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via email

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Chair Megan Decker
Commissioner Stephen Bloom
Commissioner Letha Tawney
PUC Staff
Public Utility Commission of Oregon
Attn: OPUC Filing Center
201 High Street, Ste. 100
Salem, OR 97308-1088

**Re: March 12, 2019 Public Meeting Item No. 2, General Electric Company's Requests
Authorization to Defer Expenses Associated with Storm Damage Restoration (Docket No. UM
1817)**

Dear Commissioners and Staff

Portland General Electric Company (PGE) provides the following response to the Public Meeting Memorandum issued by the Public Utility Commission of Oregon Staff on March 8, 2019 and the comments submitted by the Alliance of Western Energy Consumers (AWEC) and Oregon Citizens' Utility Board (CUB) on March 11, 2019.

PGE disagrees with the filed recommendations that the Commission deny PGE's request to defer costs associated with 2017 storm restoration. PGE also objects to the proposed resolution of this case without an evidentiary record and a hearing. Given the magnitude of costs and the complexity of the issues, PGE respectfully requests that the Commission set a schedule that includes an opportunity for PGE to file testimony and present its case at hearing. PGE's rights are being adjudicated in this contested case, and it has the right to be heard. *See* ORS 183.310(2)(a). In addition, ORS 757.259(2) provides for a hearing "if any party requests a hearing" in deferral filings. PGE respectfully requests a hearing under ORS 757.259(2).

PGE's request that the Commission establish contested case procedures is supported by the background of this filing. PGE filed its request for deferred accounting on January 11, 2017. Since then only two data requests have been issued by the OPUC Staff, and no other process has occurred in this proceeding until Friday, March 8, 2019. On that date, the OPUC Staff filed its report for the Public Meeting of Tuesday, March 12, recommending that the Commission deny PGE's request. This was followed on Monday, March 11, 2019, by AWEC and CUB, who filed comments in support of Staff's recommendation.

PGE believes this is improper in a number of ways. The requested Commission decision has both factual and policy aspects to it, and there is an insufficient record in this case to decide such issues. It also is inconsistent with Commission rules. If the Staff, CUB and AWEC filings are considered comments on

the deferral under the Commission rules, PGE has 10 days to respond. If Staff's filing is seen as a motion to dismiss this docketed matter, then PGE has 15 days to respond.

Hearings and additional process are not uncommon for deferrals of this nature. In fact, attorneys for OPUC Staff recommended further investigation into PGE's request to defer excess pension costs in Docket UM 1623, after the Industrial Customers of Northwest utilities filed comments recommending that the Commission reject PGE's application.

OPUC Staff's comments in Docket UM 1817 are essentially a summary of its testimony in Docket No. UE 335 (PGE's 2019 general rate case). The issue in docket UE 335, however, was PGE's request for a balancing account associated with its storm restoration accrual. This does not create a meaningful record for resolution of PGE's separate application in docket UM 1817.

Similar to their approach in docket UM 1623, CUB and AWEC propose to dismiss PGE's filing without any meaningful Commission review. At page 2 of their joint comments, they state that "Even assuming, however, that PGE's application satisfies the statutory requirements for a deferral, it fails to meet the Commission's discretionary standard for granting a deferral, discussed in Staff's memo" Staff's memo however, does not identify the specifics of a discretionary standard; Staff simply references other proceedings. CUB and AWEC also misrepresent PGE's recent use of deferral applications as deviations from Commission principles for deferred accounting (at page 3). In fact, the majority of PGE's recent deferral applications have been filed pursuant to Commission Orders and represent exceptional activities that are not appropriately included in base rates.¹

In Order 18-464 in docket UM 335, the Commission directed Staff to bring PGE's request before the Commission within three months from the date of the final order. Given the complex and contested issues involved, PGE construes this as direction to Staff to promptly commence a proceeding, not a basis for seeking a cursory dismissal of this filing before the record has been fully developed.

For these reasons, PGE requests that the Commission deny Staff's recommendation and CUB's and AWEC's comments, and instead, direct that a schedule be set for expeditious resolution of this filing, including the opportunity to present evidence at a hearing.

Sincerely,



Jay Tinker
Director, Regulatory Policy and Affairs

JT:np

cc: UM 1817 Service List

¹ For example, demand response programs pursuant to prior Commission Order; Storage and Transportation Electrification pursuant to state legislation; and Federal tax law changes due to Federal legislation.