



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

December 6, 2023

***Via Electronic Filing***

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

**Re: UM 1986 – In the Matter of Portland General Electric Company, Application for  
Deferral of Costs to Support the Use of Balancing Accounts  
PGE’s Application for Reauthorization of Deferral**

Filing Center,

Enclosed for filing is Portland General Electric Company’s (PGE) Application for Reauthorization to Defer Costs and Revenues to Support PGE’s Use of a Balancing Account Associated with the Multnomah County Business Income Tax Recovery pursuant to OPUC Order No. 19-020.

A Notice regarding the filing of this application has been provided to the parties on the UE 416 and UM 1986 service lists.

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@pgn.com](mailto:pge.opuc.filings@pgn.com).

Sincerely,

*/s/ Jaki Ferchland*

Jaki Ferchland  
Senior Manager, Revenue Requirement

JF/dm

Encls.  
cc: Service List: UE 416 and UM 1986

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1986**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

Application for Deferral Reauthorization to  
Support the Use of a Balancing Account  
Associated with the MCBIT Recovery.

**PORTLAND GENERAL ELECTRIC  
COMPANY APPLICATION FOR  
DEFERRAL REAUTHORIZATION**

Pursuant to ORS 757.259, OAR 860-027-0300, and Public Utility Commission of Oregon (Commission or OPUC) Order Nos. 19-020 and 23-454, Portland General Electric Company (PGE) hereby requests reauthorization to defer certain costs and revenues associated with PGE’s balancing account for the Multnomah County Business Income Tax (MCBIT) Recovery.

**I. Deferral Summary**

This application (Application) is filed to support a balancing account that is used to record the activity of a Commission-approved mechanism, in conjunction with PGE Schedule 106. PGE requests this deferral have an effective date of December 7, 2023 and be subject to annual renewals as long as Schedule 106 and the MCBIT balancing account are in place. PGE will not seek amortization of the deferred amounts in a future proceeding as the deferred amounts will automatically reverse due to the standard operation of the approved MCBIT mechanism. In short, approval of this application will permit PGE to continue using the established MCBIT balancing account mechanism as approved by the OPUC. In accordance with prior Commission Orders, amounts in the MCBIT balancing account will

continue to be rolled forward and can have either positive or negative (i.e., debit or credit) balances. Section A below provides further details regarding PGE's balancing account.

## **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 Summary above. In prior regulatory filings, PGE proposed, and the Commission approved PGE to establish a balancing account for recording costs and revenues related to MCBIT Recovery. The balancing account associated with the MCBIT Recovery is maintained to accrue the difference between PGE's actual local income tax liability and the amount collected from customers under Schedule 106. Any temporary over-or under-collection reflected in this account is considered when the MCBIT rate is updated.

In compliance with Commission Order No. 19-020 and at the OPUC Staff's direction, PGE submits this Application to support the balancing account and to address variances – positive or negative – that roll forward within the MCBIT Recovery balancing account.

### 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 and revenues associated with the MCBIT Recovery to support the use of a related balancing account. 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 the balancing account associated with the MCBIT Recovery as intended and approved by prior Commission Orders.

c. Proposed Accounting for Recording Amounts Deferred.

MCBIT Recovery accounting treatment: the balancing account is recorded in 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 407.3. Interest is accrued on the balance at the approved blended treasury rate.

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

While it is difficult to estimate the amounts to be deferred because they can vary depending on the level of costs and revenues, PGE forecasts that the MCBIT balance at the end of the next 12-month period will be approximately (\$4,700).

e. Notice

A copy of the Notice of Application for Deferral of Costs and Revenues to Support PGE's Balancing Account 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 416 and UM 1986 Service Lists.

**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 and revenues associated with the MCBIT balancing account. Without reauthorization, this deferral will expire on December 6, 2023.

#### **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 account. Additionally, as Schedule 106 is established as an Automatic Adjustment Clause, an earnings review is not required under ORS 757.259(5).

b. Prudence Review

A prudence review should be performed by the Commission Staff as part of their review of PGE's annual UM 1986 reauthorization filings.

c. Sharing Percentages

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

d. Rate Spread/Rate Design

Rate Spread/Rate Design is applied in accordance with PGE Schedule 106. 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 account.

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

The three percent test does 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:

Kim Burton  
Assistant General Counsel  
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PGE-OPUC Filings  
Rates & Regulatory Affairs  
Portland General Electric  
121 SW Salmon Street  
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(503) 464-8172  
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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:

Ben Orndoff, Regulatory Analyst, Regulatory Affairs  
ben.orndoff@pgn.com

**a. Conclusion**

For the reasons stated above, PGE requests permission to continue to defer the costs and revenues related to MCBIT Recovery balancing account including any amounts that are rolled forward into the associated balancing account calculations.

DATED this 6<sup>th</sup> day of December 2023.

Respectfully Submitted,

*/s/ Jaki Ferchland*

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**UM 1986**

**Attachment A**

**Notice of Application for Reauthorization to Defer Costs and Revenues to  
Support PGE's Use of a Balancing Account Associated with  
the MCBIT Recovery**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1986**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

Application for Deferral Reauthorization to  
Support the Use of a Balancing Account  
Associated with the MCBIT Recovery.

**PORTLAND GENERAL ELECTRIC  
COMPANY NOTICE OF APPLICATION  
FOR DEFERRAL REAUTHORIZATION**

On December 7, 2023, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (Commission or OPUC) for an Order reauthorizing deferral of costs and revenues to support PGE’s use of the established balancing account for the Multnomah County Business Income Tax (MCBIT) Recovery.

Approval of PGE’s Application will not authorize a change in PGE’s rates but will permit PGE to continue using the MCBIT Recovery balancing account 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 January 1, 2024.

Dated this 6<sup>th</sup> day of December 2023.

*/s/ Jaki Ferchland*

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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 and Revenues to Support PGE's Use of a Balancing Account Associated with the Multnomah County Business Income Tax Recovery to be served by electronic mail to those parties on the attached service list for OPUC Docket Nos. UE 416 and UM 1986.

Dated at Portland, Oregon, 6<sup>th</sup> day of December 2023.

*/s/ Jaki Ferchland*

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