3% for 2025). As a result, the Commission should order PGE to reduce general A&G expense by $4,585,715. (See AWEC/100, Mullins/35:21-36:4).*

c. FERC Account 921 (office supplies)

d. Directors' and Officers' expense

AWEC position*: The Commission should order PGE to split directors' fees 90/10 between shareholders and ratepayers. Directors' fiduciary responsibility towards shareholders, not ratepayers. Directors and ratepayers have divergent interests. Considering these divergent interests, it is reasonable for shareholders and ratepayers to share in both directors' fees and expense. Given that directors' activities are predominantly for the benefit of shareholders. shareholders should pay 90% of the cost of directors' fees and expense. (See AWEC/100, Mullins/44:13-46:15).*

21. What is the appropriate amount of recovery for the following insurance expense:

a. Property insurance expense - What adjustments, if any, should be made to the amount proposed by PGE?

b. Casualty Insurance expense - What is the appropriate amount of recovery for General & Auto Liability? What adjustments, if any, should be made to the amount proposed by PGE?

c. What adjustments, if any, should be made related to insurance rebates and credits?

22. What adjustments, if any, should be applied to the recovery of the following:

a. Revolver fees

AWEC position: *The Commission should exclude revolver fees from revenue requirement as ratepayers do not receive the financing benefits associated with the underlying credit lines in base rates. (See AWEC/100, Mullins/4:17-19; AWEC/300, Mullins/29-30).*

b. Margin net interest

AWEC position: *The Commission should remove margin net interest from revenue requirement because ratepayers do not receive the corresponding financing benefit from the customer funds advanced with respect to such interest. (See AWEC/100, Mullins/4:20 22; AWEC/300, Mullins/31-32).*

c. Broker fees

AWEC position: *The Commission should remove broker fees from revenue requirement as those are considered in the evaluation of the cost of debt and equity. (See AWEC/100, Mullins/4:23-24; AWEC/300, Mullins/33-34:2).*

d. Membership expense

T&D

23. What is the appropriate amount to set in Test Year expense for Routine Vegetation Management O&M? What adjustments, if any, should be made to the amount proposed by PGE?

AWEC position: *The Commission should order PGE to hold its non-labor routine vegetation management budget flat between 2024 and 2025, which reduces PGE's overall non-labor distribution expenses by $4,290,307. (AWEC/100, Mullins/30:3-4, 9-10).*

24. What is the appropriate amount to set in Test Year expense for Utility Asset Management? What adjustments, if any, should be made to the amount proposed by PGE?

25. What is the appropriate amount to set in Test Year expense for Customer Accounts and Service O&M? What adjustments, if any, should be made to the amount proposed by PGE?

26. What is the appropriate amount to set in Test Year expense for memberships and dues? What adjustments, if any, should be made to the amount proposed by PGE?

Taxes

27. How should Production Tax Credit ("PTC") carryforwards be considered in revenue requirement considering that PGE received approval to sell PTCs in Docket UP 426?

    AWEC position*: It is not reasonable to include PTC carryforwards in rate base in this case given PGE's proposal to sell credits on an ongoing basis in Docket No. UP 426. The Commission should order PGE to remove PTCs from rate base. The PTC carryforward balance has been declining materially due to the Docket No. UP 426 transactions. Correspondingly, while PGE would be recovering the discount associated with the cost of selling PTCs from ratepayers, it is not deferring the benefit of the rate base reductions that resulted from doing so. Since the cost of PTC carryforwards costs are now being considered outside of revenue requirement, it is most appropriate for PTC carryforwards to be removed from base rate revenue requirement as well. Eliminating the PTC carryforwards included in rate base would reduce revenue requirement by $10,183,870. (See AWEC/100 Mullins/50:18-51:3). In the alternative, AWEC recommends that the Commission order PGE to suspend the collection of the discount on monetized PTCs through Schedule 105 so that ratepayers do not pay for the discount on PTCs if they are not receiving the corresponding rate base reduction associated with the sales. (See AWEC/300, Mullins/39:12-15). Another alternative approach would be to defer the benefit of the PTC carryforward reductions associated with PTC sales between rate cases. (See AWEC/300, Mullins/39:20-21).*

28. Should the accumulated deferred income taxes ("ADIT") associated with the emergency wildfire and storm deferrals be considered in rate base?

    AWEC position*: Yes. Considering the ADIT associated with the emergency wildfire and storm deferrals in rate base is reasonable because PGE was able to deduct the costs associated with the emergency wildfire and storm deferrals at the time the expenditures were made, and therefore they represented a major tax benefit to PGE. When these expenses were deducted, they reduced PGE's tax liability materially and correspondingly increased its ongoing carryforward balances. (See AWEC/300, Mullins 40:4-9).*

29. How should the rate base and amortization benefit of the Anderson Readiness Center investment tax credits ("ITCs") be considered in revenue requirement?

    AWEC position*: Because PGE is selling its PTCs, it will be able to utilize tax credits associated with the Anderson Readiness Center in 2025. Further, the Commission has full* *authority to begin amortization of these ITCs because PGE agreed to opt out of normalization. Accordingly, the Commission should order PGE to consider both the rate base and the amortization benefit of these ITCs in revenue requirement. (See AWEC/300, Mullins/42:18-22).*

Grants

30. What is the appropriate amount that PGE should recover for O&M costs related to PGE's Federal Grant request for the Grid Edge Computing Grant? What adjustments, if any should be made to the amount proposed by PGE?

Rate Spread/Rate Design

31. What proposed changes, if any, should apply to the generation marginal cost study?

    ***AWEC position**: The Commission should require PGE to adopt the following changes to the generation marginal cost study:*

    (a) Remove the capacity value from the cost of wind and solar resources when estimating the cost of energy (See AWEC/200, Kaufman/6:7-12:7; AWEC/400, Kaufman/1:19-5:9),
    (b) Do not remove the capacity value of wind and solar from battery resources,
    (c) Use firm transmission for all resources assumed in the marginal cost study (See AWEC/200, Kaufman/12:8-13:16; AWEC/400, Kaufman/5:10-8:8),
    (d) Uses local wind and solar resources when modeling the cost of energy (See AWEC/200, Kaufman/14:1-16:2; AWEC/400, Kaufman/7:12-17), and
    (e) Do not reduce capacity costs of storage resources by their flexibility value (See AWEC/200, Kaufman/20:10-21:7; AWEC/400, Kaufman/10:8-12:14). (See AWEC/200, Kaufman/5-6).
    (f) Use the Intermediary GHG market prices to price Mid-C purchases in the cost of service model and modify the weights on wind, solar, and Mid-C energy cost to total 100% (See AWEC/200, Kaufman/16:3-20:9; AWEC/400, Kaufman/8:9-10:7).

32. Should the Commission adopt proposed adjustments to PGE 's cap to customer class rate increases? If so a cap and/or floor for customer class rate increases as a percentage of the overall (or average) increase? If so, what should be the parameters?

    ***AWEC position**: The Commission should not adopt a cap or floor for class rate impacts. (See AWEC/200, Kaufman/29:16; AWEC/400, Kaufman/13:17-19).*

33. Should the Commission adopt PGE's revisions to the Customer Impact Offset (CIO) to equalize the distribution charge for lighting schedules?

34. Should the Commission adopt PGE's proposed increase to its residential basic charge?

35. Has PGE established that its proposed revisions to the load following credit for Schedule 90 are warranted?

    AWEC position*: Yes. (See AWEC/400, Kaufman/14).*

36. Should PGE be required to apply Time of Use (TOU) to Schedule 90 customers?

    AWEC position*: No. PGE is generally correct that incentivizing Schedule 90 customers to maintain a flat load is preferrable to introducing a TOU rate. Staff has not provided a specific TOU design proposal and therefore AWEC cannot evaluate the validity of a Schedule 90 TOU rate as recommended by Staff. To the extent that the Commission is interested in exploring a TOU rate, it should not be implemented until after AWEC has had the opportunity to review, analyze, and comment on the specific rate design, and after more is understood about the processes of Schedule 90 customers and their suitability for a TOU rate. (See AWEC/400, Kaufman/15:5-14).*

Transportation Line Extension Allowance

37. Should the Commission adopt PGE's proposal to make the Transportation Line Extension Allowance program a permanent offering? If so, what adjustments, if any, should apply?

Transportation Electrification & PGE Fleet

38. How much should PGE recover for the following customer-related transportation electrification items?
    a. UM 1811 pilots rate base
    b. Electric Island rate base
    c. TE database rate base
    d. Line extension rate base amounts related to customer TE projects from 2019 to 2023
    e. TE plan and program development expense

39. For the following fleet related items, what adjustments, if any, should be adopted?
    a. PGE EV Fleet Vehicles rate base
    b. PGE Fleet EV Charger rate base
    c. PGE EV Charger Maintenance expense

Customer Service Issues

40. What other party proposals, if any, related to bill design, and sharing of information with customers should the Commission require? If so, should the Commission adopt CUB's proposed disallowance related to billing information?

41. What adjustments, if any, should be made to the amount proposed by PGE for non-labor Customer Accounts O&M?

__AWEC position__: The Commission should limit the increase for non-labor Customer Accounts O&M to the overall expense in these accounts to two years of inflationary escalation based on the most recent Federal Reserve FOMC forecast (2.6% for 2024 and 2.3% for 2025), thereby reducing non-labor O&M expense by $2,598,317. (See AWEC/100, Mullins/35:2-9). The Commission should make a similar adjustment for Customer Service non-labor O&M as increases to both Customer Accounts and Customer Service expense is being driven primarily by outside services expenses. AWEC's recommended reduction to Customer Service non-labor O&M is $5,253,818 (See AWEC/100, Mullins/32:7-34:2).

42. What adjustments, if any, should be made to the amount proposed by PGE for Key Customer Management labor O&M?

    __AWEC position__: The Commission should reduce Key Customer Management costs by $700,000 to reflect historical cost growth. (See AWEC/200, Kaufman/1:15, 3:5-4:11).

Affordability, Income Qualified Bill Discount and other Environmental Justice Issues

43. What changes, if any, in response to the company's Energy Burden Assessment should be adopted in this docket to PGE's Schedule 18 Income Qualified Bill Discount Program discount levels, structure standards?

    __AWEC position__: None. An increase in the level of discounts could raise the overall cost of the IQBD program to an excessive level, between $77 million and over $100 million, and would result in some customer classes paying over 5% of their bill for this program. (See AWEC/400, Kaufman/21:13-18). More broadly, the Commission should issue policy guidance on what constitutes a reasonable cost for public policy programs that assist low-income customers (e.g. IQBD, public purpose charge, and Schedule 115) given then need to balance public policy objectives with the cost these programs impose on other customers. (See AWEC/400, Kaufman/22:2-4).

44. What changes, if any, should be adopted regarding post-enrollment verification or income verification?

    __AWEC position__: PGE should perform a more thorough and evidence-based evaluation of the costs and benefits of a pre-enrollment verification process and should institute pre-enrollment verification if that evaluation demonstrates that it would reduce costs for non-participating customers. (See AWEC/400, Kaufman/21:5-8).

45. What changes, if any, should be adopted in this docket to PGE's disconnection policies, generally or as related to IQBD customers specifically?

46. What changes, if any should be adopted in this docket to PGE's arrearage policy and fees generally or as related to IQBD customers, specifically?

47. What changes, if any, should be adopted in this docket to PGE's bill due date for residential customers?

48. What proposals by parties for additional reporting, stakeholder engagement, or customer engagement should PGE be directed in this docket for PGEs IQBD program, disconnections, arrearage or related issues? If required, what should be included and the parameters?

49. Should there be a rate design change related to any increase in basic charge?

50. What, if any, proposed adjustments to Schedule 118 allocation methodology should be adopted? (IQBD Recovery)

AWEC position: *The Commission should modify the current limit on Schedule 118 charges from a per Site limit to a per Customer limit for Schedule 90, and spread and recover IQBD costs based on revenue rather than load. (See AWEC/200, Kaufman/31:11-12). A per-customer cap is more reasonable than the current per-site approach given the vastly different size of the Schedule 90 customer with multiple sites relative to all other customers. (See AWEC/200, Kaufman/32:5-7). Spreading Schedule 118 revenues to customers based on revenue rather than load is consistent with the treatment of the Public Purpose Charge. It also results in more equal allocations of IQBD costs than the current method. (See AWEC/200, Kaufman/33:5-6). Moreover, if Schedule 118 costs are spread to customers based on revenue, the current 20 million kWh cap should be modified to a $60,000 cap. As a result, each rate schedule would pay the same amount on a percentage of bill basis, with the exception of Schedule 90 due to its anomalous size. Schedule 90 would, however, still pay the same amount that it would if the 20 million KWh cap were applied on a per-customer basis. (See AWEC/200 Kaufman/33:6-12).*

51. Should the Company convert its ductless heat pump program pilot program into a fully funded program and increase coordination with ETO?

52. Should the Company expand weatherization efforts and services, amend its schedules to recognize the long term, system-wide cost-efficiencies and implement targeted outreach to IQBD customers?

53. Should the Commission require PGE to center energy efficiency for low-income households in its rate scheme as a condition of any rate increase?

54. Should the Commission require PGE to implement neutral (i.e., third-party) technical support related to rate case "walk-throughs" and other quasi-technical stakeholder engagement, in order to appropriately bolster PGE's procedural equity efforts, prioritizing this for CBIAG most immediately?

Other issues.

55. Should PGE's rate filing be rejected due to the following:

a. Failure to meet requirements of ORS 757.210(1)(a) by not providing sufficient evidence that proposed rates are just, reasonable and in the public interest; or

***AWEC position**: Yes. PGE has not presented a coherent revenue requirement calculation that is supported with necessary evidence required for the Commission to find that the rate increase it has proposed is just, reasonable, and in the public interest. PGE has justified its rate increase based on a budget submitted in the Company's previous general rate case, UE 416. UE 416 was resolved through a settlement stipulation and is insufficient evidence to support PGE's requested rate increase. The Commission does not approve budgets. The rates that PGE is proposing to implement in this docket must be based on evidence submitted in this docket, including PGE's actual costs. PGE has failed to present such evidence. (See AWEC/300, Mullins/1:14-2:7).*

b. A collateral attack of issues resolved in Docket UE 416?

56. Should the Commission adopt CUB's proposed tracker to delay the rate effective date of PGE's rate request?

57. Should the Commission apply an overall or residential rate cap to address rate shock? If so, what parameters should there be for the rate cap?

58. Should the Commission adopt CUB's rate shock proposal?

59. Should the Commission require PGE to amortize the deferral related to PGE's Clearwater project starting January 1, 2025?

60. What revenue requirement treatment should apply to the reflection of ITCs for the Anderson Readiness Center?

***AWEC position**: $497,448 in ITCs associated with the Anderson Readiness Center should be considered in revenue requirement. (See AWEC/300, Mullins/42:8-9). This is reasonable because PGE is selling its PTCs, and the Company will therefore be able to utilize tax credits associated with the Anderson Readiness Center in 2025. Further, the Commission has full authority to begin amortization of these ITCs because PGE agreed to opt out of normalization. It is therefore reasonable that both the rate base and the amortization benefit of these ITCs be considered in revenue requirement. (See AWEC/300, Mullins/42:18-22).*

61. Should the Commission address PGE's request to modify the Renewable Automatic Adjustment Clause (RAAC) to allow PGE to recover costs of stand-alone batteries at the transmission level in this docket or in a separate investigation?

***AWEC position**: Yes, given the number of times this issue has been raised in previous dockets, the Commission should resolve this issue in this case, and should find that Oregon law does not allow PGE to include standalone storage in its RAAC.*

62. Should the Commission open a docket investigating a framework for multi-year rate cases?

63. Should the Commission require PGE to file a public version of its rate increase forecasts, including forecasts contained in Monet updates and bench request, that has been designated as confidential?

64. Should the Commission require PGE to provide information on customer bills showing average cost of electricity in a cents/kwh basis?

65. Should the Commission require PGE, when PGE seeks to increase a residential rate schedule, to file a plan for how it intends to communicate the rate change to residential customers?

WHEREFORE, AWEC respectfully submits this Position Statement on select outstanding issues to be determined by the Commission. AWEC specifically reserves the right to address any outstanding issue in briefing, should it be necessary after further development of the evidentiary record.

Dated this 8th day of October, 2024.

Respectfully submitted,

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 435

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision.	**POSITION STATEMENT OF ALLIANCE OF WESTERN ENERGY CONSUMERS**

Pursuant to the Commission's ruling issued September 27th, 2024, and Portland General Electric Company's ("PGE" or Company") Motion to Modify Procedural Schedule filed September 26, 2024, the Alliance of Western Energy Consumers ("AWEC") hereby submits AWEC's Position Statement on select outstanding issues to be determined by the Commission. AWEC provides a Position Statement on specific issues it has addressed in detail in pre-filed testimony but specifically reserves the right to address any outstanding issue in briefing, should it be necessary after further development of the evidentiary record.

Cost of Capital

1. What should be PGE's authorized return on equity?

   AWEC position*: The Commission should authorize a return on equity of 9.25 percent for PGE. (See AWEC/400 Kaufman/24:20).*

2. What should be PGE's capital structure?

   AWEC position*: The Commission should use PGE's 2023 actual capital structure when calculating the cost of capital, with 44.6 percent equity and 55.4 percent debt. (See AWEC/200, Kaufman/2:16-17).*

3. What should be PGE's cost of long-term debt?

   AWEC position*: The Commission should reduce PGE's cost of long-term debt to 4.63%. (See AWEC/200, Kaufman/75:7).*

Rate Base

4. What method should be used to calculate rate base and to calculate depreciation expense?

   ***AWEC position**: The Commission should reject PGE's hybrid rate base valuation technique and establish rate base and depreciation expense using an Average-of-Monthly-Averages calculation performed over the 12-months ending December 31, 2024. (See AWEC/100 Mullins/4:1-3, 15:16-17:14; AWEC/300 Mullins/16:1-2).*

5. What amount of Cash Working Capital (CWC) should be included in rate base?

6. What is the appropriate amount for PGE to recover in rate base of fuel stock?

   a. Should a year-end or average balance method be used to set the amount of fuel stock?
   b. Should PGE be required to conduct an analysis to show economic value of holding a minimum of 1.2 million dth of natural gas at North Mist?
   c. Should fuel stock be valued at "actual price at time of purchase" or should fuel stock be valued at weighted average cost?
   d. What is the appropriate way to value Beaver oil fuel stock?

7. What is the appropriate method to determine the amount for PGE to recover in rates for Materials and Supplies?

Revenues

8. What is the appropriate amount of Other Revenue for Joint Pole Attachments and Steam Revenue?

Compensation

9. What adjustments, if any, should be made to the following employee compensation items?
   a. Labor expense as they relate to FTE count, union expenses, non-union expenses, and contract labor expenses

   ***AWEC position**: The Commission should adopt the 2023 actual FTE levels, with known and measurable wage rate increases through 2025. This would result in an overall 7% increase to the 2023 wages and salaries levels incurred in 2023, compared to the 20% increase PGE had proposed in its filing. Relative to PGE's proposed budget, this recommendation would result in a $34,238,543 reduction in labor expense. (See AWEC/300, Mullins/27:19-23).*

   b. Annual cash incentives

   c. Capitalized incentives (from 2024)

d. Stock incentives

AWEC position: *The Commission should remove all stock incentives from revenue requirement because stock incentives are not an expenditure to the utility but reflect the issuance of new stock instruments to employees and therefore do not represent a cost of providing utility services that is appropriate to include in revenue requirement. From a financial accounting perspective, the accrual associated with stock incentives is a form of equity dilution, which is not a cost of providing utility service. Further, because stock incentives are specifically designed to align the interest of employees with the interest of shareholders, it is doubly necessary to exclude them from utility rates. (See AWEC/100, Mullins/46:3-13; AWEC/300, Mullins/35:11-18).*

e. Incentives overheads

AWEC position: *Because PGE reduces the allocation credit associated with incentives overheads, but does not reduce the incentive overheads themselves, the Commission should remove the reduction to the allocation credit amount from revenue requirement. (See AWEC/100, Mullins/47:17-48:16; AWEC/300, Mullins/37:7-9).*

f. Costs related to the above compensation amounts, i.e., payroll taxes and key customer management department costs.

AWEC position: *The Commission should reduce key customer management costs by $700,000 to reflect historical cost growth. (See AWEC/200, Kaufman/1:15).*

10. Should the Commission adopt AWEC's recommendation to split director's fees and expense between shareholders and ratepayers?

AWEC position: *Yes. It is reasonable for directors' fees to be split 90/10 between shareholders and ratepayers. Directors owe a fiduciary responsibility towards = shareholders, not ratepayers. Directors and ratepayers have divergent interests. Considering these divergent interests, it is reasonable for shareholders and ratepayers to share in both directors' fees and expense. Given that directors' activities are predominantly for the benefit of shareholders, shareholders should pay 90% of the cost of directors' fees and expense. (See AWEC/100, Mullins/44:13-46:15).*

Capital Projects

11. Should PGE be required to provide project attestations for plant put in service by December 31, 2024?

AWEC position: *Yes. The Commission should require PGE to submit a project-by-project capital attestation to ensure that all plant included in rates is used and useful by the January 1, 2025 rate effective date. (See AWEC/100, Mullins/4:7-9).*

If attestations are required:

a. What should the project value threshold be?

***AWEC position**: Projects with capital costs greater than $1,000,000 should be reviewed on a project-by-project basis. Projects with capital budgets of less than $1 million should be reviewed on a portfolio basis. (See AWEC/300, Mullins/18:2-3, 20:14-15).*

b. What in-service dates should be covered?

***AWEC position**: All plant included in rates by the January 1, 2025 rate effective date. (See AWEC/100, Mullins/4:7-9).*

c. What should the attestation timing be?

***AWEC position**: The Commission should order PGE to execute a provisional capital attestation filing approximately 15 days before the rate effective date and a final capital attestation 45 days after the rate effective date. (See AWEC/300, Mullins/18:6-9).*

d. Should the attestation process be allowed for both over and under-budget amounts in this rate proceeding?

12. What is the appropriate level for contingency funds? What adjustments, if any, should be made to the contingency funds from forecasted capital costs?

13. Has the Company demonstrated that the actual project costs for the three transmission and distribution capital investments, Horizon-Keeler BPA #2 230kV Line, Shute WJ1 and WJ2 Upgrade, and Shute Feeder Reconfiguration, identified by Staff are prudent?

14. Should the Commission remove forecasted investment for Diesel Particulate Filter Installations that are not complete by the rate effective date?

15. What amount should be included in rate base for IT capital additions?

    a. Should PGE recover its investments in the Zero Trust Program and EMS upgrade in rate base at the lower of the forecasted amount in PGE's filing ($5.7 million and $4.3 million, respectively), or the actual cost?

    b. Should PGE recovery of its investments in Network Fitness and CTO Desktop Fitness in rate base be reduced to the three-year average of expenditure?

Constable and Seaside Energy Storage Projects

16. Constable Battery Project:

a. If PGE's Constable investment is not operating prior to the rate effective date of this rate case, should the Commission authorize PGE's proposed tracker for the Constable project? If so, what if any conditions should be included?

AWEC position*: No. Authorization of PGE's proposed tracker for the Constable project would constitute unfair single-issue ratemaking. (See AWEC/300, Mullins/43:3-7).*

b. If the Constable project is included in rates through a tracker or otherwise, should the Commission adopt Staff's recommended $14 million reduction to rate base?

17. Seaside Battery Project:
    a. Should the Commission approve PGE's request for a tracker? If so, what conditions should be included?

AWEC position*: No. Authorization of PGE's proposed tracker for the Constable project would constitute unfair single-issue ratemaking. (See AWEC/300, Mullins/43:3-7).*

b. If the tracker for the Seaside Battery Project is approved, should the Commission adopt Staff's recommended $44 million reduction to rate base?

18. What amortization period and treatment should apply to ITCs for Constable and Seaside?

AWEC position*: The amortization period included in PGE's initial filing should apply to ITCs for Constable and Seaside, such that PGE monetizes the ITCs in 2025 and returns the sales value to customers through a separate tariff schedule over five years with 35% of the total value provided to customers in the first year and reduced by an equal amount each year thereafter until year five, at which point the credits will have been fully amortized. (See AWEC/300, Mullins/45:21; UE 435 PGE / 500 Felton / 30:9-12).*

a. Should the ITC reduce rate base within the revenue requirement or be amortized through a separate schedule?

AWEC position*: Amortized through a separate schedule, as proposed by PGE in its initial filing. (See AWEC/300, Mullins/45:21; UE 435 / PGE / 500 Felton / 30:9-12).*

b. Should the ITC be amortized over the life of Seaside or five years?

AWEC position*: Five years. (See AWEC/300, Mullins/45:21; UE 435 / PGE / 500 Felton / 30:9-12).*

c. Should the value of the ITC to refunded to customers be equal to the actual value of the ITCs received net of the cost to sell up to 10% of the sale value?

AWEC position*: The value should be the full amount of the ITCs. If PGE determines to sell the ITCs, the prudence of any discount on the sale should be evaluated after the fact. (AWEC/300, Mullins/46:4-9).*

d. Should the Commission condition a finding that the Constable and Seaside projects are prudent on PGE's agreement to opt out of Investment Tax Credit (ITC) normalization for ITCs associated with Seaside.

***AWEC position**: The Commission should determine PGE's actions to be imprudent if it does not opt-out of normalization for Constable and Seaside. (See AWEC/300, Mullins/45:7-9).*

Non-labor Operations and Maintenance (O&M) expense

19. What is the appropriate amount of recovery for PGE's Virtual Power Plant (VPP) O&M expense? What adjustments, if any, should be made to the amount proposed by PGE? How should VPP items be addressed in the future?

20. What adjustments, if any, should be made to the amount proposed by PGE for non-labor generation O&M?

***AWEC position**: The Commission should order PGE to limit its budget, with the exception of Clearwater O&M and the major maintenance accrual, to the annual rate of inflation, which reduces PGE's non-labor O&M expense by $5,790,911. (See AWEC/100 31:14-32:1,6; AWEC/300, Mullins/26 (Table REB-2)).*

a. What adjustments, if any, should be made to the amount proposed by PGE for the following corporate support (A&G) items:

b. General A&G category reduction

***AWEC position**: The increase to non-labor A&G expense should be limited to two years of inflationary escalation based on the most recent Federal Reserve FOMC forecast (2.6% for 2024 and 2.3% for 2025). As a result, the Commission should order PGE to reduce general A&G expense by $4,585,715. (See AWEC/100, Mullins/35:21-36:4).*

c. FERC Account 921 (office supplies)

d. Directors' and Officers' expense

***AWEC position**: The Commission should order PGE to split directors' fees 90/10 between shareholders and ratepayers. Directors' fiduciary responsibility towards shareholders, not ratepayers. Directors and ratepayers have divergent interests. Considering these divergent interests, it is reasonable for shareholders and ratepayers to share in both directors' fees and expense. Given that directors' activities are predominantly for the benefit of shareholders. shareholders should pay 90% of the cost of directors' fees and expense. (See AWEC/100, Mullins/44:13-46:15).*

21. What is the appropriate amount of recovery for the following insurance expense:

a. Property insurance expense - What adjustments, if any, should be made to the amount proposed by PGE?

b. Casualty Insurance expense - What is the appropriate amount of recovery for General & Auto Liability? What adjustments, if any, should be made to the amount proposed by PGE?

c. What adjustments, if any, should be made related to insurance rebates and credits?

22. What adjustments, if any, should be applied to the recovery of the following:

a. Revolver fees

AWEC position*: The Commission should exclude revolver fees from revenue requirement as ratepayers do not receive the financing benefits associated with the underlying credit lines in base rates. (See AWEC/100, Mullins/4:17-19; AWEC/300, Mullins/29-30).*

b. Margin net interest

AWEC position*: The Commission should remove margin net interest from revenue requirement because ratepayers do not receive the corresponding financing benefit from the customer funds advanced with respect to such interest. (See AWEC/100, Mullins/4:20 22; AWEC/300, Mullins/31-32).*

c. Broker fees

AWEC position*: The Commission should remove broker fees from revenue requirement as those are considered in the evaluation of the cost of debt and equity. (See AWEC/100, Mullins/4:23-24; AWEC/300, Mullins/33-34:2).*

d. Membership expense

T&D

23. What is the appropriate amount to set in Test Year expense for Routine Vegetation Management O&M? What adjustments, if any, should be made to the amount proposed by PGE?

AWEC position: *The Commission should order PGE to hold its non-labor routine vegetation management budget flat between 2024 and 2025, which reduces PGE's overall non-labor distribution expenses by $4,290,307. (AWEC/100, Mullins/30:3-4, 9-10).*

24. What is the appropriate amount to set in Test Year expense for Utility Asset Management? What adjustments, if any, should be made to the amount proposed by PGE?

25. What is the appropriate amount to set in Test Year expense for Customer Accounts and Service O&M? What adjustments, if any, should be made to the amount proposed by PGE?

26. What is the appropriate amount to set in Test Year expense for memberships and dues? What adjustments, if any, should be made to the amount proposed by PGE?

Taxes

27. How should Production Tax Credit ("PTC") carryforwards be considered in revenue requirement considering that PGE received approval to sell PTCs in Docket UP 426?

    ***AWEC position**: It is not reasonable to include PTC carryforwards in rate base in this case given PGE's proposal to sell credits on an ongoing basis in Docket No. UP 426. The Commission should order PGE to remove PTCs from rate base. The PTC carryforward balance has been declining materially due to the Docket No. UP 426 transactions. Correspondingly, while PGE would be recovering the discount associated with the cost of selling PTCs from ratepayers, it is not deferring the benefit of the rate base reductions that resulted from doing so. Since the cost of PTC carryforwards costs are now being considered outside of revenue requirement, it is most appropriate for PTC carryforwards to be removed from base rate revenue requirement as well. Eliminating the PTC carryforwards included in rate base would reduce revenue requirement by $10,183,870. (See AWEC/100 Mullins/50:18-51:3). In the alternative, AWEC recommends that the Commission order PGE to suspend the collection of the discount on monetized PTCs through Schedule 105 so that ratepayers do not pay for the discount on PTCs if they are not receiving the corresponding rate base reduction associated with the sales. (See AWEC/300, Mullins/39:12-15). Another alternative approach would be to defer the benefit of the PTC carryforward reductions associated with PTC sales between rate cases. (See AWEC/300, Mullins/39:20-21).*

28. Should the accumulated deferred income taxes ("ADIT") associated with the emergency wildfire and storm deferrals be considered in rate base?

    ***AWEC position**: Yes. Considering the ADIT associated with the emergency wildfire and storm deferrals in rate base is reasonable because PGE was able to deduct the costs associated with the emergency wildfire and storm deferrals at the time the expenditures were made, and therefore they represented a major tax benefit to PGE. When these expenses were deducted, they reduced PGE's tax liability materially and correspondingly increased its ongoing carryforward balances. (See AWEC/300, Mullins 40:4-9).*

29. How should the rate base and amortization benefit of the Anderson Readiness Center investment tax credits ("ITCs") be considered in revenue requirement?

    ***AWEC position**: Because PGE is selling its PTCs, it will be able to utilize tax credits associated with the Anderson Readiness Center in 2025. Further, the Commission has full* *authority to begin amortization of these ITCs because PGE agreed to opt out of normalization. Accordingly, the Commission should order PGE to consider both the rate base and the amortization benefit of these ITCs in revenue requirement. (See AWEC/300, Mullins/42:18-22).*

Grants

30. What is the appropriate amount that PGE should recover for O&M costs related to PGE's Federal Grant request for the Grid Edge Computing Grant? What adjustments, if any should be made to the amount proposed by PGE?

Rate Spread/Rate Design

31. What proposed changes, if any, should apply to the generation marginal cost study?

***AWEC position**: The Commission should require PGE to adopt the following changes to the generation marginal cost study:*

(a) Remove the capacity value from the cost of wind and solar resources when estimating the cost of energy (See AWEC/200, Kaufman/6:7-12:7; AWEC/400, Kaufman/1:19-5:9),
(b) Do not remove the capacity value of wind and solar from battery resources,
(c) Use firm transmission for all resources assumed in the marginal cost study (See AWEC/200, Kaufman/12:8-13:16; AWEC/400, Kaufman/5:10-8:8),
(d) Uses local wind and solar resources when modeling the cost of energy (See AWEC/200, Kaufman/14:1-16:2; AWEC/400, Kaufman/7:12-17), and
(e) Do not reduce capacity costs of storage resources by their flexibility value (See AWEC/200, Kaufman/20:10-21:7; AWEC/400, Kaufman/10:8-12:14). (See AWEC/200, Kaufman/5-6).
(f) Use the Intermediary GHG market prices to price Mid-C purchases in the cost of service model and modify the weights on wind, solar, and Mid-C energy cost to total 100% (See AWEC/200, Kaufman/16:3-20:9; AWEC/400, Kaufman/8:9-10:7).

32. Should the Commission adopt proposed adjustments to PGE 's cap to customer class rate increases? If so a cap and/or floor for customer class rate increases as a percentage of the overall (or average) increase? If so, what should be the parameters?

***AWEC position**: The Commission should not adopt a cap or floor for class rate impacts. (See AWEC/200, Kaufman/29:16; AWEC/400, Kaufman/13:17-19).*

33. Should the Commission adopt PGE's revisions to the Customer Impact Offset (CIO) to equalize the distribution charge for lighting schedules?

34. Should the Commission adopt PGE's proposed increase to its residential basic charge?

35. Has PGE established that its proposed revisions to the load following credit for Schedule 90 are warranted?

    ***AWEC position**: Yes. (See AWEC/400, Kaufman/14).*

36. Should PGE be required to apply Time of Use (TOU) to Schedule 90 customers?

    ***AWEC position**: No. PGE is generally correct that incentivizing Schedule 90 customers to maintain a flat load is preferrable to introducing a TOU rate. Staff has not provided a specific TOU design proposal and therefore AWEC cannot evaluate the validity of a Schedule 90 TOU rate as recommended by Staff. To the extent that the Commission is interested in exploring a TOU rate, it should not be implemented until after AWEC has had the opportunity to review, analyze, and comment on the specific rate design, and after more is understood about the processes of Schedule 90 customers and their suitability for a TOU rate. (See AWEC/400, Kaufman/15:5-14).*

Transportation Line Extension Allowance

37. Should the Commission adopt PGE's proposal to make the Transportation Line Extension Allowance program a permanent offering? If so, what adjustments, if any, should apply?

Transportation Electrification & PGE Fleet

38. How much should PGE recover for the following customer-related transportation electrification items?
    a. UM 1811 pilots rate base
    b. Electric Island rate base
    c. TE database rate base
    d. Line extension rate base amounts related to customer TE projects from 2019 to 2023
    e. TE plan and program development expense

39. For the following fleet related items, what adjustments, if any, should be adopted?
    a. PGE EV Fleet Vehicles rate base
    b. PGE Fleet EV Charger rate base
    c. PGE EV Charger Maintenance expense

Customer Service Issues

40. What other party proposals, if any, related to bill design, and sharing of information with customers should the Commission require? If so, should the Commission adopt CUB's proposed disallowance related to billing information?

41. What adjustments, if any, should be made to the amount proposed by PGE for non-labor Customer Accounts O&M?

__AWEC position__: The Commission should limit the increase for non-labor Customer Accounts O&M to the overall expense in these accounts to two years of inflationary escalation based on the most recent Federal Reserve FOMC forecast (2.6% for 2024 and 2.3% for 2025), thereby reducing non-labor O&M expense by $2,598,317. (See AWEC/100, Mullins/35:2-9). The Commission should make a similar adjustment for Customer Service non-labor O&M as increases to both Customer Accounts and Customer Service expense is being driven primarily by outside services expenses. AWEC's recommended reduction to Customer Service non-labor O&M is $5,253,818 (See AWEC/100, Mullins/32:7-34:2).

42. What adjustments, if any, should be made to the amount proposed by PGE for Key Customer Management labor O&M?

    __AWEC position__: The Commission should reduce Key Customer Management costs by $700,000 to reflect historical cost growth. (See AWEC/200, Kaufman/1:15, 3:5-4:11).

Affordability, Income Qualified Bill Discount and other Environmental Justice Issues

43. What changes, if any, in response to the company's Energy Burden Assessment should be adopted in this docket to PGE's Schedule 18 Income Qualified Bill Discount Program discount levels, structure standards?

    __AWEC position__: None. An increase in the level of discounts could raise the overall cost of the IQBD program to an excessive level, between $77 million and over $100 million, and would result in some customer classes paying over 5% of their bill for this program. (See AWEC/400, Kaufman/21:13-18). More broadly, the Commission should issue policy guidance on what constitutes a reasonable cost for public policy programs that assist low-income customers (e.g. IQBD, public purpose charge, and Schedule 115) given then need to balance public policy objectives with the cost these programs impose on other customers. (See AWEC/400, Kaufman/22:2-4).

44. What changes, if any, should be adopted regarding post-enrollment verification or income verification?

    __AWEC position__: PGE should perform a more thorough and evidence-based evaluation of the costs and benefits of a pre-enrollment verification process and should institute pre-enrollment verification if that evaluation demonstrates that it would reduce costs for non-participating customers. (See AWEC/400, Kaufman/21:5-8).

45. What changes, if any, should be adopted in this docket to PGE's disconnection policies, generally or as related to IQBD customers specifically?

46. What changes, if any should be adopted in this docket to PGE's arrearage policy and fees generally or as related to IQBD customers, specifically?

47. What changes, if any, should be adopted in this docket to PGE's bill due date for residential customers?

48. What proposals by parties for additional reporting, stakeholder engagement, or customer engagement should PGE be directed in this docket for PGEs IQBD program, disconnections, arrearage or related issues? If required, what should be included and the parameters?

49. Should there be a rate design change related to any increase in basic charge?

50. What, if any, proposed adjustments to Schedule 118 allocation methodology should be adopted? (IQBD Recovery)

    ***AWEC position**: The Commission should modify the current limit on Schedule 118 charges from a per Site limit to a per Customer limit for Schedule 90, and spread and recover IQBD costs based on revenue rather than load. (See AWEC/200, Kaufman/31:11-12). A per-customer cap is more reasonable than the current per-site approach given the vastly different size of the Schedule 90 customer with multiple sites relative to all other customers. (See AWEC/200, Kaufman/32:5-7). Spreading Schedule 118 revenues to customers based on revenue rather than load is consistent with the treatment of the Public Purpose Charge. It also results in more equal allocations of IQBD costs than the current method. (See AWEC/200, Kaufman/33:5-6). Moreover, if Schedule 118 costs are spread to customers based on revenue, the current 20 million kWh cap should be modified to a $60,000 cap. As a result, each rate schedule would pay the same amount on a percentage of bill basis, with the exception of Schedule 90 due to its anomalous size. Schedule 90 would, however, still pay the same amount that it would if the 20 million KWh cap were applied on a per-customer basis. (See AWEC/200 Kaufman/33:6-12).*

51. Should the Company convert its ductless heat pump program pilot program into a fully funded program and increase coordination with ETO?

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Other issues.

55. Should PGE's rate filing be rejected due to the following:

a. Failure to meet requirements of ORS 757.210(1)(a) by not providing sufficient evidence that proposed rates are just, reasonable and in the public interest; or

AWEC position*: Yes. PGE has not presented a coherent revenue requirement calculation that is supported with necessary evidence required for the Commission to find that the rate increase it has proposed is just, reasonable, and in the public interest. PGE has justified its rate increase based on a budget submitted in the Company's previous general rate case, UE 416. UE 416 was resolved through a settlement stipulation and is insufficient evidence to support PGE's requested rate increase. The Commission does not approve budgets. The rates that PGE is proposing to implement in this docket must be based on evidence submitted in this docket, including PGE's actual costs. PGE has failed to present such evidence. (See AWEC/300, Mullins/1:14-2:7).*

b. A collateral attack of issues resolved in Docket UE 416?

56. Should the Commission adopt CUB's proposed tracker to delay the rate effective date of PGE's rate request?

57. Should the Commission apply an overall or residential rate cap to address rate shock? If so, what parameters should there be for the rate cap?

58. Should the Commission adopt CUB's rate shock proposal?

59. Should the Commission require PGE to amortize the deferral related to PGE's Clearwater project starting January 1, 2025?

60. What revenue requirement treatment should apply to the reflection of ITCs for the Anderson Readiness Center?

AWEC position*: $497,448 in ITCs associated with the Anderson Readiness Center should be considered in revenue requirement. (See AWEC/300, Mullins/42:8-9). This is reasonable because PGE is selling its PTCs, and the Company will therefore be able to utilize tax credits associated with the Anderson Readiness Center in 2025. Further, the Commission has full authority to begin amortization of these ITCs because PGE agreed to opt out of normalization. It is therefore reasonable that both the rate base and the amortization benefit of these ITCs be considered in revenue requirement. (See AWEC/300, Mullins/42:18-22).*

61. Should the Commission address PGE's request to modify the Renewable Automatic Adjustment Clause (RAAC) to allow PGE to recover costs of stand-alone batteries at the transmission level in this docket or in a separate investigation?

AWEC position*: Yes, given the number of times this issue has been raised in previous dockets, the Commission should resolve this issue in this case, and should find that Oregon law does not allow PGE to include standalone storage in its RAAC.*

62. Should the Commission open a docket investigating a framework for multi-year rate cases?

63. Should the Commission require PGE to file a public version of its rate increase forecasts, including forecasts contained in Monet updates and bench request, that has been designated as confidential?

64. Should the Commission require PGE to provide information on customer bills showing average cost of electricity in a cents/kwh basis?

65. Should the Commission require PGE, when PGE seeks to increase a residential rate schedule, to file a plan for how it intends to communicate the rate change to residential customers?

WHEREFORE, AWEC respectfully submits this Position Statement on select outstanding issues to be determined by the Commission. AWEC specifically reserves the right to address any outstanding issue in briefing, should it be necessary after further development of the evidentiary record.

Dated this 8th day of October, 2024.

Respectfully submitted,

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