ITEM NO. CA14

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 15, 2025

REGULAR ____ **CONSENT** X **EFFECTIVE DATE** April 16, 2025

DATE: April 4, 2025

TO: Public Utility Commission

FROM: Bret Stevens

THROUGH: Scott Gibbens **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UE 430/Advice No. 24-38)
Investigation into New Load Connection Costs.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE) filing of Advice No. 24-38, with Less Than Statutory Notice, effective for service on and after April 16, 2025.

DISCUSSION:

Issue

Whether the Commission should approve PGE's changes to Rule C – Conditions Governing Consumer Attachments to Facilities and Rule I – Line Extensions in Docket No. UE 430/Advice No. 24-38, Investigation into New Load Connection Costs.

Applicable Law

ORS 757.205 requires public utilities file to all rates, rules, and charges with the Commission. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable under ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting

change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

ORS 757.210 (1)(a) provides:

> Whenever any public utility files with the Public Utility Commission any rate or schedule of rates stating or establishing a new rate or schedule of rates or increasing an existing rate or schedule of rates, the commission may, either upon written complaint or upon the commission's own initiative, after reasonable notice, conduct a hearing to determine whether the rate or schedule is fair, just and reasonable. The commission shall conduct the hearing upon written complaint filed by the utility, its customer or customers, or any other proper party within 60 days of the utility's filing; provided that no hearing need be held if the particular rate change is the result of an automatic adjustment clause. At the hearing the utility shall bear the burden of showing that the rate or schedule of rates proposed to be established or increased or changed is fair, just and reasonable. The commission may not authorize a rate or schedule of rates that is not fair, just and reasonable.

ORS 757.215 provides:

(1) The Public Utility Commission may, pending such investigation and determination, order the suspension of the rate or schedule of rates for a period of up to nine months beyond the time when such rate or schedule would otherwise go into effect.

(2) This section does not prevent the commission and the utility from entering into a written stipulation at any time extending any period of suspension.

(3) After full hearing, whether completed before or after such rate or schedule has gone into effect, the commission may make such order in reference thereto as would be proper in a proceeding initiated after such rate or schedule has become effective.

(4) If the commission is required to or determines to conduct a hearing on a rate or schedule of rates filed pursuant to ORS 757.210, but does not order a suspension thereof, any increased revenue collected by the utility as a result of such rate or rate schedule becoming effective shall be received subject to being refunded. If the rate or rate schedule thereafter approved by the commission is for a lesser increase or for no increase, the utility shall refund the amount of revenues received that exceeds the amount approved

as nearly as possible to the customers from whom such excess revenues were collected, by a credit against future bills or otherwise, in such manner as the commission orders.

(5) The commission may in a suspension order authorize an interim rate or rate schedule under which the utility's revenues will be increased by an amount deemed reasonable by the commission, not exceeding the amount requested by the utility. Any such interim increase for a public utility as defined in ORS 757.005 that produces, transmits, delivers or furnishes heat, light or power shall be effected by rates designed to increase the utility's revenues without materially changing the revenue relationships among customer classes or between the revenues derived from demand charges and from energy charges. An interim rate or rate schedule shall remain in effect until terminated by the commission. Upon completion of the hearing and decision, the commission shall order the utility to refund that portion of the increase in the interim rate or schedule that the commission finds is not justified. Any refund of an interim increase under this subsection shall be based upon an analysis of the utility's earnings for a period reasonably representative of the period during which the interim increase was in effect. Refunds shall be made as nearly as possible to the customers against whom the interim rates were charged, by credits against future bills or in such other manner as the commission orders.

(6) Refunds ordered by the commission under subsection (4) or (5) of this section shall include interest on the amount determined to be subject to refund from the date such interim rate or rate schedules took effect.

Analysis

Background
On October 30, 2023, the Commission adopted certain stipulations regarding PGE's request for a general rate revisions and an update to PGE's 2024 annual power costs in Order No. 23-386.[1] Under the fourth partial stipulation, the parties agreed to open an investigation to address new load connection costs.[2] This agreement followed Staff testimony regarding the cost recovery of certain transmission projects located in areas where new large load was being connected.[3,4] The Commission adopted the fourth

[1] *In the Matter of Portland General Electric Company, Request for a General Rate Revision; and 2024 Annual Power Cost Update, Docket No. UE 416, Order No. 23-386 (October 30, 2023).*
[2] *Id.* at 14.
[3] Docket No. UE 416, Staff/2000, Stevens/38-39.
[4] Docket No. UE 416, Staff/4100, Bolton-Stevens/1-6.

partial stipulation and directed the Administrative Hearings Division (AHD) to open a docket and set a schedule.[5]

On December 1, 2023, Chief ALJ Moser issued a memorandum opening Docket No. UE 430 and indicating that the proceeding will initially be conducted as a non-contested case but may transition to a contested matter at a later date.[6] On December 19, 2023, Staff and PGE filed a letter proposing a preliminary schedule that would move the filing date for PGE's proposal to March 31, 2024, with final party comment submissions due by June 30, 2024.[7] However, PGE subsequently filed three additional extensions.

PGE filed its third, and final, extension on October 23, 2024.[8] The Oregon Citizens' Utility Board (CUB) filed a response in opposition and motion to establish a procedural schedule on October 25, 2024.[9] On October 30, 2024, Judge Katharine Mapes filed a motion granting PGE's request for an extension and granted CUB's request for a procedural schedule in part – allowing discovery to begin November 15, 2024.[10] PGE filed its proposal on December 20, 2024.[11] PGE also published two Supplemental Filings on February 14, 2025 and February 21, 2025, respectively. The First Supplemental Filing extended the rate effective date from February 19, 2025 to March 5, 2025, and committed PGE to publish an additional filing addressing Staff concerns. PGE's Second Supplemental Filing amended tariff language to clarify certain issues raised by Staff.

At the March 4, 2025, Regular Public Meeting Staff presented its recommendation to the Commission on this issue. Staff recommended that the Commission accept PGE's proposed tariffs with certain terms being subject to change pending a subsequent investigation. In Order No. 25-091 the Commission suspended the tariff for

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[5] *In the Matter of Portland General Electric Company, Request for a General Rate Revision; and 2024 Annual Power Cost Update, Docket No. UE 416, Order No. 23-386 (October 30, 2023), at 14.*
[6] Docket No. UE 430, Memorandum Opening Docket and Notice of Scheduling of Status Conference, December 1, 2023, accessed at: https://edocs.puc.state.or.us/efdocs/HDA/ue430hda84730.pdf.
[7] Docket No. UE 430, Staff's Letter in Response to ALJ Conference Memorandum, December 19, 2023, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/ue430hac325667023.pdf.
[8] Docket No. UE 430, Company's Motion for Extension of Time, October 23, 2024, accessed at: https://edocs.puc.state.or.us/efdocs/HAO/ue430hao332313025.pdf.
[9] Docket No. UE 430, Oregon Citizen's Utility Board Response to PGE's Fourth Request for Extension & Motion to Establish Procedural Schedule, October 25, 2024, accessed at: https://edocs.puc.state.or.us/efdocs/HAC/ue430hac332424033.pdf.
[10] Docket No. UE 430, Motion for Extension of Time Granted; Motion to Establish a Procedural Schedule Granted in Part and Denied in Part, October 30, 2024, accessed at: https://edocs.puc.state.or.us/efdocs/HDA/ue430hda332599025.pdf.
[11] Docket No. UE 430, PGE's Direct Testimony and Exhibits, December 20, 2024, accessed at: https://edocs.puc.state.or.us/efdocs/HTB/ue430htb333702025.pdf.

investigation and hearing. However, the Commission also stated that PGE may submit a revised tariff, subject to the condition that the tariff specify that for any Customer Service Contracts signed after the tariff effective date, all contract terms would be subject to change, pending the outcome of UE 430 and the newly created UM 2377.

On April 1, 2025, PGE filed their Third Supplemental Filing of Docket No. UE 430/ Advice No. 24-38, which exercises the option provided by the Commission in Order No. 25-091.

Staff Analysis
PGE's proposal is unchanged from what was presented in the March 4, 2025, Regular Public Meeting, except for the addition of the following language:

> **J. Subject to Revision**
> For any Customer Service Contract signed after April 16, 2025, all contract terms are subject to change pending and based upon Commission final orders in Commission Docket Nos. UE 430 and UM 2377.

This language is consistent with the Commission's direction in Order No. 25-091. In effect, this filing would allow PGE to begin working with large customers – conducting facilities studies and creating an interconnection queue as outlined in the tariff. While this does provide protections for other customers against cross-subsidization, the terms of any agreement signed by PGE and any new large customers would still be subject to decisions made in UM 2377. With this filing, UE 430 will close and all large load issues will be discussed in UM 2377, thus streamlining the discussion of these issues.

Conclusion

Staff has reviewed the Company's filing and finds that it is consistent with Order No. 25-091. This filing has no monetary effect on rates.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 24-38, which affects Rule C – Conditions Governing Consumer Attachments to Facilities and Rule I – Line Extensions, with Less Than Statutory Notice, effective for service on or after April 16, 2025.