



Portland General Electric Company
Legal Department
121 SW Salmon Street • Portland, Oregon 97204
503-464-8926 • Facsimile 503- 464-2200

Douglas C. Tingey
Associate General Counsel

August 29, 2018

Via Electronic Filing

Oregon Public Utility Commission
Attention: Filing Center
PO Box 1088
Salem OR 97308-1088

Re: UE 335 – PORTLAND GENERAL ELECTRIC COMPANY Request for a General Rate Revision

Dear Filing Center:

On behalf of Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board of Oregon ("CUB"), the Alliance of Western Energy Consumers ("AWEC"), Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co. ("Kroger"), and Wal-Mart Stores, Inc. and Sam's West, Inc. ("Walmart"), (collectively, the "Stipulating Parties"), PGE is filing electronically the following documents:

- **Second Partial Stipulation; and**
- **Joint Testimony in Support of Second Partial Stipulation**

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "DCT", is written over the typed name of Douglas C. Tingey.

DOUGLAS C. TINGEY
Associate General Counsel

DCT:bop

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 335

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Request for a General Rate Revision.

SECOND PARTIAL STIPULATION

This Second Partial Stipulation ("Stipulation") is between Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board of Oregon ("CUB"), the Alliance of Western Energy Consumers ("AWEC"), Fred Meyer Stores and Quality Food Centers, Division of The Kroger Co. ("Kroger"), and Wal-Mart Stores, Inc. and Sam's West, Inc. ("Walmart")(collectively, the "Stipulating Parties").

PGE previously filed a Partial Stipulation in this docket resolving certain issues raised in this general rate case. After reaching that agreement the parties continued settlement discussions, with settlement conferences held on June 18 and 19. No parties other than the Stipulating Parties, participated in the settlement discussions. As a result of those discussions, the Stipulating Parties have reached a compromise settlement resolving several additional issues, as set forth below.

TERMS OF SECOND PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.
2. Group 1 (S-6), (S-9), (S-10), (S-12), (S-15), (S-16), (S-17), (S-18), (S-27), (C-3), (C-4), (A-16). These issues are resolved as a group: Board of Director's Expense (S-6), Employee Benefit Administration (S-9), All Risk Property Insurance (S-10), Retained Losses (S-12),

Meals and Entertainment (S-15), Travel Expense (S-16), Awards (S-17), Fee Free Bankcard (S-18), Other Revenue (S-27), Board of Director's Stock Incentive (C-3), Mass Transit Benefit (C-4), and Trojan Nuclear Decommissioning Trust (A-16). For determining rates in this case:

- a. PGE's Operations and Maintenance ("O&M") costs will be reduced by \$3.4 million for the 2019 test year.
 - b. PGE will set its annual collection rate for the Trojan Nuclear Decommissioning Trust at \$1.9 million beginning January 1, 2019.
3. Group 2 Accumulated Deferred Income Taxes (ADIT) and Boardman Severance Liability (A-11), (A-13), (A-14), (A-20).
- a. Accrued Vacation ADIT (A-11): Test year rate base will be reduced by \$4.8 million.
 - b. Boardman Severance ADIT (A-13), and Injuries and Damages ADIT (A-13): The Stipulating Parties agree there will be no rate base reduction for these issues.
 - c. Boardman Severance Liability (A-20): Test year rate base will be reduced by \$5.3 million.
4. Working Cash in Rate Base (S-5). Working cash will be calculated using a 3.827% working cash factor.
5. Demand Response Flex Pricing (S-26). PGE will remove \$2.4 million from test year O&M expense for Flex Pricing. Flex Pricing will continue to run as a pilot, and the costs will be included in the deferral re-authorization request filed in Docket UM 1708 rather than in this general rate case.

6. Excess ADIT (A-3). Test year Excess ADIT amortization will be increased by \$1.1 million based on PGE's more recent estimate. There will be a corresponding decrease to the ADIT liability by the same amount.
7. Depreciation Reserve (A-15). PGE will increase accumulated depreciation by \$19.8 million to correct an error in PGE's depreciation reserve balance.
8. Amortization of Incentive Regulatory Liability (A-18). PGE will reduce amortization expense by \$0.5 million to reflect the annual amortization of the capitalized incentive regulatory liability as established in Docket No. UE 283.
9. Storm Accrual Escalation (C-2). PGE will apply CUB's proposed \$10,000 adjustment to correct the escalation rate used in determining the storm restoration accrual.
10. The Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of the identified issues in this docket.
11. The Stipulating Parties agree that this Stipulation is in the public interest, and will contribute to rates that are fair, just and reasonable, consistent with the standard in ORS 756.040.
12. The Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all of 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 the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

13. The Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties, after consultation, may seek to obtain Commission approval of this Stipulation prior to evidentiary hearings. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves its right: (i) to withdraw from the Stipulation, upon written notice to the Commission and the other Parties within five (5) business days of service of the final order that rejects this Stipulation, in whole or material part, or adds such material condition; (ii) 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 (iii) 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. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.
14. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal, and provide witnesses to support this Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no 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.

15. 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 29th day of August, 2018.



PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

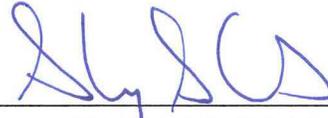
ALLIANCE OF WESTERN
ENERGY CONSUMERS

THE KROGER CO.

WALMART

DATED this 28th day of August, 2018.

PORTLAND GENERAL ELECTRIC
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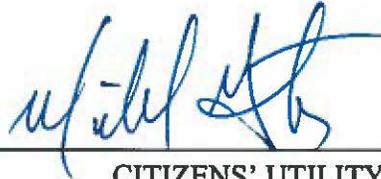
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for Vicki M. Baldwin WARMART