



Portland General Electric Company
121 SW Salmon Street • 1WTC0306 • Portland, OR 97204
portlandgeneral.com

December 30, 2022

Via Electronic Filing

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

**Re: UM 2219 PGE's Application for Reauthorization to Defer Costs and Revenues
Associated with the Energy Affordability Act**

Filing Center:

Enclosed for filing is Portland General Electric Company's (PGE) Application for Reauthorization of the Deferral of Costs and Revenues Associated with the Energy Affordability Act pursuant to Commission Order No. 22-101.

A Notice regarding the filing of this application has been provided to the parties on the UE 394 and UM 2219 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/dm
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2219

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Application for Reauthorization of Deferred
Accounting of Costs and Revenues
Associated with the Energy Affordability
Act

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

Pursuant to ORS 757.259, OAR 860-027-0300, House Bill (HB) 2475, PGE tariff Schedule 118, and the Oregon Public Utility Commission (Commission or OPUC) Order No. 22-101, Portland General Electric Company (PGE) requests authorization to continue to defer for later ratemaking treatment costs and revenues associated with the Energy Affordability Act. Schedule 118 is an automatic adjustment clause as defined in ORS 757.210. PGE requests that the reauthorization be effective January 1, 2023, through December 31, 2023.

I. Deferral History

On May 24, 2021, the Governor of Oregon signed into law HB 2475, the Energy Affordability Act. The bill amends ORS 757.230 to allow additional classification of service for “differential energy burdens on low-income customers and other economic, social equity or environmental justice factors that affect affordability for certain classes of utility customers.”¹ As a result of this law, PGE is able to provide an income-qualified discount to eligible residential customers.

¹[HB2475 \(oregonlegislature.gov\)](https://legislature.oregon.gov/bills/200/2475)

On December 30, 2021, PGE requested OPUC approval to defer incremental O&M costs and revenues associated with the Energy Affordability Act. On March 24, 2022, the Commission authorized PGE's deferral request through Commission Order No. 22-101. The continuance of this deferral will minimize the frequency of rate changes or the fluctuation of rate levels, and match appropriately the costs borne, and benefits received by customers.

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

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

A. Background Description

See the Deferral History above. Amounts will be deferred pursuant to the terms of Schedule 118.

B. Reasons for Deferral

PGE seeks reauthorization to defer costs and revenues associated with the Energy Affordability Act from January 1, 2023, through December 31, 2023 (Deferral Period 2023). Without reauthorization, this deferral will expire on December 31, 2022. The continuance of this deferral will minimize the frequency of rate changes or the fluctuation of rate levels, and match appropriately the costs borne, and benefits received by customers.

C. Proposed Accounting for Recording Amounts Deferred.

PGE proposes to record the balancing account in FERC Account 182.3 (Other Regulatory Assets). Income-qualified payments (i.e., payments to support income-qualified energy discounts) will be debited to FERC Account 182.3 and credited to FERC Account 903 (Customer Records & Collection Expense). Energy Affordability Act amortization (i.e., revenues collected from PGE's customer) will be credited to FERC Account 182.3 and debited to FERC Account 903. Interest will accrue on the balance at the approved blended treasury rate.

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

PGE estimates the income-qualified energy discount amount to defer during 2023 to be approximately \$20.9 million² and an additional \$300,000 in incremental administrative costs.

E. Notice

A copy of the Notice of Application for Deferral of Costs and Revenues Associated with the Energy Affordability Act and a list of persons served with Notice are attached to this Application as Attachment A.

III. The following is provided pursuant to OAR 860-027-0300(4):

a. Description of deferred account entries

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

b. The reason for continuing deferred accounting

PGE seeks approval to continue the Energy Affordability Act Deferral pursuant ORS 757.259, OAR 860-027-0300, House Bill (HB) 2475, PGE tariff Schedule 118, Commission Order No. 22-101 and as described in (II)(b) above.

IV. PGE Contacts

The authorized addresses to receive notices and communications in respect of this Application are:

Kim Burton
Assistant General Counsel
Portland General Electric
121 SW Salmon Street
Portland, OR 97204
(573) 356-9688
kim.burton@pgn.com

PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric
121 SW Salmon Street
Portland, OR 97204
(503) 464-8172
pge.opuc.filings@pgn.com

² This increase is due to program enrollments exceeding 2023 projections. Additionally, more enrollments are occurring in higher discount tiers.

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

V. Summary of Filing Conditions

A. Earnings Review

Cost recovery associated with this deferral will not be subject to an earnings review since it would be subject to an automatic adjustment clause.

B. Prudence Review

A prudence review should be performed by the Commission Staff as part of PGE's amortization filing.

C. Sharing

No sharing mechanism applies to the Energy Affordability Act costs or revenues.

D. Rate Spread/Rate Design

Applicable costs will be allocated to PGE's Schedule 7 customers using a per-customer average price and to non-residential customers, each schedule on an equal cents-per-kWh basis with a cap for large customers.

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), 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, unless authorized by the Commission under ORS 757.259(8).

IV. Conclusion

For the reasons stated above, PGE requests approval to defer the costs and revenues associated with the Energy Affordability Act effective January 1, 2023.

DATED this 30th day of December 2022.

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street
Portland OR 97204
(503) 464-7488
jacquelyn.ferchland@pgn.com

Attachment A

Notice of Application for Deferral of Costs and Revenues Associated with the Energy Affordability Act

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2219

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Application for Reauthorization of Deferral
of Costs and Revenues Associated with the
Energy Affordability Act

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

On December 30, 2022, 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 and revenues associated with the Energy Affordability Act.

Approval of PGE's Application as proposed will support the continued use of an automatic adjustment clause rate schedule and balancing account to reflect the incremental costs and revenues associated with the Energy Affordability Act.

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 25, 2023.

Dated this 30th day of December 2022.

/s/ Jaki Ferchland
Jaki Ferchland
Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street
Portland OR 97204
(503) 464-7488
jacquelyn.ferchland@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **Notice of Application for the Deferral of Costs and Revenues Associated with the Energy Affordability Act** to be served by electronic mail to those parties on the attached service list for OPUC Docket Nos. UE 394 and UM 2219.

Dated at Portland, Oregon, this 30th day of December 2022.

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street
Portland OR 97204
(503) 464-7488
jacquelyn.ferchland@pgn.com

SERVICE LIST
OPUC DOCKET No. UE 394

RALPH CAVANAGH NATURAL RESOURCES DEFENSE COUNCIL	111 SUTTER ST FL 20 SAN FRANCISCO CA 94104 rcavanagh@nrdc.org
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LAUREN MCCLOY NW ENERGY COALITION	811 1ST AVE SEATTLE WA 98104 lauren@nwenergy.org
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MICHELLE ORTON-BROWN WALMART	morton-brown@parsonsbehle.com
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WILLIAM STEELE (C) BILL STEELE AND ASSOCIATES, LLC	PO BOX 631151 HIGHLANDS RANCH CO 80164 w.steele1@icloud.com
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AWEC

JESSE O GORSUCH (C) (HC) DAVISON VAN CLEVE	1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 jog@dvclaw.com
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CORRINE MILINOVICH (C) (HC) DAVISON VAN CLEVE	1750 SW HARBOR WAY, STE. 450 PORTLAND OR 97201 com@dvclaw.com
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TYLER C PEPPLER (C) (HC) DAVISON VAN CLEVE	1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 tcp@dvclaw.com
---	---

CALPINE SOLUTIONS

GREGORY M. ADAMS (C) (HC) RICHARDSON ADAMS PLLC	515 N 27TH ST BOISE ID 83702 greg@richardsonadams.com
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GREG BASS CALPINE ENERGY SOLUTIONS, LLC	401 WEST A ST, STE 500 SAN DIEGO CA 92101 greg.bass@calpinesolutions.com
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KEVIN HIGGINS (C) (HC) ENERGY STRATEGIES LLC	215 STATE ST - STE 200 SALT LAKE CITY UT 84111-2322 khiggins@energystrat.com
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FRED MEYER

JUSTIN BIEBER (C) FRED MEYER/ENERGY STRATEGIES LLC	215 SOUTH STATE STREET, STE 200 SALT LAKE CITY UT 84111 jbieber@energystrat.com
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KURT J BOEHM (C)
BOEHM KURTZ & LOWRY

36 E SEVENTH ST - STE 1510
CINCINNATI OH 45202
kboehm@bkllawfirm.com

JODY KYLER COHN (C)
BOEHM KURTZ & LOWRY

36 E SEVENTH ST STE 1510
CINCINNATI OH 45202
jkylercohn@bkllawfirm.com

NIPPC

CARL FINK
BLUE PLANET ENERGY LAW LLC

628 SW CHESTNUT ST, STE 200
PORTLAND OR 97219
cmfink@blueplanetlaw.com

SPENCER GRAY
NIPPC

sgray@nippc.org

OREGON CITIZENS UTILITY BOARD

WILLIAM GEHRKE (C)
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY STE 400
PORTLAND OR 97206
will@oregoncub.org

MICHAEL GOETZ (C)
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY STE 400
PORTLAND OR 97205
mike@oregoncub.org

Share OREGON CITIZENS' UTILITY BOARD
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY, STE 400
PORTLAND OR 97205
dockets@oregoncub.org

PGE

PORTLAND GENERAL ELECTRIC

pge.opuc.filings@pgn.com

KIM BURTON
PORTLAND GENERAL ELECTRIC

121 SW SALMON STREET
PORTLAND OR 97204
kim.burton@pgn.com

JAY TINKER (C)
PORTLAND GENERAL ELECTRIC

121 SW SALMON ST 1WTC-0306
PORTLAND OR 97204
pge.opuc.filings@pgn.com

SBUA

JAMES BIRKELUND
SMALL BUSINESS UTILITY ADVOCATES

548 MARKET ST STE 11200
SAN FRANCISCO CA 94104
james@utilityadvocates.org

DIANE HENKELS (C)
SMALL BUSINESS UTILITY ADVOCATES

621 SW MORRISON ST. STE 1025
PORTLAND OR 97205
diane@utilityadvocates.org

STAFF

STEPHANIE S ANDRUS (C)
Oregon Department of Justice

BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM OR 97301-4096
stephanie.andrus@doj.state.or.us

MATTHEW MULDOON (C)
PUBLIC UTILITY COMMISSION OF OREGON

PO BOX 1088
SALEM OR 97308-1088
matt.muldoon@puc.oregon.gov

WALMART

VICKI M BALDWIN (C)
PARSONS BEHLE & LATIMER

201 S MAIN ST STE 1800
SALT LAKE CITY UT 84111
vbaldwin@parsonsbehle.com

STEVE W CHRISS (C)
WALMART STORES INC

2001 SE 10TH ST
BENTONVILLE AR 72716-0550
stephen.chriss@wal-mart.com

SERVICE LIST
OPUC DOCKET No. UM 2219

STEPHANIE S ANDRUS Oregon Department of Justice	BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 stephanie.andrus@doj.state.or.us
KIM BURTON PORTLAND GENERAL ELECTRIC	121 SW SALMON STREET PORTLAND OR 97204 kim.burton@pgn.com
CURTIS DLOUHY PUBLIC UTILITY COMMISSION OF OREGON	PO BOX 1088 SALEM OR 97308-1088 curtis.dlouhy@puc.oregon.gov
JAKI FERCHLAND PORTLAND GENERAL ELECTRIC	121 SW SALMON ST. 1WTC0306 PORTLAND OR 97204 jacquelyn.ferchland@pgn.com
Share PGE RATES & REGULATORY AFFAIRS PORTLAND GENERAL ELECTRIC	PORTLAND GENERAL ELECTRIC COMPANY 121 SW SALMON STREET, 1WTC0306 PORTLAND OR 97204 pge.opuc.filings@pgn.com