

ORDER NO. **17 513**

ENTERED **DEC 18 2017**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 230

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Updates Schedule 145, Boardman Power
Plant Decommissioning Adjustment.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our December 18, 2017 Regular Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 18 day of December, 2017, at Salem, Oregon.

COMMISSIONER HARDIE WAS
UNAVAILABLE FOR SIGNATURE

Lisa D. Hardie
Chair



Stephen M. Bloom
Commissioner

Megan W. Decker
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA10

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 18, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2018

DATE: November 21, 2017

TO: Public Utility Commission

FROM: Rose Anderson

THROUGH: Jason Eisdorfer and John Crider

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 644/Advice No. 17-22) Updates 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) request to update Schedule 145, Boardman Power Plant Decommissioning Adjustment, effective with service rendered on and after January 1, 2018. Staff further recommends that the Commission direct PGE to file future Boardman decommissioning annual reports and November updates to Schedule 145 in Docket No. UE 230.

DISCUSSION:

Issue

Whether the Commission should approve PGE's request to update Schedule 145, Boardman Power Plant Decommissioning Adjustment, effective with service rendered on and after January 1, 2018.

Applicable Rule or Law

Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls and charges for service that have been established and are in force at the time. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. Filings that make any change in rates, tolls, charges, rules or

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regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220. The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just and reasonable.

Analysis

Background

Commission Order No. 10-478 approved Schedule 145 to enable PGE to recover incremental depreciation expense for the Boardman coal plant based on the plant's shortened operating life.

In 2011 the Commission reviewed PGE's request to revise Schedule 145 to adjust the amount collected from customers for Boardman in Docket No. UE 230. The Commission approved PGE's request and ordered PGE to thereafter submit an annual information report to all parties to Docket No. UE 230 that provided the current balance of dollars collected for decommissioning and any relevant changes to PGE's decommissioning cost forecast.¹ The Commission also ordered PGE to file an annual update to Schedule 145 rates no later than November 1 of each calendar year.

In 2014, PGE requested to update Schedule 145 rates to reflect a reliability plan for Boardman employees during the years of 2016-2020, as well as the incremental decommissioning costs from PGE's recently increased share of Boardman (from 80 percent to 90 percent.)

On October 27, 2016, PGE updated its 2016 annual filing to include a new cost study indicating decommissioning Boardman would cost less than previously anticipated. PGE's Supplemental Filing in Advice No. 16-16 included a rate reduction to reflect the new, reduced estimate of Boardman decommissioning costs.

PGE filed its annual Boardman decommissioning report on June 27, 2017. The Company reported that although it had no updates to the Boardman decommissioning estimate, it continues to evaluate environmental liability associated with decommissioning and alternative generation scenarios for the site, such as conversion to biomass.

Staff Findings

PGE's Advice No. 17-22 maintains the Boardman decommissioning annual revenue requirement of \$4.4 million and updates the load forecast in applicable schedules. The

¹ In the Matter of PORTLAND GENERAL ELECTRIC Advice No. 11-07 Schedule 145 Boardman Adjustment Update, Order No. 11-242.

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Company's proposed changes result in an approximate \$39,000 decrease in PGE's revenues.

The recovery of decommissioning expenses through Schedule 145 prices as updated in Advice No. 17-22 result in an approximate 0.002 percent overall average rate decrease for the 883,000 (2018 average) applicable Cost-of-Service customers. A typical Schedule 7 residential customer consuming 820 kWh per month will see no change in their monthly bill as a result of this filing.

Staff notes that in Docket UE 230, the Commission ordered PGE to submit annual Boardman decommissioning reports and its November 1 updates to Schedule 145 to all parties to Docket UE 230 to increase transparency and provide stakeholders the opportunity for review. Although the October 27, 2017 filing in ADV 644 was not initially incorporated into docket UE 230, Staff and PGE worked together add the filing to the record in docket UE 230. Staff recommends that future Boardman decommissioning annual reports and November updates to Schedule 145 be filed in Docket No. UE 230 to facilitate PGE's compliance with the requirement in Order No. 11-242 to submit the annual report to all parties to Docket No. UE 230.

The Company has reviewed this filing and voiced no issues or concerns.

Conclusion

Staff reviewed the workpapers submitted with PGE's filing and spoke with the Company by phone. Staff verified that PGE's calculations are accurate, reviewing the load forecast, and that the filing is consistent with past Commission Orders.

Based on its analysis, Staff finds that PGE's filing is based on accurate calculations and up-to-date assumptions. Staff also finds that PGE's update to Schedule 145 results in rates that are reasonable. Staff recommends that PGE's request be approved.

PGE has reviewed a copy of this memo and has voiced no issues or concerns.

PROPOSED COMMISSION MOTION:

Approve PGE's request to update Schedule 145, Boardman Power Plant Decommissioning Adjustment for rates effective with service rendered on and after January 1, 2018. Direct PGE to file future Boardman decommissioning annual reports and November updates to Schedule 145 in Docket No. UE 230.