



Portland General Electric Company
Legal Department
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Douglas C. Tingey
Associate General Counsel

August 16, 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 electronic the following documents:

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

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. C. Tingey", is written over the printed name.

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.

PARTIAL STIPULATION

This 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"). Calpine Solutions is not a party to this Stipulation, and does not oppose it.

PGE filed this general rate case on February 15, 2018. The filing included thirteen 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 analyzed PGE's filing and work papers, and submitted more than 520 data requests obtaining additional information. Two schedules were set by the Administrative Law Judge in this matter: one for net variable power cost ("NVPC") issues, and the other for general rate case issues. A settlement conference was held on May 18, 2018 in the general rate case portion of this docket that led to the settlement included in this Stipulation. The Stipulating Parties participated in this settlement discussion, and no other parties participated in the discussions. As a result of those discussions,

the Stipulating Parties have reached a compromise settlement of several issues in this docket, as set forth below.

TERMS OF PARTIAL STIPULATION

1. This Stipulation resolves only the general rate case issues described below.
2. Cost of Capital (S-0). For determining rates in this case:
 - a. The Cost of Long-Term (LT) Debt will be set at 5.100% and PGE will strive to secure longer term debt in any future near-term issuances in order to smooth out future debt maturity cycles.
 - b. The Return on Equity will be 9.500%.
 - c. The assumed debt to equity ratio will be 50/50.
3. Uncollectibles (S-1). PGE will reduce its uncollectible rate to 0.32635% based on a three-year average of actual write-offs for calendar years 2015-2017.
4. OPUC Fees (S-2). PGE will apply a 0.3211% OPUC Fee rate on the non-incremental revenue requirement in this case. PGE will also reduce the OPUC Fee amount to reflect a 0.3000% rate on the incremental revenue requirement of this case.
5. Interest Synchronization (S-3). PGE and Staff agree that their respective calculations align. There is no change to revenue requirement.
6. Franchise Fee rate (S-4). A Franchise Fee rate of 2.538% will be used, as filed by PGE.
7. Research and Development (S-13). Research and Development (“R&D”) costs will be reduced by \$600,000 to \$2.6 million. PGE will determine the percentage of fixed Transmission and Distribution (“T&D”) and Generation Operations and Maintenance (“O&M”) costs (excluding Boardman) in the test year forecast that \$2.6 million represents and the Stipulating Parties agree to apply that percentage from this rate case to determine

a presumptive reasonableness of R&D costs in PGE's next three rate cases, or 10 years, whichever occurs first. PGE will report this percentage and calculation in conjunction with its compliance filing after the final order is issued. PGE will also hold an annual R&D presentation at a party workshop and, if asked by the Commission, will make a presentation at a public meeting regarding planned future R&D efforts as well as report on progress of R&D activities to date.

8. Membership and Dues, and Cash Contributions (S-20 and S-21). PGE will reduce its request for Membership and Dues and Cash Contributions by \$250,000.
9. Non-Labor Generation and T&D O&M (S-23 and S-24). PGE will reduce its non-labor generation and T&D O&M forecast by \$2.5 million. The allocation of this adjustment will be weighted 33.928% to T&D O&M and 66.072% to Generation O&M.
10. Directors and Officers Insurance (S-25). Forecast Directors and Officers Insurance costs will be reduced by \$267,000.
11. 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.
12. 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.
13. 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.

14. 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.
15. 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.

16. 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 15 day of August, 2018.



PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

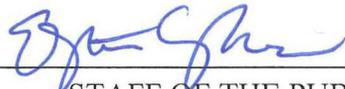
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OF OREGON

ALLIANCE OF WESTERN
ENERGY CONSUMERS

THE KROGER CO.

WALMART

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A handwritten signature in blue ink, appearing to read "W. P. G. S.", is positioned below the text of the Public Utility Commission of Oregon.

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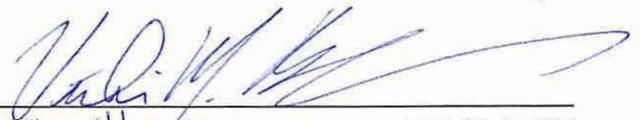
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Its attorney WARMART