



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

January 11, 2017

E-Mail

puc.filingcenter@state.or.us

Public Utility Commission of Oregon
201 High St., SE, Ste. 100
P. O. Box 1088
Salem, OR 97308-1088

Attn: Commission Filing Center

Re: UM XXXX - PGE's Application for the Deferral Accounting of Storm-Related Restoration Costs

Enclosed for filing is Portland General Electric Company's Application for Deferred Accounting of Storm-Related Restoration Costs.

A Notice of Application regarding the filing of this application will be sent electronically to parties on the UE 294 service list.

Thank you for your assistance in this matter. If you have any questions or require further information, please call Alex Tooman at 503-464-7623.

Please direct all formal correspondence, questions, or requests to the following e-mail address:
pge.opuc.filings@pgn.com.

Sincerely,

Patrick Hager
Patrick G. Hager *by KSW*

Manager, Regulatory Affairs

Encls.

cc: Bob Jenks, CUB
Tyler Pepple, ICNU
Service List: UE 294

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of Portland)	Application for the Deferral Of Storm-Related
General Electric Company for an Order)	Restoration Costs
Approving the Deferral of Storm-Related)	
Restoration Costs)	

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company ("PGE") hereby requests an accounting order authorizing PGE to defer for later ratemaking treatment outage restoration costs from the extreme weather event in PGE's service territory (the "Deferred Amount"). PGE seeks authorization to defer the outage restoration costs incurred from the date of this application through the completion of associated storm restoration efforts at the end of 2017 (the "Deferral Period"). PGE will seek amortization of the Deferred Amount in a future Commission proceeding. In support of this Application PGE states:

1. PGE is a public utility in the state of Oregon and its rates, service and accounting practices are subject to the regulation of the Oregon Public Utility Commission ("Commission").
2. This application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation in rates.
3. Communications regarding this Application should be addressed to:

Douglas C. Tingey
Associate General Counsel
Portland General Electric
1 WTC1301
121 SW Salmon Street
Portland, OR 97204
Phone: 503.464.8926
E-mail: doug.tingey@pgn.com

PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric
1 WTC 0306
121 SW Salmon Street
Portland, OR 97204
Phone: 503.464.8929
E-mail: pge.opuc.filings@pgn.com

In addition to the names and addresses above, the following are to receive notices and communications via the e-mail service list:

Alex Tooman, Project Manager, Regulatory Affairs
E-mail: Alex.Tooman@pgn.com

I. OAR 860-027-0300(3) Requirements

The following is provided pursuant to OAR 860-027-0300(3):

A. Background Description

PGE is experiencing an extreme winter weather event which began the evening of January 10 that is causing extensive damage to PGE's transmission and distribution network and loss of power to customers. Weather forecasters expect several inches of snow and below freezing weather in PGE's service territory. Because of the damage and power outages produced by the severe weather, PGE expects that it will incur significant costs to restore power within its service territory. These costs will exceed:

1. PGE's normal restoration costs for typical winter weather; and
2. PGE's storm deferral reserve account as established by Commission Order No. 10-478 (Docket No. UE 215). The number of level 3 storms in recent winters (primarily related to high wind events) has depleted PGE's storm reserve account. As a result, expected restoration costs for this storm (and subsequent major storms for the remainder of 2017) will surpass the normal business risk associated with severe weather and would no longer be recovered through retail rates.

Consequently, PGE proposes to establish a new deferral account to record the costs associated with major-storm-related restoration efforts during 2017. PGE will track the expenses accordingly and will defer the costs, net of the \$2 million included in customer prices, for future ratemaking treatment.

B. Reasons for Deferral

Pursuant to ORS 757.259(2)(e), for the reasons discussed above, PGE seeks deferred accounting treatment for the winter storm restoration efforts beginning January 11, 2017 and through the remainder of 2017. The granting of this Application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. Approving the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

C. Proposed Accounting for Recording Amounts Deferred.

PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), crediting FERC Account 407.4 (Regulatory Credits). In the absence of a deferred accounting order, the costs would likely be debited to FERC 593, Maintenance of Overhead Lines.

D. Estimate of Amounts to be Recorded for the Next 12 months.

The projected total cost to restore PGE's transmission and distribution service is unknown, but estimated to be at least \$5 million for this storm. Final total costs may differ because the extent of the storm damage will not be known until full restoration is achieved. PGE will deduct any unused storm reserve amount from 2017 storm restoration costs to be deferred.

E. Notice

A copy of the Notice of Application for Deferral of Outage Restoration Costs and a list of persons served with Notice are attached to the application as Attachment A. In compliance with the provisions of 860-027-0300(6), PGE is serving Notice of Application on the UE 294 Service List, PGE's last general rate case.

II. Summary of Filing Conditions

A. Earnings Review

Recovery of the storm restoration costs will be subject to an earnings review in accordance with ORS 757.259(5).

B. Prudence Review

A prudence review should be performed as part of the amortization filing.

C. Sharing

All prudently incurred costs are to be recoverable by PGE with no sharing mechanism.

D. Rate Spread/Rate Design

The rate spread/rate design will be consistent with the prevailing rate spread/rate design at the time of the amortization.

E. Three percent test (ORS 757.259(6))


The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year. The limit of this deferral, if any, will be determined at the time of amortization.

III. Conclusion

For the reasons stated above, PGE requests permission to defer the outage restoration costs from the date of this application until the associated restoration activities are completed.

DATED this January 11, 2017.

Respectfully Submitted,


Patrick G. Hager
Manager, Regulatory Affairs *by KSW*
On Behalf of Portland General Electric Company
Phone: 503-464-8929
Fax: 503-464-7651
E-Mail: Patrick.Hager@pgn.com

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Attachment A

**Notice of Application for Deferral of
Storm-Related Restoration Costs**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Storm-Related Restoration Costs) **Notice of Application for the Deferral of Storm-Related Restoration Costs**
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On January 11, 2017, Portland General Electric Company (“PGE”) filed an application with the Oregon Public Utility Commission (the “Commission”) for an Order authorizing deferral of storm-related restoration costs.

Approval of PGE’s Application will not authorize a change in PGE’s rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Persons who wish to obtain a copy of PGE’s application will be able to access it on the Public Utility Commission of Oregon website.

Any person who wishes to submit written comments to the Commission on PGE’s application must do so no later than February 11, 2017.


Dated this January 11, 2017.


Patrick G. Hager, *by KHW*
Manager Regulatory Affairs
Portland General Electric Company
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E-Mail: Patrick.Hager@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice of Application for Deferral of Storm-Related Restoration Costs** to be served to those parties whose e-mail addresses appear on the attached service lists for OPUC Docket No. UE 294.

Dated at Portland, Oregon, January 11, 2017.


Patrick G. Hager, *by KDW*
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SERVICE LIST
OPUC DOCKET # UE 294

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