

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT**

PUBLIC MEETING DATE: December 12, 2023

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2024

DATE: November 22, 2023

TO: Public Utility Commission

FROM: Ming Peng

THROUGH: Bryan Conway, Marc Hellman, and Matt Muldoon **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1556/Advice No. 23-26)
Schedule 145, Boardman Power Plant Decommissioning Adjustment.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) Advice No. 23-26, which updates Schedule 145, Boardman Power Plant Decommissioning Adjustment, effective with service on and after January 1, 2024.

DISCUSSION:

Issue

Whether the Commission should approve PGE's Advice No. 23-26, which updates Schedule 145, Boardman Power Plant Decommissioning Adjustment, effective on January 1, 2024.

Applicable Law

ORS 757.205 Every public utility shall file with and as part of every such schedule all rules and regulations that in any manner affect the rates charged or to be charged for any service.

ORS 757.210 the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

OAR 860-022-0025 allows tariff revisions to be made by filing revised sheets with the information required under the Commission's administrative rules. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Analysis

Background

On November 3, 2023, PGE filed Advice No. 23-26 requesting an update to Schedule 145, which contains its Boardman Power Plant Decommissioning Adjustment. PGE's Boardman coal-fired power plant (Boardman) is in Oregon and ceased operation on October 15, 2020. Boardman Coal Plant is currently being decommissioned and demolished, scheduled to be complete by end of 2023.

PGE states that the purpose of the Schedule 145 Boardman Power Plant Decommissioning Adjustment is to implement the revenue requirement effect of the decommissioning expenses related to the Boardman Power Plant.

On October 30, 2023, the Commission issued Order No. 23-386 in PGE's 2024 general rate case (UE 416). The Order, which adopts the Terms of Second Partial Stipulation, Term 8 – Amortization of excess Boardman Decommissioning collections and Deferred Open Access Transmission Tariff (OATT) Revenue (A-11, A-12, S-03), states:

- a. Parties agree that PGE will begin to refund any excess Schedule 145, Boardman Decommissioning amounts and OATT Revenues deferred under Docket No. UM 2217, beginning January 1, 2024, over a period of two years.

Pursuant to Commission Order No. 23-386 from PGE's 2024 general rate case (UE 416), PGE committed to begin refunding excess Schedule 145 collections beginning January 1, 2024, based on a two-year amortization period. The Company states that PGE has largely completed the decommissioning and the current expectation of final costs are below amounts collected. Therefore, PGE will refund the currently forecasted net amount of \$16.9 million to customers over two years—2024 and 2025. The proposed Schedule 145 price changes result in an approximate \$8.4 million refund to customers in 2024.

To satisfy the requirements of OAR 860-022-0025(2), PGE provided the following response:

The refund of the prospective 2024 net decommissioning expenses through Schedule 145 prices results in an approximate \$8.4 million or 0.3% overall average rate decrease for the approximately 940,000 (2024 forecasted average) applicable Cost-of-Service customers. A typical Schedule 7 residential customer consuming 795 kWh monthly will see a \$0.38 or 0.3% decrease to their monthly bill inclusive of the Public Purpose Charge.

On November 20, 2023, PGE submitted a Supplemental Filing to update the energy prices used for allocation purposes consistent with the final UE 416 prices, update the balancing account with October actuals, and to restructure Schedule 90 pricing so there is one price for both 30-250 MWh customers and >250 MWh customers. PGE initially filed Advice No. 23-26 on November 3, 2023, with a requested effective date of January 1, 2024, which remains as filed.

Staff Analysis

Staff has reviewed and verified the Company's initial and supplemental filings and associated workpapers, including the Sch.145 Boardman Refund, Balancing Account Amortization, Credit Amortization, Boardman Regulatory Liability Runout – Activity, Calculation of Generation Revenues, Schedule 145 Tariff Sheet, and the Terms of Second Partial Stipulation, Term No. 8 – Amortization of excess Boardman Decommissioning collections and Deferred Open Access Transmission Tariff (OATT) Revenue from Order No. 23-386.

Staff finds that the tariff update for Schedule 145 has complied with Commission orders. The refund amounts represent an overcollection of revenues from customers for decommissioning Boardman Coal Plant. Further, Staff found the Schedule 145 Boardman Refund, Balancing Account Amortization, Credit Amortization, and proposed tariff sheets are reasonable.

Conclusion

Based on Staff's analysis of PGE's advice filing, and the work papers associated with the filing, Staff finds the calculations associated with the filing are consistent with applicable laws and Commission orders. Staff further finds that the Company's update to Schedule 145 results in a rate decrease that is fair, just, and reasonable.

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PGE will begin to refund any excess Schedule 145 Boardman Decommissioning amounts January 1, 2024, over a two-year period. A typical Schedule 7 residential customer consuming 795 kWh monthly will see a \$0.38, or 0.3 percent, decrease to their monthly bill.

The Company has reviewed this memo and agrees with its contents.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 23-26, and Supplemental filing, which updates Schedule 145, Boardman Power Plant Decommissioning Adjustment, to begin refunding excess Schedule 145 collections, effective with service on and after January 1, 2024.

PGE ADV 1556 Advice 23-26 Boardman Decommissioning