



Oregon

Tina Kotek, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

June 27, 2023



BY EMAIL
PORTLAND GENERAL ELECTRIC
pge.opuc.filings@pgn.com

RE: Advice No. 23-07

At the public meeting on June 27, 2023, the Commission adopted Staff's recommendation in this matter docketed as ADV 1500. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser
Chief Administrative Law Judge
Public Utility Commission of Oregon
(503) 378-3098

ITEM NO. CA2

**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.

**SCHEDULE 146
COLSTRIP POWER PLANT
OPERATING LIFE ADJUSTMENT**

PURPOSE

This schedule establishes the mechanism to implement in rates the Company's share of the full revenue requirement for the Colstrip Power Plant Units 3 and 4 and associated common facilities. This schedule is implemented as an "automatic adjustment clause" as defined in ORS 757.210.

APPLICABLE

To all bills for Electricity Service except Schedules 76R, 485, 489, 490, 491, 492, 495, 576R and 689.

ADJUSTMENT RATES

Schedule 146 Adjustment Rates will be set based on an equal percent of Energy Charge revenues applicable at the time of any filing that revises rates pursuant to this schedule.

<u>Schedule</u>	<u>Adjustment Rate</u>
7	0.393 ¢ per kWh
15/515	0.279 ¢ per kWh
32/532	0.336 ¢ per kWh
38/538	0.308 ¢ per kWh
47	0.374 ¢ per kWh
49/549	0.385 ¢ per kWh
75/575	
Secondary	0.312 ¢ per kWh
Primary	0.308 ¢ per kWh
Subtransmission	0.313 ¢ per kWh
83/583	0.332 ¢ per kWh
85/585	
Secondary	0.321 ¢ per kWh
Primary	0.314 ¢ per kWh
89/589	
Secondary	0.312 ¢ per kWh
Primary	0.308 ¢ per kWh
Subtransmission	0.313 ¢ per kWh

(R)

(R)

SCHEDULE 146 (Continued)

ADJUSTMENT RATE (Continued)

<u>Schedule</u>	<u>Adjustment Rate</u>
90/590	
Primary	0.287 ¢ per kWh
Subtransmission	0.287 ¢ per kWh
91/591	0.283 ¢ per kWh
92/592	0.300 ¢ per kWh
95/595	0.283 ¢ per kWh

(R)
|
(R)

PART A- DECOMMISSIONING AMOUNTS

Part A consists of the revenue requirements related to decommissioning of the Colstrip Power Plant Units 3 and 4. The decommissioning revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return and return on equity rates.

PART B- DEPRECIATION AMOUNTS

Part B consists of the revenue requirements related to depreciation of the Colstrip Power Plant Units 3 and 4. The depreciation revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return and return on equity rates.

PART C- REMAINING AMOUNTS

Part C consists of the full revenue requirement associated with the Colstrip Power Plant Units 3 and 4 and associated common facilities (including all identifiable capital- and expense-related costs and other revenues), excluding associated transmission facilities, costs allowable for recovery through PGE's existing Schedule 125 (Annual Power Cost Update), and amounts identified in Parts A and B above. The revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return, and return on equity rates.