



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

December 5, 2016

**Email /U.S. Mail**

[puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us)

Public Utility Commission of Oregon

**Attn: OPUC Filing Center**

201 High St. SE, Suite 100

P.O. Box 1088

Salem, OR 97308-1088

**Re: UM 1756 PGE's Application for Reauthorization to Defer  
Revenue Requirement Associated with 2016 Debt Issuances**

Enclosed for electronic filing is Portland General Electric Company's Application for Reauthorization to Defer the Revenue Requirement Associated with 2016 Debt Issuances for January 1, through December 31, 2017.

PGE originally received permission for this deferral through Commission Order No. 16-098. A Notice of Application regarding the filing of this reauthorization application has been served by electronic mail to those parties listed on the UE 294 and UM 1756 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at 503-464-8929.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan Brown".

Stefan Brown  
Manager, Regulatory Affairs

SB:sp

*encls.*

cc: Bob Jenks, CUB  
Bradley Van Cleve, ICNU  
Service Lists: UE 294 and UM 1756

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1756

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of the Revenue Requirement Associated with \$140 Million Debt Issuances

**Application for Reauthorization to Defer the Revenue Requirement Associated with 2016 Debt Issuances**

Pursuant to ORS 757.259 and OAR 860-027-0300, and Commission Order No. 16-098, Portland General Electric Company ("PGE") hereby requests reauthorization to defer for later ratemaking treatment, the projected benefits associated with approximately \$140 million debt issued in January 2016. PGE requests that the reauthorization be effective January 1 through December 31, 2017.

**I. Deferral History**

On December 31, 2015, PGE filed an application for deferral of the revenue requirement associated with expected debt issuances. On January 6, 2016, PGE issued \$140 million of new 2.51% five-year, First Mortgage Bonds ("FMB") due January 6, 2021.

With the proceeds of the issuance, PGE retired a \$75 million, 5.80% debt series due March 1, 2018, and a \$58 million, 3.81% debt series due June 15, 2017. The redemption premium associated with the two series was \$8,536,430, which will be amortized over the life of the new 2.51% series. With this issuance and retirement of the long-term ("LT") debt, the maturity concentration was reduced, effectively lowering PGE's cost of LT debt from approximately 5.419% (associated with Commission Order No. 15-356, in Docket No. UE 294), to approximately 5.350%. Applying the changes associated with this issuance and retirement of LT debt to PGE's UE 294 revenue requirement model and relying on PGE's initial Report of Securities issued under Commission Order No. 14-399, resulted in

approximately \$1.6 million annual benefit to customers.

PGE received initial Commission approval of the deferral through Order No. 16-098. PGE requests reauthorization to continue the deferral for January 1 through December 31, 2017. PGE will seek amortization to refund the deferred amount in a future Commission proceeding.

**II. OAR 860-027-0300 Requirements**

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

a. Description of the Utility Expense or Revenue for Which Deferred Accounting is Requested.

The deferred amount will be approximately \$1.6 million, which represents the difference in revenue requirement between: 1) the actual cost of PGE’s long-term debt reflecting the issuance of the new \$140 million debt and 2) the cost of debt included in PGE’s final UE 294 revenue requirement per Commission Order No. 15-356.

	UE 294 Annual Revenue Requirements		
	Sales to Consumers (\$000)		
	Base	Carty	Total Results
Final UE 294 LT debt @ 5.419%	1,779,454	85,136	1,864,590
Updated LT Debt @ 5.350 %	1,778,051	84,955	1,863,005
Delta	(1,403)	(181)	(1,585)

b. Reasons for Deferral

To continue to defer, for later rate making treatment, the benefit associated with the issuance and retirement of the LT debt, which effectively lowered PGE's cost of LT debt from approximately 5.419% to approximately 5.350%. The 2017 deferral will not include the impacts of any long-term debt issued in excess of \$140 million.

The granting of the continuation of this deferral will eliminate any potential conflict with

ORS 757.355(1), and 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 prices, but will permit the Commission to consider allowing such deferred amounts in prices in a subsequent proceeding.

Without reauthorization, the current authorization to defer revenues will expire on December 31, 2016. PGE is filing this reauthorization application for the period of January 1 through December 31, 2017.

c. Proposed Accounting for Recording Amounts to be Deferred

PGE proposes to record the deferred amount as a regulatory liability in FERC Account 229, Accounting Provision for Rate Refunds, with a debit to FERC account 449, Provision for Rate Refunds.

In the absence of a deferred accounting order from the Commission, there would be no opportunity for refund to customers.

d. Estimate of Amounts to be recorded for the next 12 months

PGE estimates the deferred benefit to be approximately \$1.6 million for the year 2017.

e. Notice

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

**III. The following is provided pursuant to OAR 860-027-0300 (4)**

a. Description of deferred account entries

Please see sections II(a) and II(c), above.

b. The reason for continuing deferred accounting

Please see section II(b), above.

**IV. Summary of Filing Conditions.**

a. Earnings Review

In order to preclude any potential conflicts with ORS 757.355(1), there will be no earnings review associated with this deferral.

b. Prudence Review

PGE has submitted compliance reports that include an analysis of market conditions to the time of issuance and actual cost summaries, per the conditions of Commission Order No. 14-399. The Commission Staff may audit the deferral at any time.

c. Sharing Percentages

The entire deferred amount will be refunded to customers. No other sharing is applicable.

d. Rate Spread / Rate Design

PGE proposes the same rate spread/rate design agreed upon during the UE 294 rate case proceeding.

e. Three Percent Test

The amortization of the deferred revenue requirement will be subject to the three percent test in accordance with ORS 757.259(6), 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. The limit of this deferral, if any, will be determined at the time of amortization. The limit of this deferral, if any, will be determined at the time of amortization.

**V. PGE Contacts**

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  
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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, include the following contact to receive notices and communications via the e-mail service list:

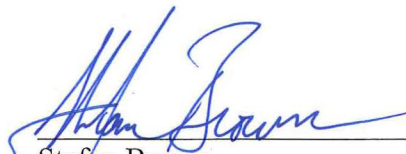
Stefan Brown, Manager, Regulatory Affairs  
E-mail: stefan.brown@pgn.com

**VI. Conclusion**

For the reasons stated above, PGE requests permission to continue to defer the revenue requirement benefit associated with 2016 debt issuances for future rate-making treatment, effective January 1, 2017.

DATED this 5<sup>th</sup> day of December, 2016.

Respectfully Submitted,



Stefan Brown  
Manager, Regulatory Affairs  
Portland General Electric Company  
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## **Attachment A**

Notice of Application for Reauthorization of Deferred  
Accounting of the Revenue Requirement Associated with  
2016 Debt Issuances

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 1756**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of the Revenue Requirement Associated with \$140 Million Debt Issuances

**Notice of Application for Reauthorization to Defer the Revenue Requirement Associated with 2016 Debt Issuances**

On December 5, 2016, Portland General Electric Company ("PGE") filed a reauthorization application for the deferral of the revenue requirement associated with the 2016 debt issuances with the Public Utility Commission of Oregon (Commission) for an Order reauthorizing the deferral of Revenue Requirement Associated with 2016 Debt Issuance.

Approval of the 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 Commission website.

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than January 7, 2017.

Dated: December 5, 2016.

  
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## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **Notice of Application for Reauthorization to Defer the Revenue Requirement Associated with 2016 Debt Issuances** to be served by electronic mail to those parties whose email addresses appear on the attached service lists for OPUC Docket No. UE 294 and UM 1756.

DATED at Portland, Oregon, this 5<sup>th</sup> day of December 2016.



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**SERVICE LIST  
OPUC DOCKET  
NO. UE 294**

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**SERVICE LIST  
OPUC DOCKET  
NO. UM 1756**

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