



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

April 23, 2018

via email

puc.filingcenter@state.or.us

Public Utility Commission of Oregon
Attn: OPUC Filing Center
201 High Street, Ste. 100
P. O. Box 1088
Salem, OR 97308-1088

**Re: UM ____ PGE's Application for Deferred Accounting of Costs and Revenues
Associated with the Transportation Electrification Plan**

Enclosed for filing is Portland General Electric Company's application for deferred accounting of Costs and Revenues Associated with the Transportation Electrification Plan.

A Notice regarding the filing of this application has been provided to the parties on the UE 335 and UM 1811 service lists.

Parties who wish to receive a copy of this Application should review the Public Utility Commission of Oregon website.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at (503) 464-7805 or 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,

A handwritten signature in black ink, appearing to read "Stefan Brown", written over a white background.

Stefan Brown
Manager, Regulatory Affairs

SB:np

Encls.

cc: CUB and AWEC

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

| | | |
|--|---|---|
| In the Matter of the Application of Portland |) | Application for the Deferral of Costs and |
| General Electric Company for an Order |) | Revenues Associated with Transportation |
| Approving the Deferral of Costs and Revenues |) | Electrification Pilots |
| Associated with Transportation Electrification |) | |
| Pilots |) | |

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company (“PGE”) hereby respectfully requests authorization to defer the costs and revenues associated with the Transportation Electrification Pilots (“Pilots”) approved by Public Utility Commission of Oregon (“Commission”), Order No. 18-054 (Docket No. UM 1811). In addition, this filing is being made to initiate a deferral that will support an automatic adjustment clause rate schedule. The automatic adjustment clause entails deferring the incremental costs incurred for Pilots’ 10-year period as described below. We request this deferral to be effective as of the filing date.

Because there is currently an investigation into the Commission’s authority to allow deferral of capital-related costs (Docket No. UM 1909 or UM 1909), PGE recognizes that this deferral filing will depend on the final decision in UM 1909. As a result, PGE is also submitting a request for accounting order in relation to the costs and revenues associated with the Transportation Electrification Pilots. Both of these filings will relate to the cost recovery tariff that is being filed in conjunction with these costs and revenues: 1) as an automatic adjustment clause for the deferral, and 2) as a tracker filing for the request for accounting order. Ultimately, PGE believes that deferred accounting with an automatic adjustment clause to be the more appropriate treatment.

In support of this application (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 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 into rates.
3. Written communications regarding this Application should be addressed to:

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Associate General Counsel
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Phone: 503.464.8926
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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:

Rob Macfarlane, Interim Manager
E-mail: Rob.Macfarlane@pgn.com

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

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

A. Background

In accordance with Commission Order No. 18-054 and OAR 860-087-0030, PGE has developed three Pilots: Electric Avenue (10 years), TriMet Mass Transit (10 years), and Education and Outreach (3 years) plus evaluation costs. More specifically these pilots include:

- Expansion of Electric Avenue to include six new utility-owned charging stations and increasing availability of charging to those in lower income communities who may not otherwise have access to these chargers.

- Supporting TriMet in mass transit electrification efforts, installing all needed charging infrastructure to support a completely electric route. This effort will allow TriMet to purchase an additional bus for the route.
- An education and outreach program that will include technical assistance for non-residential customers, builders' facilities outreach, ride and drive events, and regional market transformation activities. These outreach activities will promote the adoptions of EVs through working to promote development of standards and best practices, increasing awareness of the ease of integrating EV charging into new buildings, providing potential buyers the opportunity to obtain hands-on experience with EVs, and provide training and support for non-residential customers who are contemplating workplace charging for fleet or other vehicles.

In addition, PGE will incur costs associated with the evaluation of the Pilots. The complete details of the Pilots are discussed in PGE's supplemental application for transportation electrification programs filed March 15, 2017 (Docket No. UM 1811).

To address cost recovery for the Pilots, PGE requests approval to:

- a. Defer incremental costs associated with the TriMet Electric Mass Transit pilot. These costs include, but are not limited to: procurement, management, and maintenance.
- b. Defer incremental costs associated with Education and Outreach pilot. These costs include, but are not limited to: specialized trainings, builders' facilities outreach, ride and drive events, and regional market transformation activities.
- c. Defer incremental costs associated with the Electric Avenue pilot. Costs may include, but are not limited to: procurement, installation, maintenance,

software, engineering studies, outreach, and payment processes. Additionally, PGE requests a Balancing Account for the Electric Avenue pilot, as it will generate revenues via consumer use of chargers.

d. Defer incremental costs associated with evaluation of the Pilots.

As PGE presented in the UM 1811 Transportation Electrification workshops, approval of a cost-recovery mechanism is necessary to proceed with the Pilots because the costs are not included in any other recovery mechanism. PGE proposes that the deferral be active for ten years (to be re-authorized each year) and will entail the maximum allowable cost of \$4.3 million (10-year net present value – in 2017 dollars) as approved by Commission Order No. 18-054, and listed in Table 1, below.

Table 1
Maximum Allowable Costs
10-Year Net Present Value (2017 Dollars)

| Pilot | Amount (000's) |
|------------------------------------|-----------------------|
| TriMet Electric Mass Transit Pilot | \$800 |
| Education and Outreach Pilot | \$400 |
| Electric Avenue Pilot | \$2,600 |
| Evaluations | <u>\$500</u> |
| Total | \$4,300 |

B. Reasons for Deferral

Pursuant to ORS 757.259(2)(e), for the reasons discussed above, PGE seeks deferred accounting treatment for the Pilots. The granting of this Application will minimize the frequency of rate changes and/or match appropriately the costs borne by and benefits received by customers. The approval of the Application will support the use of an automatic adjustment

clause rate schedule, which will provide for changes in rates reflecting incremental costs associated with the Pilots. During the 10-year pilot program, PGE's cost recovery will be subject to an automatic adjustment clause deferral.

C. Proposed Accounting for Recording Amounts Deferred.

PGE proposes to record the deferred amount as a regulatory asset in FERC account 182.3, Other Regulatory Assets, with a credit to FERC account 456, Other Revenue. As noted above, in the absence of approval of a cost recovery mechanism from the Commission, PGE would not implement the Pilots.

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

PGE estimates the revenue requirement of the Pilots to be approximately \$0.8 million for the next 12 months. This will consist of approximately \$2.3 million in capital and \$0.6 million in operation and maintenance expense (see work papers for additional detail). Because the pilot includes capital costs, PGE proposes to defer the revenue requirement of all costs, including return of and on capital as approved by Senate Bill 1547, Section 20(5)(B)(b), "A return on investment allowed under this subsection may be earned for a period of time that does not exceed the depreciation schedule of the investment approved by the commission."

E. Notice

A copy of the notice of application for deferred accounting treatment 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 UM 1811 Service List and the service list from PGE's current General Rate Case, UE 335.

II. Summary of Filing Conditions

A. Earnings Review

PGE proposes that cost recovery associated with the Pilots not be subject to an earnings review since it would be subject an automatic adjustment clause.

B. Prudence Review

PGE will submit pilot evaluation reports that will provide detailed cost summaries. A prudence review can also be performed during the pilot's operations.

C. Sharing

All prudently incurred cost and benefits, would be collected or refunded from or to customers with no sharing mechanism.

D. Rate Spread/Rate Design

Costs will be allocated using the applicable rate schedule's forecasted energy on the basis of an equal percent of revenues applied on a cents per kWh basis to each applicable rate schedule.

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

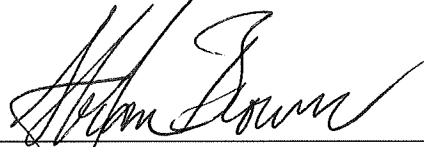
The amortization of the Pilot's deferred costs will be subject to the three percent test in accordance with the ORS 757.259(7) and (8), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

III. Conclusion

For the reasons stated above, PGE requests permission to defer the costs and revenues associated with the Pilots.

DATED this April 23, 2018.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Stefan Brown', written over a horizontal line.

Stefan Brown
Manager, Regulatory Affairs
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Attachment A

Notice of Application for the Deferral of Costs and Revenues Associated with the Transportation Electrification Pilots

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of Portland) **Notice of Application for the Deferral**
General Electric Company for an Order) **of Costs and Revenues Associated with**
Approving the Deferral of Costs and Revenues) **the Transportation Electrification**
Associated with Transportation Electrification) **Pilots**
Pilots


On April 23, 2018, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (the "Commission") for an Order authorizing deferral of costs and revenues associated with transportation electrification Pilots

Approval of PGE's Application will support the use of an automatic adjustment clause rate schedule, which will provide for changes in prices reflecting incremental costs associated with the Pilots.

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

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than May 23, 2018.

Dated this April 23, 2018.

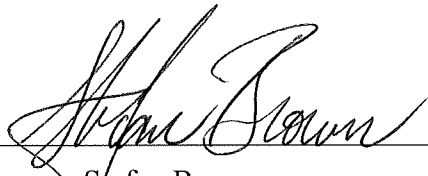


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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **Notice of Application for the Deferral of Costs and Revenues Associated with the Transportation Electrification Pilots** to be served by electronic mail to those parties whose email addresses appear on the attached service list to those parties on the attached service lists for OPUC Dockets UE 335 and UM 1811.

Dated at Portland, Oregon, this 23 day of April, 2018.



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Summary Report**UE 335 PGE GENERAL RATE REVISION****Category:** Electric Rate Case**Filed By:** PORTLAND GENERAL ELECTRICIn the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision.
Filed by Jay Tinker.

Served to Electric Industry List.

Filing Date: 2/15/2018 **Advice No:** 18-02**Effective Date:** **Expiration Date:** 12/20/2018 **Status:** SUSPENDED**Order:** **Signed:** 2/15/2018**SERVICE LIST:**OPUC DOCKETS
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Summary Report

UE 335 PGE GENERAL RATE REVISION

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Summary Report**UM 1811 PGE TRANSPORTATION ELECTRIFICATION PROGRAM APPLICATIONS****Category:** Miscellaneous**Filed By:** PORTLAND GENERAL ELECTRIC

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Transportation Electrification Programs. Filed by Karla Wenzel. (See also 1/17/17 and 3/16/17 filings).

Filing Date: 12/27/2016**Order:** 18-054 **Signed:** 12/27/2016**SERVICE LIST:**

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Summary Report

UM 1811 PGE TRANSPORTATION ELECTRIFICATION PROGRAM APPLICATIONS

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