



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

December 29, 2022

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 Authorization to Defer Emergency Restoration Costs

Enclosed for filing is Portland General Electric Company's ("PGE") Application for Authorization to Defer Emergency Restoration Costs.

A Notice regarding the filing of this application has been provided to the parties on the PGE's last general rate case service list (UE 394).

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@pge.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

DEFERRAL OF EMERGENCY
RESTORATION COSTS

**APPLICATION FOR THE DEFERRAL
OF EMERGENCY RESTORATION
COSTS**

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company (PGE) hereby requests authorization to defer for later rate-making treatment incremental costs associated with the recovery of outage, repair and restoration costs from the several extreme winter weather events that began on December 22, 2022, and continues to impact customers, communities, and electric systems across our service territory (the Deferred Amount). Commission Order No. 22-129 amended PGE’s Level III Outage Accrual Mechanism to allow PGE to carry a negative balance, subject to a hard cap of two times the annual accrual amount. This hard cap is approximately negative \$7.05 million. As of December 29, 2022, PGE expects to exceed this hard cap and therefore PGE seeks authorization to defer the incremental costs above the cap that are incurred in response to these December 2022 extreme winter weather events (the Deferral Period). PGE will seek amortization of the Deferred Amount in a future Commission proceeding. 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 the regulation of 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 for later incorporation in rates.
3. Communications regarding this Application should be addressed to:

Kim Burton
Assistant General Counsel III
Portland General Electric Company
1WTC1301
121 SW Salmon Street
Portland, OR 97204
Phone: (573) 356-9688
Email: kim.burton@pgn.com

PGE OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
1WTC1306
121 SW Salmon Street
Portland, OR 97204
Phone: (503) 464-7805
Email: pge.opuc.filings@pgn.com

In addition to the names and addresses above, the following are to received notices and communications via the e-mail service list:

Jaki Ferchland,
Manager, Revenue Requirement
E-mail: jacquelyn.ferchland@pgn.com

4. As required by ORS 757.259(4), any amortization of the Deferred Amount will be subject to an earnings review and a finding by the Commission that the costs were prudently incurred.

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

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

A. Background Description

On December 22, 2022, a series of severe winter weather, including ice, snow and high winds, events began causing extensive damage to PGE's transmission and distribution network, with over 190,000 outages. States of emergencies were called by local governing bodies, including Multnomah County and the City of Portland.¹ As of December 29, 2022, no state or federal emergency declaration has been made, which means PGE's pre-filed emergency deferral application is not applicable per Commission Order No. 21-259. Given the magnitude and duration of the event, PGE is uncertain as to how long and how much effort and resources will be required to fully restore service. PGE will track the costs associated with the service restoration efforts to facilitate Commission determination applicable to this request.

B. Reasons for Deferral

PGE seeks this deferral pursuant to ORS 757.259(2)(e). This deferral will match appropriately the costs borne by and benefits received by customers. PGE also seeks this deferral because the extensive damage and considerable repair and restoration costs will exceed: 1) normal restoration costs that are incorporated in PGE's retail rates; 2) the reasonable business risk associated with outage restoration; and 3) the negative balance hard cap PGE is allowed to carry under the Level III Outage Accrual Mechanism.

Under ORS 757.259(2)(e), deferral of utility expenses or revenues is allowed when it will appropriately match the costs borne and benefits received by customers. Deferral of these restoration costs will align the costs of PGE's service with the benefits PGE customers receive from such service.

¹ <https://www.portland.gov/wheeler/news/2022/12/20/mayor-wheeler-declares-state-emergency-due-severe-cold-weather-snow>

C. Proposed Accounting

PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), crediting FERC Account 407.4 (Regulatory Credits). In the absence of a deferred accounting order, the costs would be debited to a variety of cost accounts.

D. Estimate of Amounts

The projected total cost to restore electric service to customers and repair transmission and distribution systems and related facilities is currently unknown but will exceed the negative balance hard cap PGE is allowed to carry under the Level III Outage Accrual Mechanism. In addition, because of the extensive nature of the damage, PGE requests that the Deferred Amount include both capital-related and operations and maintenance costs as both are being incurred as part of the restoration effort. Deferral of capital-related costs is permitted in accordance with Commission Order No. 20-147.

E. Notice

A copy of the Notice of Application for Deferral of Emergency Restoration Costs and a list of persons served with the Notice are attached to the application as Attachment A.

II. Summary of Filing Conditions:

A. Earnings Review:

Recovery of the emergency restoration costs will be subject to an earnings review in accordance with ORS 757.259(5).

B. Prudence Review:

A prudence review will be performed by the Commission Staff no later than the proceeding to authorize amortization of the emergency restoration costs.

C. Sharing Percentages:

All prudently incurred costs are to be recoverable by PGE with no sharing

mechanism.

D. Rate Spread / Rate Design:

The rate spread/rate design will be determined during the proceeding to authorize amortization of the emergency restoration costs.

E. Three Percent Test:

The amortization of the emergency restoration costs will be subject to the three percent test in accordance with 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.

III. Conclusion

For the reasons stated above, PGE requests permission to defer the emergency restoration costs associated with these extreme winter weather events.

DATED this December 29, 2022.

Respectfully Submitted,

/s/ Jaki Ferchland

Jaki Ferchland
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Portland General Electric Company
121 SW Salmon Street, 1WTC0306
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Attachment A

Notice of Application for Deferral of Emergency Restoration Costs

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM _____**

IN THE MATTER OF

PORTLAND GENERAL ELECTRIC
COMPANY

DEFERRAL OF EMERGENCY
RESTORATION COSTS

**NOTICE OF APPLICATION FOR THE
DEFERRAL OF EMERGENCY
RESTORATION COSTS**

On December 29, 2022, 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 Emergency Restoration Costs.

Approval of PGE's Application will not authorize a change in PGE's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

This application is on the OPUC website. 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 29, 2023.

Dated this December 29, 2022.

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street, 1WTC0306
Portland, OR 97204
Telephone: (503) 464-7488
E-Mail: jacquelyn.ferchland@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice of Application for Deferral of Emergency Restoration Costs** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UE 394.

Dated at Portland, Oregon, December 29, 2022.

/s/ Jaki Ferchland

Jaki Ferchland
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**SERVICE LIST
OPUC DOCKET # UE 394**

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