



Oregon

Kate Brown, Governor

Public Utility Commission

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November 29, 2022



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 22-27

At the public meeting on November 22, 2022, the Commission adopted Staff's recommendation in this matter docketed as ADV 1440. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 29, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2023

DATE: November 14, 2022

TO: Public Utility Commission

FROM: Curtis Dlouhy

THROUGH: Bryan Conway, Caroline Moore, and Scott Gibbens **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1440/Advice No. 22-27)
Colstrip Power Plant Operating Life Adjustment.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) Advice No. 22-27, which updates Schedule 146 with the isolated Colstrip updated revenue requirement for 2023.

DISCUSSION:

Issue

Whether the Commission should approve PGE's Advice No. 22-27, which updates Schedule 146 with the isolated Colstrip updated revenue requirement for 2023.

Applicable Law

The Commission may approve tariff changes if they are deemed fair, just, and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. See ORS 757.220; OAR 860-022-0020. The Commission may allow changes on less than 30 days' notice for good cause shown. ORS 757.220.

Analysis

Background

On October 31, 2022, PGE filed Advice No. 22-27 requesting an update to Schedule 146, which contains its Colstrip Power Plant operating life adjustment. In UM 2152, the depreciable life of Colstrip Power Plant was changed from year-end 2030 to year-end 2025. The exact rate impact of this change was determined as part of PGE's most recent general rate case, UE 394. Schedule 146 was created as a consequence of UE 394 in Commission Order No. 22-129, wherein the Commission adopted the parties' stipulation recommending that Colstrip's revenue requirement be isolated from PGE's base revenue requirement.

The isolated Colstrip revenue requirement contains three broad categories of expenses: decommissioning amounts, depreciation amounts, and any remaining amounts including operating and maintenance costs while Colstrip is still in service. The decommissioning amounts are subject to a balancing account that reconciles actual and expected revenues. As part of the stipulation approved in Commission Order No. 22-129, PGE is required to provide parties the approved O&M budgets and revenue requirement for Colstrip by November 1 of each calendar year.¹

PGE states that the total isolated Colstrip revenue requirement for 2023 is approximately \$70.6 million inclusive of the costs associated with the decommissioning costs balancing account. This constitutes approximately a \$4.5 million, or 0.2 percent, reduction in Cost of Service revenues.

Staff Analysis

Staff has reviewed the Company's filing and associated workpapers. Staff finds that the O&M budget is reasonable and that the total depreciation and decommissioning expenses are consistent with the amounts approved in UE 394. Further, Staff found no errors in the calculations for the balancing account, isolated Colstrip revenue requirement, rate design workpapers, or proposed tariff sheets.

Conclusion

Staff finds that PGE's Advice No. 22-27 filing and associated workpapers comply with the terms of the stipulation adopted in Commission Order No. 22-129 and found no errors in the Company's filed workpapers or tariff. Staff recommends that the Commission approve the Company's Advice No. 22-27, which updates Schedule 146 with the isolated Colstrip updated revenue requirement for 2023.

¹ Commission Order No. 22-129, Page 7.

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PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 22-27, which updates Schedule 146 with the isolated Colstrip updated revenue requirement for 2023.

PGE ADV 1440 Advice No. 22-27 – Colstrip Power Plant Operating Life Adjustment

**SCHEDULE 146
COLSTRIP POWER PLANT
OPERATING LIFE ADJUSTMENT**

PURPOSE

This schedule establishes the mechanism to implement in rates the Company's share of the full revenue requirement for the Colstrip Power Plant Units 3 and 4 and associated common facilities. This schedule is implemented as an "automatic adjustment clause" as defined in ORS 757.210.

APPLICABLE

To all bills for Electricity Service except Schedules 76R, 485, 489, 490, 491, 492, 495, 576R and 689.

ADJUSTMENT RATES

Schedule 146 Adjustment Rates will be set based on an equal percent of Energy Charge revenues applicable at the time of any filing that revises rates pursuant to this schedule.

<u>Schedule</u>	<u>Adjustment Rate</u>	(R)
7	0.416 ¢ per kWh	
15/515	0.296 ¢ per kWh	
32/532	0.356 ¢ per kWh	
38/538	0.326 ¢ per kWh	
47	0.396 ¢ per kWh	
49/549	0.408 ¢ per kWh	
75/575		
Secondary	0.331 ¢ per kWh	
Primary	0.326 ¢ per kWh	
Subtransmission	0.332 ¢ per kWh	
83/583	0.352 ¢ per kWh	
85/585		
Secondary	0.340 ¢ per kWh	
Primary	0.333 ¢ per kWh	
89/589		
Secondary	0.331 ¢ per kWh	
Primary	0.326 ¢ per kWh	
Subtransmission	0.332 ¢ per kWh	

SCHEDULE 146 (Continued)

ADJUSTMENT RATE (Continued)

<u>Schedule</u>	<u>Adjustment Rate</u>
90/590	
Primary	0.304 ¢ per kWh
Subtransmission	0.304 ¢ per kWh
91/591	0.300 ¢ per kWh
92/592	0.318 ¢ per kWh
95/595	0.300 ¢ per kWh

(R)
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(R)

PART A- DECOMMISSIONING AMOUNTS

Part A consists of the revenue requirements related to decommissioning of the Colstrip Power Plant Units 3 and 4. The decommissioning revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return and return on equity rates.

PART B- DEPRECIATION AMOUNTS

Part B consists of the revenue requirements related to depreciation of the Colstrip Power Plant Units 3 and 4. The depreciation revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return and return on equity rates.

PART C- REMAINING AMOUNTS

Part C consists of the full revenue requirement associated with the Colstrip Power Plant Units 3 and 4 and associated common facilities (including all identifiable capital- and expense-related costs and other revenues), excluding associated transmission facilities, costs allowable for recovery through PGE's existing Schedule 125 (Annual Power Cost Update), and amounts identified in Parts A and B above. The revenue requirement computation will use the Commission-authorized tax rates, revenue sensitive cost rates, rate of return, and return on equity rates.