



Portland General Electric Company
121 SW Salmon Street • 1WTC0306 • Portland, OR 97204
portlandgeneral.com

December 30, 2021

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

Re: **UM _____ PGE's Application for Deferral of Costs and Revenues Associated with the Energy Affordability Act**

Filing Center:

Pursuant to ORS 757.259, OAR 860-027-0030 and House Bill 2475, Portland General Electric Company (PGE) hereby requests authorization to defer certain costs and revenues associated with the Energy Affordability Act.

A Notice regarding the filing of this application has been provided to the parties on the UE 394 service list.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at (503) 464-7488.

Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement

JF/np
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

PGE Deferral of Costs and Revenues
Associated with the Energy Affordability
Act

**Application for Deferred Accounting for
Costs and Revenues Associated with the
Energy Affordability Act**

Pursuant to ORS 757.259, OAR 860-027-0300, and House Bill (HB) 2475, Portland General Electric Company (PGE) hereby requests an accounting order authorizing PGE to defer costs and revenues associated with the Energy Affordability Act. In addition, this filing is being made to initiate a deferral that will support an automatic adjustment clause rate schedule with an associated balancing account mechanism to track the ongoing costs and recovery amounts related to the Energy Affordability Act. PGE requests that this deferral be effective as of January 1, 2022, the effective date of HB 2475 and be recovered through Schedule 116 as will be requested in a January advice filing. In support of this Application PGE states:

1. PGE is a public utility in the state of Oregon and its rates, service and accounting practices are subject to regulation by the Public Utility Commission of Oregon (Commission or OPUC).
2. This application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items.
3. Written communications regarding this Application should be addressed to:

Loretta Mabinton
Managing Assistant General Counsel
Portland General Electric Company
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121 SW Salmon Street
Portland OR 97204
(503) 464-7822
loretta.mabinton@pgn.com

PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
1WTC0306
121 SW Salmon Street
Portland OR 97204
(503) 464-7805
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:

Jaki Ferchland
Email

Manager, Revenue Requirement
jacquelyn.ferchland@pgn.com

I. OAR 860-027-0300(3) Requirements

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

A. Background Description

On May 24, 2021, the Governor of Oregon signed into law the Energy Affordability Act, HB 2475. The bill amends ORS 757.230 to allow additional classification of service for “differential energy burdens on low-income customers and other economic, social, equity or environmental justice factors that affect affordability for certain classes of utility customers”. As a result of this law, PGE is able to provide an income qualified discount to eligible residential customers. PGE has not included any forecast or estimate of the income qualified discount in customer prices through a general rate case or any other proceeding, as this is a new customer discount not previously available under the law. This deferral will track the sum of discounts offered to qualified customers.

To address HB 2475 requirements, PGE requests approval to defer incremental O&M costs and revenues associated with the Energy Affordability Act.

B. Reasons for Deferral

Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, PGE seeks deferred accounting treatment for costs and revenues associated with the Energy Affordability Act. The approval of this Application will support the use of an automatic adjustment clause and associated balancing account so that the referenced energy discount costs and revenues can be kept distinct and separate from PGE's other costs and revenues. Granting this Application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

C. Proposed Accounting for Recording Amounts Deferred.

PGE proposes the following Energy Affordability Act accounting treatment: the balancing account will be recorded in FERC account 242 (Current Regulatory Liability). Income qualified payments (i.e., payments to support income qualified energy discounts) will be debited to FERC Account 242 and credited to FERC Account 407.4 (Regulatory Credit). Energy Affordability Act amortization (i.e., revenues collected from PGE's customer) will be credited to FERC Account 242 and debited to FERC Account 407.4. Interest will accrue on the balance at the approved blended treasury rate.

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

PGE estimates the income qualified energy discount amount to defer during 2022 to be approximately \$4.2 million and an additional \$228,000 in incremental administrative costs.

E. Notice

A copy of the Notice of Application for Deferral of Costs and Revenues Associated with the Energy Affordability Act and a list of persons served with Notice are attached to this Application as Attachment A. In compliance with OAR 860-027-0300(6), PGE is serving Notice of Application on the UE 394 Service List, PGE's current general rate case.

II. Summary of Filing Conditions

A. Earnings Review

Cost recovery associated with this deferral will not be subject to an earnings review since it would be subject to an automatic adjustment clause.

B. Prudence Review

A prudence review should be performed by the Commission Staff as part of PGE's amortization filing.

C. Sharing

No sharing mechanism applies to the Energy Affordability Act costs or revenues.

D. Rate Spread/Rate Design

Applicable costs will be allocated to PGE's Schedule 7 customers using a per-customer average price and to non-residential customers, each schedule on an equal cents-per-kWh basis with a cap for large customers.

E. Three percent test (ORS 757.259(6))

The amortization of the Pilot's deferred costs will be subject to the three percent test in accordance with the ORS 757.259 (7) and (8), 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.

IV. Conclusion

For the reasons stated above, PGE requests approval to defer the costs and revenues associated with the Energy Affordability Act effective January 1, 2022.

DATED this 30th day of December 2021.

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street
Portland OR 97204
(503) 464-7488
jacquelyn.ferchland@pgn.com

Attachment A

Notice of Application for Deferral of Costs and Revenues Associated with the Energy Affordability Act

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

PGE Deferral of Costs and Revenues
Associated with the Energy Affordability
Act

**Application for Deferred Accounting for
Costs and Revenues Associated with the
Energy Affordability Act**

On December 30, 2021, Portland General Electric Company (PGE) filed an Application with the Public Utility Commission of Oregon (the Commission or OPUC) for an Order authorizing deferral of costs and revenues associated with the Energy Affordability Act.

Approval of PGE’s Application as proposed will support the use of an automatic adjustment clause rate schedule and balancing account to reflect the incremental costs and revenues associated with the Energy Affordability Act.

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 30, 2022.

Dated this 30th day of December 2021.

/s/ Jaki Ferchland
Jaki Ferchland
Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street
Portland OR 97204
(503) 464-7488
jacquelyn.ferchland@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **Notice of Application for the Deferral of Costs and Revenues Associated with the Energy Affordability Act** to be served by electronic mail to those parties on the attached service list for OPUC Docket No. UE 394.

Dated at Portland, Oregon, this 30th day of December 2021.

/s/ Jaki Ferchland

Jaki Ferchland
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(503) 464-7488
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OPUC Docket UE 394
SERVICE LIST
OPUC DOCKET # UE 394

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