



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204

November 4, 2019

via email

puc.filingcenter@state.or.us

Public Utility Commission of Oregon
Attn: OPUC Filing Center
201 High Street, Ste. 100
P. O. Box 1088
Salem, OR 97308-1088

**Re: UM 1986 PGE's Application for Reauthorization to Defer Costs to Support PGE's
Use of Balancing Accounts**

Enclosed for filing is Portland General Electric Company's ("PGE") Application for Reauthorization to Defer Costs to Support PGE's Use of Balancing Accounts pursuant to OPUC Order No. 19-020.

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 335).

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at (503) 464-7805.

Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in blue ink that reads "Jaki Ferchland". The signature is written in a cursive, flowing style.

Jaki Ferchland
Manager, Regulatory Affairs

JF/lh

Encls.

cc: Service List: UE 335 and UM 1986

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1986

In the Matter of the Application of Portland)
General Electric Company for an Order) Application for Reauthorization to Defer Costs
Approving the Deferral of Costs to Support) to Support PGE's Use of Balancing Accounts
PGE's Use of Balancing Accounts)

Pursuant to ORS 757.259 and OAR 860-027-0300, and Commission Order 19-020, Portland General Electric Company (PGE) hereby requests authorization to continue to defer certain costs associated with PGE's balancing accounts for the Multnomah County Business Income Tax (MCBIT) Recovery,¹ and Energy Efficiency (EE) Customer Service.² PGE's initial application also included requests for authorization to defer certain costs associated with Major Maintenance Accruals (MMAs) and the Residential Power Act Exchange Credit (RPA Credit). The Commission denied PGE's deferral requests for costs associated with MMAs and the RPA Credit on the basis that: 1) PGE already has an approved deferral application for MMAs, docketed as OPUC Docket No. 1915,³ and 2) the RPA Credit "deferral is not necessary in order to facilitate the current ratemaking treatment for the balancing account already in place."⁴ As such, PGE is only requesting authorization to continue do defer certain costs associated with PGE's balancing accounts for the MCBIT Recovery and the EE Customer Service.

I. Deferral History

This application (Application) is filed at the direction of Public Utility Commission of Oregon (OPUC or Commission) Staff in its interpretation that balancing accounts with a debit

¹ Amortized through Schedule 106.

² Amortized through Schedule 110.

³ See OPUC Docket N0. 1915: The Commission approved PGE's initial deferral application through Order No. 18-517 and a subsequent deferral reauthorization request through Order No. 19-044.

⁴ See Commission Order No. 19-020, at page 1.

balance mean that costs are being deferred and there must be deferral applications to support such accounts.

PGE requests this deferral to be effective upon the date of filing and be subject to annual renewals. PGE will not seek amortization of these deferred amounts in a future proceeding as the deferred amounts will automatically reverse due to the standard operation of a balancing account. In short, approval of this application will permit PGE to continue using the established balancing account mechanisms as approved by the OPUC. In accordance with prior Commission Orders, the balance of the balancing account, either positive or negative (i.e., debit or credit), will be rolled forward within these balancing accounts. Section A below provides further details regarding PGE's balancing accounts.

II. OAR 860-027-0300 Requirements

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

a. Description of Utility Expense for Which Deferred Accounting is Requested

See Deferral History above. In prior regulatory filings PGE proposed and the Commission approved PGE to establish balancing accounts for recording costs and revenues related to MCBIT Recovery, and EE Customer Service. Specifically, the balancing accounts established for these programs or mechanisms are intended to do the following:

- The MCBIT Recovery: The associated balancing account is maintained to accrue the difference between PGE's actual local income tax liability and the amount collected from customers under Schedule 106. Any over- or under-collection reflected in this account is considered when the MCBIT rate is established.
- The EE Customer Service: PGE established a balancing account to record the differences between the actual fully loaded qualifying expenses and the revenues collected under

Schedule 110 adjusted for allowance for uncollectibles, franchise fees, and other revenue sensitive costs.

Because the balancing accounts listed above have been approved by the Commission in previous regulatory proceedings, PGE does not believe that an annual request for deferred accounting is necessary. However, to comply with OPUC Staff's direction, PGE submits this Application to address the occasions when there is a positive (i.e., debit) balance that is rolled forward within these balancing accounts.

b. Reasons for Deferral

Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, PGE seeks to continue deferred accounting treatment for costs associated with the MCBIT recovery, and EE Customer Service to support the use of related balancing accounts. Granting this Application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. Approving the Application will not authorize a change in rates but will permit PGE to continue using balancing accounts as intended and approved through prior Commission orders.

c. Proposed Accounting for Recording Amounts Deferred.

MCBIT Recovery accounting treatment: the balancing account is recorded into FERC Account 242 (Current Regulatory Liability). MCBIT Payments are debited to FERC Account 242 and credited to FERC Account 407.4 (Regulatory Credit). MCBIT amortization is credited to FERC Account 242 and debited to FERC Account 407.4. Interest is accrued on the balance at the approved blended treasury rate.

EE Customer Service accounting treatment: the balancing account is recorded in either FERC 182.3 (Regulatory Assets), when qualified expenses incurred exceed revenue collected from customers, or FERC Account 254 (Regulatory Liabilities) when qualified expenses incurred are less than revenue

collected from customers. PGE amortizes the balancing account based on the rate collected from customers through Schedule 110, adjusted by revenue sensitive costs.

d. Estimate of Amounts to be Recorded for the Next 12 months.

PGE does not have an estimate of the amounts to be deferred because they occur infrequently and can vary depending on the level of expenses and revenues or the accuracy of projections.

e. Notice

A copy of the Notice of Application for Deferral of Costs to Support PGE's Balancing Accounts and a list of persons served with Notice are attached to the Application as Attachment A. In compliance with OAR 860-027-0300(6), PGE is serving Notice of Application on the UE 335 Service List, PGE's last general rate case.

III. The following is provided pursuant to OAR-027-0300 (4)

a. Description of Deferred Account Entries

Please see sections II(a) and II(c) above.

b. The Reason for Continuing Deferred Accounting

PGE seeks approval to continue deferred accounting treatment for costs associated with the MCBIT recovery, and EE Customer Service to support the use of related balancing accounts.

Without reauthorization this deferral will expire on December 6, 2019.

IV. Summary of Filing Conditions

a. Earnings Review.

No earnings review is applicable as PGE will not seek separate amortization of the deferred amounts in a future proceeding because all associated costs and revenues will continue to flow through the established balancing accounts.

b. Prudence Review

A prudence review should be performed by the Commission Staff as part of their review of PGE's general rate case filings.

c. Sharing Percentages

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

d. Rate Spread/Rate Design

Rate Spread/Rate Design is not applicable since PGE will not seek amortization of the deferred amounts in a future proceeding because all associated costs and revenues will continue to flow through the established balancing accounts.

e. Three percent test (ORS 757.259(6))

The three percent test would not apply because PGE will not seek amortization of the deferred amounts in a future proceeding.

V. PGE Contacts

Written communications regarding this Application should be addressed to:

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

Stefan Cristea, Senior Regulatory Analyst, Regulatory Affairs
E-mail: Stefan.cristea@pgn.com

a. Conclusion

For the reasons stated above, PGE requests permission to defer the costs related to MCBIT Recovery and EE Customer Service such that any positive balance can be rolled forward into their balancing accounts calculations.

DATED this 4th day of November, 2019.

Respectfully Submitted,



Jaki Ferchland
Manger, Regulatory Affiars
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UM 1986

Attachment A

**Notice of Application for Reauthorization to Defer Costs to
Support PGE's Use of Balancing Accounts**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1986

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Costs to Support PGE's Use of Balancing Accounts) Notice of Application for Reauthorization to Defer Costs to Support PGE's Use of Balancing Accounts))
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On November 4, 2019, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (the Commission or OPUC) for an Order reauthorizing deferral of costs to support PGE's use of established balancing accounts for the Multnomah County Business Income Tax Recovery and the Energy Efficiency Customer Service.

Approval of PGE's Application will not authorize a change in PGE's rates, but will permit PGE to continue using the balancing accounts mentioned above as approved through prior Commission Orders.

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 December 4, 2019.

Dated this 4th day of November, 2019.

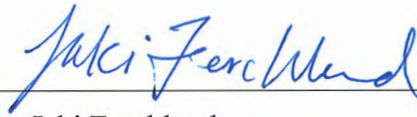


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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the Notice of Application for Reauthorization to Defer Costs to Support PGE's Use of Balancing Accounts to be served by electronic mail to those parties on the attached service list for OPUC Docket No. UE 335.

Dated at Portland, Oregon, 4th day of November, 2019.



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