

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3 UE 410

4 In the Matter of  
5 PORTLAND GENERAL ELECTRIC  
6 COMPANY,  
7 Application Regarding Amortization of  
8 Boardman Deferral.

**JOINT PARTIES' RESPONSE TO MOTION  
TO SUSPEND PROCEDURAL SCHEDULE**

8 Staff of the Oregon Public Utility Commission (Staff), the Alliance of Western Energy  
9 Consumers (AWEC), and the Oregon Citizens' Utility Board (CUB) (together, the "Joint Parties")  
10 file this joint response to Portland General Electric Company (PGE)'s Motion to Suspend the  
11 Procedural Schedule in the above-captioned case. Because PGE has failed to show good cause to  
12 suspend the procedural schedule, the Joint Parties ask the Public Utility Commission of Oregon  
13 (Commission) to deny PGE's motion.

14 **I. Background**

15 This docket concerns amortization of deferred amounts collected from ratepayers for  
16 PGE's Boardman Coal Plant (Boardman) revenue requirement after Boardman was closed.  
17 AWEC and CUB filed the application under ORS 757.259(2) to defer amounts collected in rates  
18 for Boardman revenue requirement shortly before Boardman closed in 2020.<sup>1</sup> The Commission  
19 authorized the deferral in PGE's most recent rate case, Docket No. UE 394.<sup>2</sup> In the order  
20 concluding that rate case, the Commission determined the parameters of the earnings review that  
21 must be conducted under ORS 757.259(5) prior to any order authorizing amortization of the  
22 Boardman deferral, as well as deferrals of restoration costs for a 2020 wildfire and 2021 ice  
23 storm also at issue in the rate case. The Commission also ordered PGE to file a compliance  
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25 <sup>1</sup> See *AWEC and CUB Application to Require PGE to Defer Boardman Expenses and Costs*, UM  
26 2119 (October 8, 2020).

<sup>2</sup> *In the Matter of Portland General Electric Company, Request for a General Rate Revision*, UE  
394, Order No. 22-129, p. 54-55 (April 25, 2022).

1 filing seeking amortization of all three deferrals, consistent with the Commission’s  
2 determinations for the earnings reviews.<sup>3</sup>

3         Among other decisions the Commission made regarding the earnings review and  
4 amortization of the Boardman, wildfire and ice storm deferrals, the Commission rejected PGE’s  
5 argument that it was appropriate to wait until information regarding PGE’s 2021 earnings was  
6 available to address the three multi-year deferrals. The Commission concluded that “[u]nder a  
7 year-by-year method for the three deferrals, we are able to evaluate the costs deferred in a year  
8 against the company’s earnings in the same year. We find that the approach appropriate for  
9 these significant deferrals that extend beyond a year is to match the costs with the earnings for  
10 each year.”<sup>4</sup> The Commission observed that its “approach of allowing for amortization of  
11 deferred amounts after subjecting them to an earnings test for the specific year in which they  
12 were incurred reduces the interest that might otherwise accrue on a large multi-year deferral.”<sup>5</sup>

13         PGE submitted compliance filings to amortize the Boardman, ice storm, and wildfire  
14 deferrals on July 27, 2022, and supported the filings with Opening Testimony. The filing to  
15 amortize the ice storm and wildfire restoration costs incurred in 2020 and 2021 was docketed as  
16 Docket No. UE 408, and the filing to amortize the Boardman deferral in 2020 and 2021 was  
17 docketed as Docket No. UE 410. The Alliance of Western Energy Customers (AWEC) and the  
18 Oregon Citizens’ Utility Board (CUB) intervened in both Docket Nos. UE 408 and 410.

19         All parties in the dockets participated in settlement negotiations and resolved issues  
20 related to the amortization of the 2020 and 2021 wildfire deferral, the 2021 ice storm deferral,  
21 and 2021 Boardman deferral. With respect to the wildfire deferral, the UE 408 stipulation  
22 reflects that PGE is not seeking recovery of the amounts deferred in 2020.<sup>6</sup> With respect to all  
23 three deferrals in 2021, the parties agreed that the results of the earnings review ordered by the

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<sup>3</sup> *Id.*, p. 54-55.

25 <sup>4</sup> *Id.*, p. 52.

26 <sup>5</sup> *Id.*

<sup>6</sup> UE 408 First Stipulation, ¶ 6 (October 24, 2022).

1 Commission showed that PGE should be allowed to amortize all eligible deferred wildfire and  
2 restoration costs<sup>7</sup> and none of the deferred Boardman revenue requirement.<sup>8</sup> The only UE 408 or  
3 UE 410 issues not resolved by stipulation are related to the amortization of the Boardman  
4 revenue requirement deferred in 2020.

5 Staff and AWEC filed testimony in Docket No. UE 410 on September 27, 2022,  
6 supporting amortization of the full amount deferred for Boardman revenue requirement in 2020.  
7 PGE filed reply testimony on October 24, 2022, arguing no amortization of 2020 Boardman  
8 revenue requirement is appropriate. Opportunity for cross-examination on the pre-filed  
9 testimony is scheduled for November 17, 2022, and briefing scheduled for December 2022 and  
10 January 2023.

11 PGE now seeks to suspend the procedural schedule in this matter so that the earnings  
12 review and amortization of the Boardman deferral for 2022 can be addressed at the same time as  
13 the earnings review and amortization for the 2020 amounts. PGE asserts that information  
14 regarding its 2022 earnings will be available in February 2023 and that parties can use this  
15 information to conduct settlement negotiations on the amortization of PGE's deferred 2022  
16 Boardman revenue requirement. PGE asserts there is good cause for the suspension because:

- 17 1. A temporary suspension through February 2023 will allow parties to continue  
18 productive settlement discussions with the intent to resolve all issues in dispute  
19 concerning not only the treatment of 2020 Boardman revenue requirements, but  
20 also the 2022 Boardman revenue requirements. Such a settlement would fully  
21 resolve this docket.
- 22 2. Holding the proceedings in this docket in abeyance for a few months will further  
23 result in a more efficient use of the time and resources of the Company, the Parties,  
24 and the Commission. It will avoid the duplicative effort necessary to conduct a  
25 hearing and briefing solely on the 2020 deferred amounts and then addressing 2022  
separately in a future proceeding.
3. Customers and the Parties will not be harmed by the granting of [PGE's] motion  
since a suspension of the procedural schedule will likely only result in a short delay  
beyond the current February 6, 2023, target Commission order date. Suspending  
the procedural schedule provides an additional opportunity to completely resolve

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26 <sup>7</sup> UE 408 First Stipulation.

<sup>8</sup> UE 410 First Stipulation (October 24, 2022).

1 the amortization treatment for the 2022 Boardman deferral sooner than it would  
2 otherwise occur.<sup>9</sup>

## 3 **II. Argument**

4 PGE is incorrect that good cause supports suspension of the procedural schedule. First,  
5 the Joint Parties do not agree that delaying this docket is likely to facilitate settlement of all  
6 issues presented in this docket. The Joint Parties and PGE disagree on how the earnings test  
7 should be performed for the amortization of the 2020 Boardman deferral. The Joint Parties have  
8 no reason to believe that settlement will be any more attainable when the two years are  
9 considered together as opposed to separately. In fact, the opposite is likely true. The deferral in  
10 2022 is larger than the 2020 deferral because it covers a longer period. If parties are unable to  
11 reach agreement regarding the 2020 deferral, it is unlikely that parties are going to come to  
12 agreement for both the 2020 and 2022 deferrals, given there is more money at stake.

13 Further, the Joint Parties disagree that any administrative efficiency is obtained by adding  
14 additional issues related to the 2022 deferral into the current proceeding. Again, the opposite is  
15 likely true. Parties have filed testimony regarding the appropriate application of the earnings test  
16 for the 2020 Boardman Deferral. The Commission has already determined that the earnings  
17 review for the Boardman deferral will be conducted on a calendar year basis. Meaning, the  
18 Commission decided in Docket No. UE 394 that amortization of the Boardman deferral in 2020  
19 will be based on PGE's earnings in 2020.<sup>10</sup> PGE's earnings in 2022 are not pertinent to that  
20 inquiry.

21 Further, amortization of the 2022 Boardman deferral is not even at issue in this docket.  
22 PGE's UE 410 filing only concerns the deferral of Boardman revenue requirement in 2020 and  
23 2021. If issues related to the as-yet filed request to amortize the 2022 Boardman deferral are  
24 added to this docket, parties will need to file additional testimony to address application of the  
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26 <sup>9</sup> UE 410 – PGE's Motion to Suspend Procedural Schedule 4.

<sup>10</sup> Order No. 22-129, *supra*, p. 52.

1 earnings test to the 2022 deferral. This provides little administrative efficiency, particularly  
2 compared to what will likely occur if litigation in this matter continues.

3         If the Commission proceeds with its consideration of the amortization of the 2020  
4 deferral and issues an order on disputed issues regarding the earnings test, it would be a  
5 relatively simple matter for parties to apply the Commission’s decisions regarding the 2020  
6 deferral to the earnings test and amortization of the 2022 deferral. Accordingly, a resolution in  
7 the current Proceeding would likely expedite consideration of the 2022 deferral, though parties  
8 would still retain their rights review PGE’s full 202 deferral analysis and raise appropriate  
9 concerns.

10         Finally, PGE’s assertion that customers are not harmed by delaying the resolution of this  
11 case is largely predicated on PGE’s assertion that parties will be able to settle both the issues  
12 presented in this docket as well as a future request to amortize the 2022 deferral as soon as  
13 information regarding PGE’s 2022 earnings are available in February 2023. As discussed above,  
14 the Joint Parties do not agree with PGE’s assumption regarding the likelihood of settlement.  
15 Accordingly, if the resolution of this docket is paired with the resolution of a future request to  
16 amortize the 2022 deferral, it is just as likely, if not more, that the Commission will not issue an  
17 order authorizing amortization of the 2020 amounts until late in 2023, after the opportunity for  
18 parties to file testimony related to the amortization of the 2022 deferral. This delay is not in the  
19 best interests of customers, as the Commission concluded in its order in Docket No. UE 394. In  
20 that order, the Commission noted that,

21         [o]ur approach of allowing for amortization of deferred amounts after subjecting  
22 them to an earnings test for the specific year in which they were incurred reduces  
23 the interest that might otherwise accrue on a large multi-year deferral. This does  
24 not reduce the interest rate on the remaining balance associated with subsequent  
25 years but allows us to address whether costs are subject to amortization year-by-  
26 year, reducing the rate for that year's costs rather than continuing to accrue interest  
at the higher rate.<sup>11</sup>

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<sup>11</sup> Order No. 22-129, *supra*, pp. 52-53.

1 In fact, PGE’s proposal to delay reviewing the amortization of the 2020 deferral until  
2 information is available related to amortization of the 2022 deferral is precisely what the  
3 Commission rejected in Order No. 22-129.

4 **III. Conclusion**

5 For the foregoing reasons, the Joint Parties ask the Commission to reject PGE’s Motion to  
6 Suspend the Procedural Schedule.

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8 DATED this 9<sup>th</sup> day of November, 2022.

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Respectfully submitted,

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*/s/ Stephanie Andrus*

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