



Portland General Electric
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October 31, 2023

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, S.E.
P.O. Box 1088
Salem, OR 97308-1088

RE: Advice No. 23-22, Schedule 146, Colstrip Power Plant Operating Life Adjustment

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes (ORS) 757.205 and 757.210, Oregon Administrative Rules (OARs) 860-022-0025, 860-022-0030, and Commission Order 22-129 for filing proposed tariff sheets associated with Tariff P.U.C. No. 18 with a requested effective date of **January 1, 2024**:

Sixth Revision of Sheet No. 146-1
Fifth Revision of Sheet No. 146-2

The purpose of this filing is to adjust Customer rates for recovery of the 2024 revenue requirement for PGE's ownership share of the Colstrip generation plant.

Commission Order No. 22-129 in Docket UE 394 adopted the stipulated agreement providing for PGE to annually calculate and update an isolated revenue requirement reflecting the subsequent year's change in the Colstrip Power Plant Units 3 and 4 costs. This followed the change in Colstrip's depreciable life from year-end 2030 to year-end 2025, as established and approved in Docket UM 2152, PGE's 2021 depreciation study. The initial Schedule 146 was approved in PGE's compliance filing for UE 394 in June 2022 to recover the isolated Colstrip revenue requirement.

The isolated Colstrip revenue requirement for 2024 is \$71.0 million consisting of 2024 forecasted operations and maintenance costs, plant amounts as of December 31, 2023, and all associated costs. Schedule 146 is comprised of three components: decommissioning amounts, depreciation amounts, and remaining amounts.

For decommissioning-related amounts only, PGE maintains a balancing account to track and reconcile actual revenues to the revenue requirement for Part A. For 2024, actual revenues are expected to be approximately \$26,000 less than the Part A revenue requirement. Adding this balance to the 2024 revenue requirement yields a total requirement of \$71.1 million. This amount will be recovered by all PGE Customers except long-term opt out Customers.

To satisfy the requirements of OAR 860-022-0025(2) and 860-022-0030, PGE provides the following responses:

PGE estimates that approximately 940,000 Cost of Service (COS) Customers will be impacted by this overall \$3.3 million or 0.1% increase in total COS revenues. A typical Schedule 7 Customer consuming 795 kWh monthly will see a bill increase of \$0.08.

Work papers detailing the isolated Colstrip revenue requirement, Schedule 146 price development, updated tariff sheets, and bill comparisons are enclosed.

Please direct any questions regarding this filing to Bruce Service at bruce.service@pgn.com. Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

\s\ Robert Macfarlane

Robert Macfarlane
Manager, Pricing and Tariffs

Enclosures

PGE Advice No. 23-22
Work Papers

Provided in electronic format and password protected

**SCHEDULE 146
COLSTRIP POWER PLANT
OPERATING LIFE ADJUSTMENT**

PURPOSE

This schedule establishes the mechanism to implement in rates the Company's share of the full revenue requirement for the Colstrip Power Plant Units 3 and 4 and associated common facilities. This schedule is implemented as an "automatic adjustment clause" as defined in ORS 757.210.

APPLICABLE

To all bills for Electricity Service except Schedules 76R, 485, 489, 490, 491, 492, 495, 576R and 689.

ADJUSTMENT RATES

Schedule 146 Adjustment Rates will be set based on an equal percent of Energy Charge revenues applicable at the time of any filing that revises rates pursuant to this schedule.

<u>Schedule</u>	<u>Adjustment Rate</u>
7	0.403 ¢ per kWh
15/515	0.295 ¢ per kWh
32/532	0.360 ¢ per kWh
38/538	0.347 ¢ per kWh
47	0.402 ¢ per kWh
49/549	0.424 ¢ per kWh
75/575	
Secondary	0.326 ¢ per kWh
Primary	0.322 ¢ per kWh
Subtransmission	0.328 ¢ per kWh
83/583	0.353 ¢ per kWh
85/585	
Secondary	0.345 ¢ per kWh
Primary	0.319 ¢ per kWh
89/589	
Secondary	0.326 ¢ per kWh
Primary	0.322 ¢ per kWh
Subtransmission	0.328 ¢ per kWh

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SCHEDULE 146 (Continued)

ADJUSTMENT RATE (Continued)

<u>Schedule</u>	<u>Adjustment Rate</u>
90/590	
Primary 30-250 MWa	0.313 ¢ per kWh
Primary >250 MWa	0.305 ¢ per kWh
Subtransmission	0.305 ¢ per kWh
91/591	0.295 ¢ per kWh
92/592	0.315 ¢ per kWh
95/595	0.295 ¢ per kWh

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PART A- DECOMMISSIONING AMOUNTS

Part A consists of the revenue requirements related to decommissioning of the Colstrip Power Plant Units 3 and 4. The decommissioning revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return and return on equity rates.

PART B- DEPRECIATION AMOUNTS

Part B consists of the revenue requirements related to depreciation of the Colstrip Power Plant Units 3 and 4. The depreciation revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return and return on equity rates.

PART C- REMAINING AMOUNTS

Part C consists of the full revenue requirement associated with the Colstrip Power Plant Units 3 and 4 and associated common facilities (including all identifiable capital- and expense-related costs and other revenues), excluding associated transmission facilities, costs allowable for recovery through PGE’s existing Schedule 125 (Annual Power Cost Update), and amounts identified in Parts A and B above. The revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return, and return on equity rates.