

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 27, 2022**

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

DATE: December 13, 2022

TO: Public Utility Commission

FROM: John Fox

THROUGH: Bryan Conway, Marc Hellman, and Matt Muldoon **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1469/Advice No. 22-42)
New Schedule 152 Major Event Cost Recovery.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) proposed Schedule 152 tariff, as described in the Advice filing 22-42, effective with service rendered on and after January 1, 2023.

DISCUSSION:

Issue

Whether the Commission should approve Advice No. 22-42, which establishes a new Schedule 152 Major Cost Recovery.

Applicable Rule or Law

Under ORS 757.259(2), upon application of a utility and after public notice, opportunity for comment and a hearing if any party requests a hearing, the Commission by order may authorize deferral of certain amounts for later incorporation in rates. Those amounts include, under ORS 757.259(2)(e), identifiable utility expenses or revenues, the recovery or refund of which the commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.

OAR 860-022-0025(2) states that each energy utility filing tariffs or schedules changing existing tariffs or schedules shall submit the following information: (a) a statement plainly indicating the increase, decrease, or other change thereby made in existing rates, charges, tolls, or rules and regulations; (b) a statement setting forth the number of customers affected by the proposed change and the resulting change in annual revenue; and (c) a detailed statement setting forth the reasons or grounds relied upon in support of the proposed change.

Analysis

Background

On July 27, 2022, PGE filed a request to amortize the costs deferred in response to the 2020 Labor Day Wildfire Emergency and the 2021 February Ice Storm Emergency.¹ The parties to this docket subsequently reached a compromise settlement resolving all current issues in the docket (“Stipulation”). This Stipulation was adopted by the Commission in Order No. 22-435 and will result in PGE’s recovery of approximately \$96.9 million over seven years, representing an overall price increase of 0.8 percent.

Prudence and Earnings Reviews

In Order No. 22-435 the Commission determined that these expenditures were prudent and necessary to serve customers and that amortization of the deferral will not cause PGE to over earn.²

Current Filing

The purpose of this filing is to request Commission approval of new PGE Schedule 152 to implement the Stipulation adopted by the Commission in Order No. 22-435 relating to costs incurred in 2021 for wildfire and ice storm emergency events. PGE will amortize the balance over seven years. Parties stipulated that PGE would update the interest rate on November 2, 2022, using the seven-year treasury rate plus 100 basis points. With that update, the applied interest rate is 5.2 percent.

Staff has reviewed the work papers accompanying the Company’s filing and finds that the calculations are consistent with Stipulation and Order No. 22-435 in Docket No. UE 408.

To satisfy the requirements of OAR 860-022-0025(2) and 860-22-0030, PGE provided the following information:

¹ See In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Authority to Amortize Deferred Amounts Related to 2020 and 2021 Emergency Events, Docket No. UE 408.

² Order No. 22-435 at 2-3.

The amortization through Schedule 152 prices results in an approximate \$19.0 million or 0.9 percent overall average rate increase for the 931,000 (2023 forecasted average) applicable customers. A typical Schedule 7 Residential Customer consuming 780 kWh monthly will see a \$1.14 or 1.0 percent increase in their monthly bill as a result of this filing, inclusive of the Public Purpose Charge.

The Company has reviewed a draft of this memo and has not noted any concerns.

Conclusion

For the reasons stated above, Staff finds that the amounts underlying the proposed tariff changes are fair, just, and reasonable. Staff recommends the Commission approve the tariff as filed.

PROPOSED COMMISSION MOTION:

Approve PGE's proposed Schedule 152 tariff, as described in the Advice filing 22-42, effective with service rendered on and after January 1, 2023.