

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: August 10, 2021**

REGULAR  CONSENT  EFFECTIVE DATE July 1, 2021

**DATE:** July 29, 2021

**TO:** Public Utility Commission

**FROM:** Mitchell Moore

**THROUGH:** Bryan Conway, John Crider, and Matt Muldoon **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. UM 1103(18))  
Requests Reauthorization to Defer Intervenor Funding Grants.

**STAFF RECOMMENDATION:**

Staff recommends the Commission approve Portland General Electric Company's (PGE or Company) request for reauthorization to defer costs related to Intervenor Funding Grants for the 12-month period beginning July 1, 2021.

**DISCUSSION:**

Issue

Whether the Commission should approve PGE's request for reauthorization to defer costs related to Intervenor Funding Grants for the 12-month period beginning July 1, 2021.

Applicable Law

PGE submitted its deferral application on June 29, 2021, pursuant to ORS 757.072, ORS 757.259(3), and OAR 860-027-0300. ORS 757.259 is the statute that authorizes deferred accounting and OAR 860-027-0300 is the Commission's rule related to such applications.

ORS 757.072 is the statute that authorizes a utility to enter funding agreements with organizations that represent broad customer interests in Commission proceedings. Once a funding agreement is approved by the Commission, organizations eligible to

receive grants under the funding agreement are identified pursuant to OAR 860-001-0120. When a public utility provides financial assistance under a funding agreement, ORS 757.072(4) states that the Commission must allow a public utility to defer inclusion of the funding provided in rates as provided in ORS 757.259.

Deferral of these costs was originally granted by the Commission in Order No. 03-561 and has been annually reauthorized, most recently in Order No. 21-069.

### Analysis

#### *Background*

In its Order No. 03-388, the Commission approved an Intervenor Funding Agreement (IFA) between various utilities including PGE, and several intervenors including the Oregon Citizens' Utility Board (CUB), and Industrial Customers of Northwest Utilities (ICNU). The IFA sets forth the funding amount to be contributed by each utility, the procedures for budget submittals by intervenors, Commission approval of budgets, and the payment of grants by utilities. It authorizes three funds with different qualification requirements for each. They are the CUB Fund, the Preauthorized Matching Fund, and the Issue Fund.

The IFA also requires the costs of each fund to be allocated to the appropriate customer class. The CUB fund is generated from residential rates, and industrial customers' rates include an increment to support the Preauthorized Matching Fund (Matching Fund). The Commission allocates amounts related to the Issue Fund to align the costs of advocacy with the intended beneficiaries of the advocacy.

In its subsequent Order No. 07-564, the Commission approved an amended and restated IFA that extends intervenor funding through December 31, 2012.

Most recently, by Order No. 18-017, the Commission approved an amended and restated IFA that extends intervenor funding through December 2022. This IFA also provides authority for intervenors to request an increase in annual funding.

#### *Reason for Deferral*

In accordance with OAR 860-027-0300(4)(b), the Company requests continuation of deferred accounting to recover amounts approved pursuant to Order No. 18-017.

#### *Proposed Accounting*

Amounts are to be debited to deferred accounts only as the utility disburses funding to a qualifying intervenor. The proposed funding grant deferrals would be recorded in separate subaccounts of FERC Account 182.3 (Other Regulatory Assets). The

Company would not normally incur the cost of intervenor funding grants without the opportunity to recover the cost from ratepayers. However, if such costs were incurred they would be recorded in FERC Account 928 (Regulatory Commission Expenses).

*Current Deferral Activity*

Compliant with OAR 860-027-0300(4)(a), PGE provided the following information regarding the deferral activity during the current deferral period, up to the date of this application:

<b>New CUB Funding Grants Paid</b>	<b>Date</b>	<b>Amount</b>	<b>Docket/ Commission Order</b>
Issue Fund	7/10/20	\$16,482	UE 370/20-216
Issue Fund	12/1/20	\$13,518	UE 370/20-451
Issue Fund	12/1/20	\$3,481	UM 2004/20-448
Issue Fund	12/1/20	\$7,692	UM 2024/20-452
Issue Fund	11/24/20	\$10,961	UE 377/20-447
CUB Fund	1/27/21	\$101,125	UM 1929/21-025
<b>Total CUB</b>		<b>\$153,259</b>	

<b>New AWEC Funding Grants Paid</b>	<b>Date</b>	<b>Amount</b>	<b>Docket/Commission Order</b>
Issue Fund	7/29/20	\$30,000	UE 370-372/20-234
Matching Fund	10/8/20	\$25,430	UM 1929/20-339
Issue Fund	10/22/20	\$20,299	AR 635/20-366
Issue Fund	11/13/20	\$22,285	UM 2024/20-418
Matching	4/14/21	\$21,754	UM 1929/21-110
<b>Total AWEC</b>		<b>\$119,768</b>	

*Estimated Deferrals in Authorization Period*

At the time of its application, PGE estimated that the maximum deferred amounts during the 12-month period beginning July 1, 2021, will be as shown in the table below.

<b>Fund</b>	<b>Amount</b>
CUB Fund	\$101,125
Preauthorized Matching Fund	\$79,483
Issue Fund	\$143,750
<b>Total</b>	<b>\$324,358</b>

*Information Related to Future Amortization*

- Earnings Review – Pursuant to Commission Order 18-017, Appendix A, page 28, paragraph 7.9:

If a Participating Public Utility seeks rate recovery through a deferred account, the account and amortization of the account shall be exempt from the amortization caps and earnings test set forth in subsections 5,6,7,8 and 10 of ORS 757.259, as such subsections may be amended from time to time, and shall not be included in any calculation of the amortization cap for other deferred accounts.

- Prudence Review – For amortization, the prudence review should be limited to verification of the accounting methodology used to determine the final amortization balance.
- Sharing – This deferral is not subject to a sharing mechanism.
- Rate Spread/Design – Account balances are to be spread to the appropriate customer classes per Order No. 18-017, Appendix A, page 27, paragraph 7.7(b).
- Three Percent Test (ORS 757.259(6)) – The three percent test does not apply to amortization of this deferral. See “Earnings Review” above.

Conclusion

As the Company’s application meets the requirements of ORS 757.259 and OAR 860-027-0300, and the reason for the deferral is still valid, Staff recommends the Commission approve PGE’s application.

**PROPOSED COMMISSION MOTION:**

Approve PGE’s application to defer the costs associated with intervenor funding grants for the 12-month period, beginning July 1, 2021.