1	BEFORE THE PUBLIC UTILITY COMMISSION	
2	OF OREGON	
3	UE 394	
4	In the Matter of	
5	PORTLAND GENERAL ELECTRIC COMPANY,	STAFF RESPONSE TO BENCH REQUEST
6 7	Request for a General Rate Revision.	
8	Staff of the Public Utility Commission of	of Oregon (Staff) hereby submits its response to
9	the Administrative Law Judge's February 22, 2	022 Bench Request Question Nos. 5 and 6.
10	Question 5. Please address wheth	er the parties considered a reporting
11	and/or deferral with a balancing acc	ount-based mechanism to ensure funds
12	annually budgeted for wildfire mitig	gation and vegetation management are
13	dedicated to those purposes and effec	etively spent. Identify any concerns with
14	this approach.	
15	Staff did not consider recommending a	balancing account-based mechanism as described
16	in the question above. Staff believes a balancir	g account with a deferral mechanism could be a
17	reasonable foundation for a mechanism to ensu	re PGE is spending money for wildfire mitigation
18	and vegetation management effectively and pru	dently. However, Staff has significant concerns
19	with a balancing account that has a reporting re	quirement, but for which there is no associated
20	deferral. A balancing account without a deferra	al would not provide an opportunity to review the
21	prudence of costs that exceed what PGE collect	s in rates and would not allow PGE and
22	customers to share risk. Instead, all risk associa	ated with wildfire mitigation and vegetation
23	management would be shifted to customers. Fi	nally, such a balancing account would not
24	incentivize cost mitigation because PGE would	receive dollar for dollar recovery of all costs.
25	A balancing account with an annual def	erral of the variance between the amount
26	collected in base rates and the amount spent wo	ould provide the opportunity for the Commission

1	to review the prudence of costs that exceed what PGE recovers annually in rates before PGE is
2	allowed to recover them. However, a deferral and balancing account mechanism with no
3	performance metrics or sharing would not incent PGE to mitigate costs and spend efficiently and
4	prudently. Further, a deferral and balancing account with no sharing of costs between customers
5	and PGE would not result in an appropriate balance of risk and benefits between PGE and
6	customers.
7	In sum, Staff views a balancing account as just a tool to pair with deferrals and notes that
8	the features tied to the balancing account matter, such as the performance metrics proposed in
9	this case. While our proposed mechanism doesn't contain a balancing account, Staff is open to
10	working with parties outside of this proceeding to create a mechanism that may contain a
11	balancing account should the Commission decide that neither party's proposal is sufficient.
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1	Question 6. Refer to PGE/2900, Tooman-Ferchland/27. Please provide a
2	breakdown of the wildfire deferral costs incurred in CY 2020, separately
3	identifying the costs deemed prudent or reasonable and subject to
4	amortization by the parties, and the total remaining disputed costs.
5	The UM 2115 deferral for 2020 has the following total amounts:
6	 \$18,389,536 in O&M Expenses
7	o \$6,144,359 in Capital Expenses ¹
8	Staff disputes \$907,897 of the expense deferred in 2020 because it represents overhead
9	that is already being recovered in base rates. ² Further, Staff recommends a 90/10 sharing, which
10	brings the total amount of O&M to be deferred down to \$15,733,393 once the disputed overhead
11	costs are also taken out. ³
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13	DATED this 2nd day of March, 2022.
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15	Respectfully submitted,
16	ELLEN F. ROSENBLUM Attorney General
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18	/s/ Stephanie Andrus
19	Stephanie Andrus, OSB No. 925123 Sr. Assistant Attorney General
20	Of Attorneys for Staff of the Public Utility Commission of Oregon
21	Commission of Oregon
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24	¹ Staff/2600, Moore-Dlouhy-Storm/19.
25	² Staff/2600, Moore-Dlouhy-Storm/20.
26	³ Staff/2600, Moore-Dlouhy-Storm/20.

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