

December 30, 2020

Via Electronic Filing

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

Re: UM 2046 PGE's Application for Authorization to Defer Costs Associated with an Increase in the Annual Regulatory Fee

Dear Filing Center;

Enclosed for filing is Portland General Electric Company's ("PGE") Application for Authorization to Defer Costs Associated with an Increase in the Annual Regulatory Fee pursuant to ORS 756.310.

A Notice regarding the filing of this application has been provided to the parties on the UM 2046 and UE 335 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.

Sincerely,

/s/ Jaki Ferchland

Jaki Ferchland Manager, Revenue Requirement

JF/np Enclosure

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2046

In the Matter of

PORTLAND GENERAL ELECTRIC COMPANY

Application for Authorization to Defer Costs Associated with an Increase in the Annual Regulatory Fee PORTLAND GENERAL ELECTRIC COMPNAY APPLICATION FOR DEFERRAL REAUTHORIZATION

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company (PGE) respectfully requests a Public Utility Commission of Oregon (Commission or OPUC) order reauthorizing PGE to defer, for later rate-making treatment, the costs associated with an increase in the annual regulatory fee allowed by ORS 756.310 (Deferred Amount). PGE requests this deferral to be effective January 1, 2021 and be subject to annual renewals until the fee rate is incorporated into PGE's next general rate case.

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 OPUC.
- 2. This application is filed pursuant to ORS 757.259 which allows the Commission, upon application, to authorize deferral of certain items.
- 3. Written communications regarding this Application should be addressed to:

Douglas C. Tingey Associate General Counsel Portland General Electric 1 WTC 1301

1 W I C 1301 121 SW Salmon Street

Portland, OR 97204 Phone: 503.464.8926

E-mail: doug.tingey@pgn.com

PGE-OPUC Filings Rates & Regulatory Affairs Portland General Electric

1 WTC 0306

121 SW Salmon Street Portland, OR 97204

Phone: 503.464.7805

E-mail: pge.opuc.filings@pgn.com

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

Alex Tooman, Senior Regulatory Consultant, Regulatory Affairs

E-mail: <u>Alex.Tooman@pgn.com</u>

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

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

A. <u>Background Description</u>

On May 24, 2019, Oregon Governor Kate Brown signed Senate Bill 68 (SB 68), which revises ORS 756.310 to allow the annual regulatory fee that is imposed on public utilities and telecommunications providers, for purpose of defraying costs of the OPUC, to increase from 0.3% to 0.45%. On February 26, 2020 OPUC issued Order No. 20-054 increasing the OPUC annual regulatory fee to thirty-five hundredths of one percent, or 0.35% of gross revenue of the preceding year. In accordance with ORS 756.310, the Commission may issue another order to further increase the fee paid by public utilities. Because the current increase will likely remain in effect and PGE expects that the Commission will implement an additional fee increase in 2021, PGE requests authorization to continue to defer for later rate making treatment, the costs associated with the increase in the OPUC fee. The Commission approved PGE's initial request to defer the 2020 increase in the OPUC fee via Order No. 20-411.

B. Reasons for Deferral

Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, PGE seeks continued deferred accounting treatment for costs associated with the current and expected increase in the annual regulatory fee, effective January 1, 2021. In summary, the imposition of all regulatory fee increases since PGE's base prices were most recently established by Commission Order No. 18-464 and until PGE's next general rate case, will be subject to this deferral since PGE is unable to include them within a prior or existing rate proceeding. Granting

this Application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

C. <u>Proposed Accounting for Recording Amounts Deferred.</u>

PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts. When specific identification of the particular source of the regulatory asset cannot be reasonably made, then FERC account 407.4 (Regulatory Credits) will be credited. In the absence of a deferred accounting order, the costs would be debited to the appropriate cost accounts.

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

PGE estimates that the amount to be deferred would be approximately \$4.0 million dollars if the Commission authorizes a regulatory fee increase up to the maximum 0.45% allowable by ORS 756.310.

E. Notice

A copy of the Notice of Application for Deferral of Costs Associated with an Increase in the Annual Regulatory Fee and a list of persons served with the Notice are attached to this 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.

II. Summary of Filing Conditions

A. Earnings Review

Recovery of the incremental regulatory fee will be subject to an earnings review in accordance with ORS 757.259(5).

B. Prudence Review

A prudence review should be performed as part of the amortization filing.

C. Sharing

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

D. <u>Rate Spread/Rate Design</u>

The rate spread/rate design will be consistent with the prevailing rate spread/rate design at

the time of the amortization.

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

The amortization of the deferred costs will be subject to the three percent test in accordance

with the ORS 757.259(6) 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 costs related to the

increase in the annual regulatory fee, effective January 1, 2021.

DATED this 30th day of December, 2020.

Respectfully Submitted,

/s/ Jakí 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

PGE Application for Deferral Reauthorization [UM 2046]

UM 2046

Attachment A

Notice of Application for Deferral of Costs Associated with an Increase in the Annual Regulatory Fee

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2046

In the Matter of

PORTLAND GENERAL ELECTRIC COMPANY

Application for Authorization to Defer Costs Associated with an Increase in the Annual Regulatory Fee PORTLAND GENERAL ELECTRIC COMPNAY NOTICE OF APPLICATION FOR DEFERRAL REAUTHORIZATION

On December 30th, 2020, Portland General Electric Company (PGE) filed an Application with the Public Utility Commission of Oregon (Commission or OPUC) for an Order authorizing deferral of costs associated with an increase in the Annual Regulatory Fee allowed by ORS 756.310.

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.

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 30^{th} , 2021.

Dated this 30th day of December, 2020.

/s/ Jakí 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 **Notice of Application for Deferral of Costs Associated with an Increase in the Annual Regulatory Fee** allowed by ORS 756.310, to be served by electronic mail on those parties whose email addresses appear in the attached service list for OPUC Docket No. UE 335 and UM 2046.

Dated at Portland, Oregon, this 30th day of December, 2020.

/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

UE 335

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