

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 27, 2023**

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

**DATE:** June 13, 2023

**TO:** Public Utility Commission

**FROM:** Bret Stevens

**THROUGH:** Bryan Conway and Marc Hellman **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. ADV 1500/Advice No. 23-07)  
Colstrip O&M Update

**STAFF RECOMMENDATION:**

Staff recommends the Commission approve Portland General Electric's (PGE) filing of Advice No. 23-07 associated with Schedule 146, effective for service on and after July 1, 2023.

**DISCUSSION:**

Issue

Whether the Commission should approve PGE's Advice No. 23-07, which updates Schedule 146 with the isolated Colstrip updated revenue requirement, for the second half of 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

On May 2, 2023, PGE filed Advice No. 23-07 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. PGE last updated the Schedule 146 prices for 2023 in Docket No. ADV 1440. In this filing, PGE is providing a mid-year update to its O&M budget. PGE will still update its O&M budget for 2024 by November 1 of this year.

PGE states that the total isolated Colstrip revenue requirement for 2023 is updated to reflect a reduction in O&M of \$2 million. This reduces the overall Colstrip revenue requirement from \$70.5 million to \$68.5 million. PGE is proposing to amortize this amount over the final six months of 2023. A typical Schedule 7 Customer consuming 780 kWh monthly will see a bill decrease of \$0.20 or 0.1 percent.

## Conclusion

Staff has reviewed the Company's filing and associated workpapers. Staff finds that the change in the O&M budget is reasonable. Further, Staff found no errors in the calculations for the balancing account, isolated Colstrip revenue requirement, rate design workpapers, or proposed tariff sheets.

PGE has reviewed a draft of this memo and voiced no concerns.

## **PROPOSED COMMISSION MOTION:**

Approve PGE's Advice No. 23-07, which updates Schedule 146, effective for service on or after July 1, 2023.