



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

December 10, 2019

**Via email**

puc.filingcenter@state.or.us

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

**Re: UM 1986 – PGE’s Amended Application for Reauthorization to Defer Costs to Support PGE’s Use of the Balancing Account Associated with the Multnomah County Business Income Tax Recovery**

Dear Filing Center:

Enclosed for filing is Portland General Electric Company’s (“PGE”) Amended Application for Reauthorization to Defer Costs to Support PGE’s Use of the Balancing Account Associated with the Multnomah County Business Income Tax Recovery pursuant to OPUC Order No. 19-020.

A Notice regarding the filing of this application has been provided to the parties on the PGE’s last general rate case service list (UE 335).

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

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 that reads "Jaki Ferchland". The signature is written in a cursive, flowing style.

Jaki Ferchland  
Manager, Revenue Requirement

JF/lh

Encls.

cc: Service List: UE 335 and UM 1986

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1986**

In the Matter of the Application of Portland	)	Amended Application for Reauthorization to
General Electric Company for an Order	)	Defer Costs to Support PGE’s Use of the
Approving the Deferral of Costs to Support	)	Balancing Account Associated with the
PGE’s Use of the Balancing Account	)	MCBIT Recovery
Associated with the MCBIT Recovery	)	

Pursuant to ORS 757.259 and OAR 860-027-0300, and Commission Order 19-020, Portland General Electric Company (PGE) hereby requests authorization to continue to defer certain costs associated with PGE’s balancing accounts for the Multnomah County Business Income Tax (MCBIT) Recovery.<sup>1</sup> In its November 4, 2019 application to reauthorize deferred accounting for MCBIT in Docket No. UM 1986 (UM 1986), PGE inadvertently included a deferral reauthorization request related to the Energy Efficiency (EE) Customer Service. Because this was contrary to directions from Commission Order No. 19-020, PGE is amending the November 4<sup>th</sup> application to separate the two deferral reauthorizations. In UM 1986, therefore, PGE is only requesting authorization to continue do defer certain costs associated with PGE’s balancing account for the MCBIT Recovery.

**I. Deferral History**

This amended application (Application) is filed pursuant to Commission Order No. 19-020 and at the direction of Public Utility Commission of Oregon (OPUC or Commission) Staff in its interpretation that deferred accounting needs to be authorized to support balancing accounts that are used to record the activity of certain Commission-approved mechanisms.

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<sup>1</sup> Amortized through Schedule 106.

PGE requests this deferral have an effective date of December 7, 2019 and be subject to annual renewals as long as the MCBIT balancing account is in place. PGE will not seek amortization of the deferred amounts in a future proceeding as the deferred amounts will automatically reverse due to the standard operation of the approved MCBIT mechanism. In short, approval of this application will permit PGE to continue using the established MCBIT balancing account mechanism as approved by the OPUC. In accordance with prior Commission Orders, amounts in the MCBIT balancing account will continue to be rolled forward and can have either positive or negative (i.e., debit or credit) balances. Section A below provides further details regarding PGE's balancing accounts.

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

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

### **a. Description of Utility Expense for Which Deferred Accounting is Requested**

See Deferral History above. In prior regulatory filings PGE proposed and the Commission approved PGE to establish a balancing account for recording costs and revenues related to MCBIT Recovery. The balancing account associated with the MCBIT Recovery is maintained to accrue the difference between PGE's actual local income tax liability and the amount collected from customers under Schedule 106. Any temporary over- or under-collection reflected in this account is considered when the MCBIT rate is updated.

In compliance with Commission Order No. 19-020 and at OPUC Staff's direction, PGE submits this Application to support the balancing account and to address the occasions when there is any variance – positive or negative – that roll forward within the MCBIT Recovery balancing account.

b. Reasons for Deferral

Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, PGE seeks to continue deferred accounting treatment for costs associated with the MCBIT recovery to support the use of related balancing account. Granting this Application 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 rates but will permit PGE to continue using the balancing account associated with the MCBIT Recovery as intended and approved through prior Commission orders.

c. Proposed Accounting for Recording Amounts Deferred

MCBIT Recovery accounting treatment: the balancing account is recorded into FERC Account 242 (Current Regulatory Liability). MCBIT Payments are debited to FERC Account 242 and credited to FERC Account 407.4 (Regulatory Credit). MCBIT amortization is credited to FERC Account 242 and debited to FERC Account 407.4. Interest is accrued on the balance at the approved blended treasury rate.

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

PGE does not have an estimate of the amounts to be deferred because they can vary depending on the level of costs and revenues. However, it is possible that the MCBIT balance for the next 12-month period will be similar to the forecasted December 2019 MCBIT ending balance, which was approximately \$150,000.

e. Notice

A copy of the Notice of Amended Application for Deferral of Costs to Support PGE's Balancing Accounts and a list of persons served with Notice are attached to the Application as

Attachment A. In compliance with OAR 860-027-0300(6), PGE is serving Notice of Application on the UE 335 Service List, PGE's last general rate case.

**III. The following is provided pursuant to OAR-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

PGE seeks approval to continue deferred accounting treatment for costs associated with the MCBIT balancing account.

Without reauthorization this deferral expired on December 6, 2019.

**IV. Summary of Filing Conditions**

a. Earnings Review

No earnings review is applicable as PGE will not seek separate amortization of the deferred amounts in a future proceeding because all associated costs and revenues will continue to flow through the established balancing account.

b. Prudence Review

A prudence review should be performed by the Commission Staff as part of their review of PGE's general rate case filings.

c. Sharing Percentages

All prudently incurred costs are to be recoverable by PGE with no sharing mechanism.

d. Rate Spread/Rate Design

Rate Spread/Rate Design is not applicable since PGE will not seek amortization of the deferred amounts in a future proceeding because all associated costs and revenues will continue to flow through the established balancing account.

- e. Three percent test (ORS 757.259(6))

The three percent test would not apply because PGE will not seek amortization of the deferred amounts in a future proceeding.

**V. PGE Contacts**

Written communications regarding this Application should be addressed to:

Douglas C. Tingey	PGE-OPUC Filings
Associate General Counsel	Rates & Regulatory Affairs
Portland General Electric	Portland General Electric
1 WTC1301	1 WTC 0306
121 SW Salmon Street	121 SW Salmon Street
Portland, OR 97204	Portland, OR 97204
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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:

Stefan Cristea, Senior Regulatory Analyst, Regulatory Affairs  
E-mail: [Stefan.cristea@pgn.com](mailto:Stefan.cristea@pgn.com)

- a. Conclusion

For the reasons stated above, PGE requests permission to defer the costs related to MCBIT Recovery balancing account including any amounts that are rolled forward into the associated balancing account calculations.

DATED this 10<sup>th</sup> day of December, 2019.

Respectfully Submitted,



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**UM 1986**

**Attachment A**

**Notice of Amended Application for Reauthorization to Defer Costs to  
Support PGE's Use of the Balancing Account Associated with  
the MCBIT Recovery**

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UM 1986**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Costs to Support PGE's Use of the Balancing Account Associated with the MCBIT Recovery ) **Notice of Amended Application for Reauthorization to Defer Costs to Support PGE's Use of the Balancing Account Associated with the MCBIT Recovery**

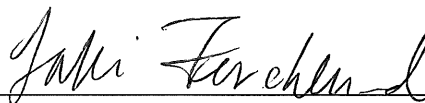
On December 10, 2019, Portland General Electric Company (PGE) filed an amended application with the Public Utility Commission of Oregon (the Commission or OPUC) for an Order reauthorizing deferral of costs to support PGE's use of the established balancing account for the Multnomah County Business Income Tax Recovery.

Approval of PGE's Amended Application will not authorize a change in PGE's rates, but will permit PGE to continue using the MCBIT Recovery balancing account mentioned above as approved through prior Commission Orders.

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

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than January 10, 2019.

Dated this 10<sup>th</sup> day of December, 2019.



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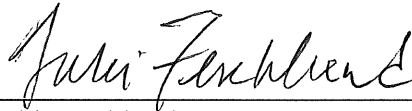
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## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the Notice of Amended Application for Reauthorization to Defer Costs to Support PGE's Use of the Balancing Account Associated with the MCBIT Recovery to be served by electronic mail to those parties on the attached service list for OPUC Docket No. UE 335.

Dated at Portland, Oregon, 10<sup>th</sup> day of December, 2019.



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