

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 29, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2023

DATE: November 14, 2022

TO: Public Utility Commission

FROM: Curtis Dlouhy

THROUGH: Bryan Conway, Caroline Moore, and Scott Gibbens **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1440/Advice No. 22-27)
Colstrip Power Plant Operating Life Adjustment.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) Advice No. 22-27, which updates Schedule 146 with the isolated Colstrip updated revenue requirement for 2023.

DISCUSSION:

Issue

Whether the Commission should approve PGE's Advice No. 22-27, which updates Schedule 146 with the isolated Colstrip updated revenue requirement for 2023.

Applicable Law

The Commission may approve tariff changes if they are deemed fair, just, and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. See ORS 757.220; OAR 860-022-0020. The Commission may allow changes on less than 30 days' notice for good cause shown. ORS 757.220.

Analysis

Background

On October 31, 2022, PGE filed Advice No. 22-27 requesting an update to Schedule 146, which contains its Colstrip Power Plant operating life adjustment. In UM 2152, the depreciable life of Colstrip Power Plant was changed from year-end 2030 to year-end 2025. The exact rate impact of this change was determined as part of PGE's most recent general rate case, UE 394. Schedule 146 was created as a consequence of UE 394 in Commission Order No. 22-129, wherein the Commission adopted the parties' stipulation recommending that Colstrip's revenue requirement be isolated from PGE's base revenue requirement.

The isolated Colstrip revenue requirement contains three broad categories of expenses: decommissioning amounts, depreciation amounts, and any remaining amounts including operating and maintenance costs while Colstrip is still in service. The decommissioning amounts are subject to a balancing account that reconciles actual and expected revenues. As part of the stipulation approved in Commission Order No. 22-129, PGE is required to provide parties the approved O&M budgets and revenue requirement for Colstrip by November 1 of each calendar year.¹

PGE states that the total isolated Colstrip revenue requirement for 2023 is approximately \$70.6 million inclusive of the costs associated with the decommissioning costs balancing account. This constitutes approximately a \$4.5 million, or 0.2 percent, reduction in Cost of Service revenues.

Staff Analysis

Staff has reviewed the Company's filing and associated workpapers. Staff finds that the O&M budget is reasonable and that the total depreciation and decommissioning expenses are consistent with the amounts approved in UE 394. Further, Staff found no errors in the calculations for the balancing account, isolated Colstrip revenue requirement, rate design workpapers, or proposed tariff sheets.

Conclusion

Staff finds that PGE's Advice No. 22-27 filing and associated workpapers comply with the terms of the stipulation adopted in Commission Order No. 22-129 and found no errors in the Company's filed workpapers or tariff. Staff recommends that the Commission approve the Company's Advice No. 22-27, which updates Schedule 146 with the isolated Colstrip updated revenue requirement for 2023.

¹ Commission Order No. 22-129, Page 7.

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PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 22-27, which updates Schedule 146 with the isolated Colstrip updated revenue requirement for 2023.

PGE ADV 1440 Advice No. 22-27 – Colstrip Power Plant Operating Life Adjustment