



**Portland General Electric Company**  
121 SW Salmon Street • 1WTC0306 • Portland, OR 97204  
portlandgeneral.com

January 16, 2024

***Via Electronic Filing***

Public Utility Commission of Oregon  
Attention: Filing Center  
P. O. Box 1088  
Salem, OR 97308-1088

**Re: UM XXXX - PGE's Application for Authorization to Defer Critical Storm Restoration Costs**

Enclosed for filing is Portland General Electric Company's ("PGE") Application for Authorization to Defer Emergency Restoration Costs.

A Notice regarding the filing of this application has been provided to the parties on the PGE's last general rate case service list (UE 416).

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at (503) 464-7488.

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

Sincerely,

*/s/ Jaki Ferchland*

Jaki Ferchland  
Sr. Manager, Revenue Requirement

JF/dm  
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM \_\_\_\_\_

IN THE MATTER OF

PORTLAND GENERAL ELECTRIC  
COMPANY

DEFERRAL OF CRITICAL STORM  
RESTORATION COSTS

**APPLICATION FOR THE DEFERRAL  
OF CRITICAL STORM RESTORATION  
COSTS**

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company (PGE) hereby requests authorization to defer for later rate-making treatment, recovery of outage, repair and restoration costs from the extreme ice and winter storm weather event that began on January 13, 2024, and continues to dramatically impact customers, communities, and electric systems across our service territory (the Deferred Amount). PGE seeks authorization to defer the costs incurred for this event through the completion of any additional restoration efforts through the end of 2024 (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 Public Utility Commission of Oregon (Commission or OPUC).
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:

Jaki Ferchland  
Rates & Regulatory Affairs  
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Portland, OR 97204  
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Email: [jacquelyn.ferchland@pgn.com](mailto:jacquelyn.ferchland@pgn.com)

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

Greg Batzler  
Sr. Regulatory Consultant  
E-mail: [Greg.Batzler@pgn.com](mailto:Greg.Batzler@pgn.com)

PGE-OPUC Filings  
[pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

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

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

**A. Background Description**

On January 13, 2024, a severe winter weather event began causing extensive damage to PGE's transmission and distribution network, with over 165,000 customers out of service at the peak of the storm to date. Emergency declarations have been made by the Cities of Portland and Lake Oswego as well as Multnomah County. These areas represent a meaningful portion of PGE's service area impacted by severe weather that resulted in extremely hazardous conditions, snow and ice accumulation, high winds, critical transportation failures, and widespread loss of power and communications capabilities. Due to forecast of continued severe winter weather conditions over the next few days, this storm event is still ongoing. Because of the magnitude and potential duration of the event, PGE's efforts to fully restore service and repair damage are ongoing. At this time, restoration costs exceed \$10 million.

As of the time of filing this Application, the Oregon Department of Emergency Management has activated the State Emergency Coordination Center. PGE considers the existing

state of the storm and emergency declarations by relevant government agencies to be consistent with the Commission's desire to establish a pre-filed emergency deferral account for emergency events, natural disaster and extreme weather that significantly impact utility systems as discussed in Order No. 21-259, which authorizes utilities to have pre-filed emergency deferrals. PGE intends to discuss with the OPUC Staff and others the appropriate use of the current emergency deferral mechanism authorized under Order No. 21-309 and may ultimately seek to track these storm-related expense as an Emergency Deferral under Docket UM-2190 should a state of emergency be declared by the governor. PGE's filing under its current circumstances is consistent with the intent of the emergency deferral. Though a governor-declared state of emergency has not been called, the use of the mechanism may be appropriate under this circumstance. PGE will track the costs associated with the service restoration efforts to facilitate Commission determination applicable to this request.

**B. Reasons for Deferral**

PGE seeks this deferral pursuant to ORS 757.259(2)(e). This deferral will match appropriately the costs borne by and benefits received by customers. PGE also seeks this deferral because the extensive damage and considerable repair and restoration costs will significantly exceed: 1) normal restoration costs that are incorporated in PGE's retail rates; and 2) the reasonable business risk associated with outage restoration. Although assessing the impacts of the current event will take time to evaluate, it appears that costs are likely to significantly exceed the amount available in the Level III reserve account established by Commission Order Nos. 10-478 (Docket No. UE 215) and 22-129 (Docket No. UE 394).

Under ORS 757.259(2)(e), deferral of utility expenses or revenues is allowed when it will appropriately match the costs borne and benefits received by customers. Deferral of these

restoration costs will align the costs of PGE's service with the benefits PGE customers receive from such service.

**C. Proposed Accounting**

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 be debited to a variety of cost accounts.

**D. Estimate of Amounts**

The projected total cost to restore electric service to customers and repair transmission and distribution systems and related facilities is currently unknown but has already exceeded \$10 million. In addition, because of the extensive nature of the damage, PGE requests that the Deferred Amount include both capital-related and operations and maintenance costs as both are being incurred as part of the restoration effort. Deferral of capital-related costs is permitted in accordance with Commission Order No. 20-147.

**E. Notice**

A copy of the Notice of Application for Deferral of Emergency Restoration Costs and a list of persons served with the Notice are attached to the application as Attachment A.

**II. Summary of Filing Conditions:**

**A. Earnings Review:**

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

**B. Prudence Review:**

A prudence review will be performed by the Commission Staff no later than the proceeding to authorize amortization of the emergency restoration costs.

**C. Sharing Percentages:**

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 determined during the proceeding to authorize amortization of the emergency restoration costs.

**E. Three Percent Test:**

The amortization of the emergency restoration costs will be subject to the three percent test in accordance with ORS 757.259(7) and (8), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

**III. Conclusion**

For the reasons stated above, PGE requests permission to defer the emergency restoration costs for this and subsequent Level III events through year-end 2024.

DATED January 16, 2024.

Respectfully Submitted,

*/s/ Jaki Ferchland*

Jaki Ferchland  
Senior Manager, Revenue Requirement  
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# **Attachment A**

## **Notice of Application for Deferral of Emergency Restoration Costs**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM \_\_\_\_\_**

IN THE MATTER OF

PORTLAND GENERAL ELECTRIC  
COMPANY

DEFERRAL OF CRITICAL STORM  
RESTORATION COSTS

**NOTICE OF APPLICATION FOR THE  
DEFERRAL OF CRITICAL STORM  
RESTORATION COSTS**

On January 16, 2024, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (the Commission or OPUC) for an Order authorizing deferral of Critical Storm 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.

This application is on the OPUC website. Persons who wish to obtain a copy of PGE’s application will be able to access it on the OPUC website.

Any person who wishes to submit written comments to the Commission on PGE’s application must do so no later than February 12, 2024.

Dated this January 16, 2024.

*/s/ Jaki Ferchland*

Jaki Ferchland  
Senior Manager, Revenue Requirement  
Portland General Electric Company  
121 SW Salmon Street, 1WTC0306  
Portland, OR 97204  
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## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice of Application for Deferral of Critical Storm Restoration Costs** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UE 416.

Dated at Portland, Oregon, January 16, 2024.

*/s/ Jaki Ferchland*

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