



**Portland General Electric**  
121 SW Salmon Street · Portland, Ore. 97204

December 28, 2023

***Via Electronic Filing***

Public Utility Commission of Oregon  
P. O. Box 1088  
Salem, OR 97308-1088

**RE: UM 1294 PGE's Application for Reauthorization to Defer Annual Net Variable Power Cost Variance**

Filing Center;

Enclosed for filing is Portland General Electric Company's (PGE) Application for Reauthorization of the Deferral of Annual Net Variable Power Cost Variances.

A Notice regarding the filing has been provided electronically to the parties on the UE 416 and UM 1294 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please contact me at 503-464-7488 or Stephen Leeb at [stephen.leeb@pgn.com](mailto:stephen.leeb@pgn.com). 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  
Senior Manager, Revenue Requirement

JF/dm  
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 1294**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

Application for Deferral Reauthorization of  
Accounting of Annual Power Cost Variance

**PORTLAND GENERAL ELECTRIC  
COMPANY'S APPLICATION FOR  
DEFERRAL REAUTHORIZATION**

Pursuant to ORS 757.259, OAR 860-027-0300, and PGE tariff Schedule 126, Portland General Electric Company (PGE) requests to continue to defer for later ratemaking treatment certain annual net variable power cost variances (PCV Deferral). As of the time of filing this Application, a Commission order was yet to be issued for PGE's previous reauthorization filing. PGE requests that the reauthorization continue effective January 1, 2024 through December 31, 2024.

**I. Deferral History**

In Commission Order No. 07-015, the OPUC authorized the adoption of an Annual Power Cost Adjustment Mechanism (PCAM) for PGE. On January 17, 2007, PGE filed an application for authorization from the Commission to accrue, for future amortization, the 2007 difference between annual actual net variable power costs and the baseline net variable power costs forecasted (i.e., PCV Deferral) in PGE's most recent general rate case or pursuant to tariff Schedule 125, in accordance with Order No. 07-015.

The PCV Deferral provides for recognition in rates of the difference, for a given year, between the actual net variable power costs incurred by PGE and the baseline net variable power costs forecasted in PGE's most recent general rate case or pursuant to PGE Schedule 125. The PCV Deferral is determined pursuant to the terms of Schedule 126, which includes a Positive Annual

Power Cost dead band for positive annual variances, a Negative Annual Power Cost dead band for negative annual variances, and an earnings review.

Pursuant to Commission Order No. 10-478 (Docket No. UE 215), the power cost variance dead bands in PGE's Annual PCAM tariff, Schedule 126, were reset to a negative annual power cost dead band of (\$15 million) and a positive annual power cost dead band of \$30 million.

Further, as established in the sixth partial stipulation of OPUC Docket No. UE 416, and adopted by Commission Order No. 23-386, 80% of actual Reliability Contingency Event (RCE) costs above the RCE forecast from PGE's Annual Update Tariff (AUT) will be recovered through rates in Schedule 126 and not be subject to an earnings test or deadbands for the annual power cost variance.

The Commission authorized the PCV Deferral through Commission Order No. 07-050 and PGE's last request for reauthorization was approved through Commission Order No. 22-033. The continuance of the deferral will minimize the frequency of rate changes or the fluctuation of rate levels, and match appropriately the costs borne, and benefits received by customers.

PGE has filed and received several reauthorizations for this deferral as shown in Table 1 below:

**Table 1 (\$ Millions)**

<b>Filing Date</b>	<b>Renewal Period</b>	<b>Approval Date</b>	<b>Order No.</b>	<b>PCV</b>	<b>Deferral for Amortization</b>
01-16-08	1-17-08 / 1-16-09 (2008 PCAM)	03/04/08	08-154	\$16.7 credit	\$16.7 refund
12-19-08	1-01-09 / 12-31-09 (2009 PCAM)	1/27/09	09-023	\$0	\$0
12-01-09	1-01-10 / 12-31-10 (2010 PCAM)	12/28/09	09-505	\$0	\$0
12-15-10	1-01-11 / 12-31-11 (2011 PCAM)	1/28/11	11-042	\$17.3 credit	\$5.5 refund
12-22-11	1-1-12 / 12-31/12 (2012 PCAM)	2/14/12	12-051	\$1.7 credit	\$0
12-11-12	1-1-13 / 12-31-13 (2013 PCAM)	2/26/13	13-063	\$0	\$0
12-18-13	1-1-14 / 12-31-14 (2014 PCAM)	2/18/14	14-050	\$0	\$0
12-30-14	1-1-15 / 12-31-15 (2015 PCAM)	2/24/15	15-058	\$0	\$0
12-11-15	1-1-16 / 12-31-16 (2016 PCAM)	1/12/16	16-007	\$0	\$0
12-8-16	1-1-17 / 12-31-17 (2017 PCAM)	3/21/17	17-107	\$0	\$0
12-13-17	1-1-18 / 12-31-18 (2018 PCAM)	3/27/18	18-091	\$0	\$0
12-11-18	1-1-19 / 12-31-19 (2019 PCAM)	2/15/19	19-043	\$0	\$0
11-20-19	1-1-20 / 12-31-20 (2020 PCAM)	12/20/19	19-439	\$0	\$0
12-29-20	1-1-21 / 12-31-21 (2021 PCAM)	1/28/2021	21-032	\$28.4 debit	\$26.6 collection
12-30-21	1-1-22 / 12-31-22 (2022 PCAM)	2/10/2022	22-033	\$0	\$0
12-30-22	1-1-23/12-31-23 (2023 PCAM)	TBD	TBD	TBD	TBD

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

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

a.   Description of Amounts

See the Deferral History above. Amounts will be deferred pursuant to the terms of Schedule 126.

b.   Reasons for Deferral

PGE seeks reauthorization to defer annual net variable power cost variances from January 1, 2024 through December 31, 2024 (Deferral Period 2024). Without reauthorization, this

deferral will expire on December 31, 2023. The continuance of the deferral will minimize the frequency of rate changes or the fluctuation of rate levels, and match appropriately the costs borne, and benefits received by customers.

c. Proposed Accounting

PGE proposes to record the Deferred Amount in FERC Account 182.3 (Regulatory Assets); crediting FERC Account 555, Purchased Power, if there is an amount to collect from customers. PGE would record the Deferred Amount in FERC 229, Accumulated Provision for Rate Refunds; debiting FERC 449.1, [Provision for Rate Refunds], if there is a refund to customers. In the absence of deferral approval, PGE would not calculate a PCV and all associated revenue and expense would remain booked to the appropriate FERC accounts.

d. Estimate of Amounts

PGE cannot provide an estimate of the amount that will be deferred because it is dependent on actual 2024 information that is currently unknown, including the 2024 PCV and the earnings review required by Schedule 126. PGE requests that, in accordance with ORS 757.259(4), it be allowed to continue to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital. Interest for subsequent amortizations will accrue interest at the rate set by the Commission.

e. Notice

A copy of the Notice of Application for Reauthorization to Defer Annual Net Variable Power Cost Variances and a list of persons served with the Notice are attached to this Application as Attachment A.

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

a. Description of deferred account entries

Please see section (II)(a) and II(c) above.

b. The reason for continuing deferred accounting

PGE seeks approval to continue the PCV Deferral pursuant to Commission Order No. 07-015, PGE tariff Schedule 126, Order No. 07-050, and the latest reauthorizing Order No. 22-033, and as described in (II)(b) above.

**IV. PGE Contacts**

The authorized addresses to receive notices and communications in respect of this

Application are:

Kim Burton  
Assistant General Counsel  
Portland General Electric  
121 SW Salmon Street  
Portland, OR 97204  
(573) 356-9688  
Kim.burton@pgn.com

PGE-OPUC Filings  
Rates & Regulatory Affairs  
Portland General Electric  
121 SW Salmon Street  
Portland, OR 97204  
(503) 464-8172  
pge.opuc.filings@pgn.com

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

Stephen Leeb, Regulatory Analyst, Regulatory Affairs  
stephen.leeb@pgn.com

**V. Summary of Filing Conditions**

a. Earnings

The Earnings Review<sup>1</sup> is subject to the terms of Schedule 126.

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<sup>1</sup> Earnings Review v. Earnings Test: There is also a 90-10 percent sharing between customers and shareholders that is applied after the power cost dead bands and before the earnings test.

b. Prudence

A prudence review should: 1) be performed at the time of deferral amortization; and 2) include a verification of the accounting methodology used to determine the final amortization balance.

c. Sharing

Sharing is subject to the terms of Schedule 126.

d. Rate Spread / Rate Design

The PCV amortization amount will be spread on an equal cents per kWh basis, as specified in Schedule 126.

e. Three Percent Test - (ORS 757.259(6))

ORS 757.259(8) allows the Commission to consider up to a six percent limit. Schedule 126 specifies the six percent limit. The three percent test measures the annual overall effect on customer rates resulting from deferral amortizations. The three percent test limits (exceptions at ORS 757.259(7) and (8)) the 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 the deferrals, if any will be determined at the time of amortization.

**VI. Conclusion**

For the reasons stated above, PGE requests permission to continue to defer annual net variable power cost variances from January 1, 2024 through December 31, 2024.

Dated December 28, 2023.

Respectfully Submitted,

*/s/ Jaki Ferchland*

Jaki Ferchland  
Senior Manager, Revenue Requirement  
Portland General Electric Company  
121 SW Salmon Street, 1WTC0306  
Portland, OR 97204  
Phone: 503.464.7488  
E-mail: Jacquelyn.Ferchland@pgn.com



# **UM 1294**

## **Attachment A**

Notice of Application for Reauthorization  
To Defer Annual Net Variable Power Cost Variance

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 1294**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

Application for Deferral Reauthorization of  
Accounting of Annual Power Cost Variance

**PORTLAND GENERAL ELECTRIC  
COMPANY'S NOTICE OF APPLICATION  
FOR DEFERRAL REAUTHORIZATION**

On December 28, 2023, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (Commission) for an Order reauthorizing deferral of the annual net variable power cost variances pursuant to Order No. 07-015, and PGE tariff Schedule 126. As of the time of filing this Application, a Commission order was yet to be issued for PGE's previous reauthorization filing.

Approval of PGE's reauthorization 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 22, 2024.

Dated: December 28, 2023.

*/s/ Jaki Ferchland*

Jaki Ferchland  
Senior Manager, Revenue Requirement  
Portland General Electric Company  
121 SW Salmon Street, 1WTC0306  
Portland, OR 97204  
Phone: 503.464.7488

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **Notice of Application for Reauthorization to Defer Annual Net Variable Power Cost Variance** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket Nos. UE 416 and UM 1294.

Dated at Portland, Oregon, this 28th day of December 2023.

*/s/ Jaki Ferchland*

Jaki Ferchland  
Senior Manager, Revenue Requirement  
Portland General Electric Company  
121 SW Salmon Street, 1WTC0306  
Portland, Oregon 97204  
Phone: 503.464.7488  
E-mail: jacquelyn.ferchland@pgn.com

**SERVICE LIST**  
**OPUC Docket No. UE 416**

GUILERMO  
CASTILLO (C) (HC)  
SMALL BUSINESS UTILITY  
ADVOCATES guillermo@utilityadvocates.org

STEVE CHRISS  
WALMART  
stephen.chriss@wal-mart.com

TERESA GRIFFELS  
PORTLAND GENERAL  
ELECTRIC teresa.griffels@pgn.com

TONIA L MORO (C)  
ATTORNEY AT LAW PC  
106 TALENT AVE STE 6  
TALENT OR 97540  
tonia@toniamoro.com

**AWEC**

BRENT COLEMAN (C) (HC)  
DAVISON VAN CLEVE  
1750 SW HARBOR WAY, SUITE  
450  
PORTLAND OR 97201  
blc@dvclaw.com

JESSE O GORSUCH (C) (HC)  
DAVISON VAN CLEVE  
1750 SW HARBOR WAY STE 450  
PORTLAND OR 97201  
jog@dvclaw.com

TYLER C PEPPLER (C) (HC)  
DAVISON VAN CLEVE  
1750 SW HARBOR WAY STE 450  
PORTLAND OR 97201  
tcp@dvclaw.com

**CALPINE SOLUTIONS**

GREGORY M. ADAMS (C)  
RICHARDSON ADAMS PLLC  
515 N 27TH ST  
BOISE ID 83702  
greg@richardsonadams.com

GREG BASS  
CALPINE ENERGY  
SOLUTIONS, LLC  
401 WEST A ST, STE 500  
SAN DIEGO CA 92101  
greg.bass@calpinesolutions.com

KEVIN HIGGINS (C)  
ENERGY STRATEGIES LLC  
215 STATE ST - STE 200  
SALT LAKE CITY UT 84111-2322  
khiggins@energystrat.com

**COMMUNITY ENERGY  
PROJECT**

KATE AYRES  
COMMUNITY ENERGY  
PROJECT

106 TALENT AVE STE 6  
TALENT OR 97540  
kate@communityenergyproject.org

CHARITY FAIN (C)  
COMMUNITY ENERGY  
PROJECT

2900 SE STARK ST STE A  
PORTLAND OR 97214  
charity@communityenergyproject.org

**CUB**

MICHAEL GOETZ (C) (HC)  
OREGON CITIZENS'  
UTILITY BOARD

610 SW BROADWAY STE 400  
PORTLAND OR 97205  
mike@oregoncub.org

Share OREGON CITIZENS'  
UTILITY BOARD  
OREGON CITIZENS'  
UTILITY BOARD

610 SW BROADWAY, STE 400  
PORTLAND OR 97205  
dockets@oregoncub.org

**FRED MEYER**

JUSTIN BIEBER (C)  
FRED MEYER/ENERGY  
STRATEGIES LLC

215 SOUTH STATE STREET, STE  
200  
SALT LAKE CITY UT 84111  
jbieber@energystrat.com

KURT J BOEHM (C)  
BOEHM KURTZ & LOWRY

36 E SEVENTH ST - STE 1510  
CINCINNATI OH 45202  
kboehm@bkllawfirm.com

JODY KYLER COHN  
BOEHM KURTZ & LOWRY

36 E SEVENTH ST STE 1510  
CINCINNATI OH 45202  
jkylercohn@bkllawfirm.com

**NEWSUN ENERGY**

LESLIE SCHAUER (C)  
NEWSUN ENERGY LLC

550 NW FRANKLIN AVE STE 408  
BEND OR 97703  
leslie@newsunenergy.net

JACOB (JAKE)  
STEPHENS (C)  
NEWSUN ENERGY LLC

550 NW FRANKLIN AVE STE 408  
BEND OR 97703  
jstephens@newsunenergy.net

**NRDC**

CAROLINE CILEK (C) (HC)  
GREEN ENERGY INSTITUTE

carolinecilek@lclark.edu

**NW ENERGY COALITION**

F. DIEGO RIVAS (C) (HC)  
NW ENERGY COALITION

1101 8TH AVE  
HELENA MT 59601  
diego@nwenergy.org

**PARSONS BEHLE & LATIMER**

JUSTINA A CAVIGLIA  
PARSONS BEHLE &  
LATIMER

50 WEST LIBERTY ST STE 750  
RENO NV 89501  
jcaviglia@parsonsbehle.com

**PGE**

PORTLAND GENERAL  
ELECTRIC

pge.opuc.filings@pgn.com

KIM BURTON (C) (HC)  
PORTLAND GENERAL  
ELECTRIC

121 SW SALMON STREET  
PORTLAND OR 97204  
kim.burton@pgn.com

JAKI FERCHLAND (C) (HC)  
PORTLAND GENERAL  
ELECTRIC

121 SW SALMON ST. 1WTC0306  
PORTLAND OR 97204  
jacquelyn.ferchland@pgn.com

**SMALL BUSINESS UTILITY  
ADVOCATES**

DIANE HENKELS (C) (HC)  
SMALL BUSINESS UTILITY  
ADVOCATES

621 SW MORRISON ST. STE 1025  
PORTLAND OR 97205  
diane@utilityadvocates.org

SBUA SBUA  
SMALL BUSINESS UTILITY  
ADVOCATES

9450 SW GEMINI DR. #11200  
BEAVERTON OR 97008  
britt@utilityadvocates.org

**STAFF**

STEPHANIE S  
ANDRUS (C) (HC)  
Oregon Department of Justice

BUSINESS ACTIVITIES SECTION  
1162 COURT ST NE  
SALEM OR 97301-4096  
stephanie.andrus@doj.state.or.us

MATTHEW  
MULDOON (C) (HC)

PO BOX 1088  
SALEM OR 97308-1088  
matt.muldoon@puc.oregon.gov

PUBLIC UTILITY  
COMMISSION OF OREGON

NATASCHA  
SMITH (C) (HC)  
Oregon Department of Justice

BUSINESS ACTIVITIES SECTION  
1162 COURT ST NE  
SALEM OR 97301  
natascha.b.smith@doj.state.or.us

**WALMART**

ALEX KRONAUER (C)  
WALMART

alex.kronauer@walmart.com

**SERVICE LIST**  
**OPUC DOCKET No. UM 1294**

STEPHANIE S ANDRUS (C) Oregon Department of Justice	BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 stephanie.andrus@doj.state.or.us
ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD	610 SW BROADWAY, STE 400 PORTLAND OR 97205 bob@oregoncub.org
Share OREGON CITIZENS' UTILITY BOARD OREGON CITIZENS' UTILITY BOARD	610 SW BROADWAY, STE 400 PORTLAND OR 97205 dockets@oregoncub.org
BEN ORNDOFF PORTLAND GENERAL ELECTRIC	121 SW SALM ST 1WTC0306 PORTLAND OR 97204 ben.orndoff@pgn.com
Share PGE RATES & REGULATORY AFFAIRS PORTLAND GENERAL ELECTRIC	PORTLAND GENERAL ELECTRIC COMPANY 121 SW SALMON STREET, 1WTC0306 PORTLAND OR 97204 pge.opuc.filings@pgn.com
KATHY ZARATE (C) PUBLIC UTILITY COMMISSION OF OREGON	201 HIGH ST SE STE 100 SALEM OR 97301 kathy.zarate@puc.oregon.gov
<b>PGE</b>	
KIM BURTON PORTLAND GENERAL ELECTRIC	121 SW SALMON STREET PORTLAND OR 97204 kim.burton@pgn.com