ORDER NO. 21-142

ENTERED May 04 2021

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2039(1)

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Amended Application for Reauthorization to Defer Costs to Support Use of Balancing Account Associated with the Energy Efficiency Customer Service.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on May 4, 2021, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:

Nolan Moser
Chief Administrative Law Judge

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. CA4

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 4, 2021

REGULAR ____ CONSENT X EFFECTIVE DATE December 7, 2019

DATE: April 26, 2021

TO: Public Utility Commission

FROM: Mitchell Moore

THROUGH: Bryan Conway, John Crider, and Matt Muldoon **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2039(1))
Requests Authorization and Reauthorization of Deferred Accounting to Support Energy Efficiency Balancing Accounts.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE) application to defer costs associated with its Energy Efficiency (EE) balancing account for the 12-month period beginning December 7, 2019, and to reauthorize deferred accounting for the 12-month period beginning December 7, 2020.

DISCUSSION:

Issue

Whether the Commission should approve PGE's request for authorization and reauthorization to defer certain costs associated with its EE balancing account.

Applicable Rule or Law

PGE submitted its initial deferral application on December 9, 2019, pursuant to ORS 757.259 and OAR 860-027-0300. ORS 757.259 authorizes the Commission to allow utilities to defer utility revenues and expenses for later inclusion in rates. OAR 860-027-0300 is the Commission's rule governing the use of deferred accounting by energy and large telecommunications utilities.

Analysis

Background

PGE's initial application for this deferral was submitted as part of Docket No. UM 1986 and was approved by Commission Order No. 19-020, in its November 4, 2019 filing to reauthorize the EE Customer Service deferral. However, PGE inadvertently submitted it again as part of UM 1986 along with the request to reauthorize deferred accounting for the Multnomah County Business Income Tax (MCBIT) Recovery. Because this was contrary to directions from Commission Order No. 19-020, PGE amended the November 4, 2019, application to separate the two deferral reauthorizations such that MCBIT only will be filed in UM 1986 and EE Customer Service would be filed under a separate docket.

In previous regulatory filings, the Commission had approved PGE's request to establish a balancing account for recording costs and revenues related to EE Customer Service. The balancing account records the variance between the actual qualifying expenses associated with energy efficiency initiatives and the revenues collected under Schedule 110. The expenses include project facilitation, technical assistance, education, and support programs administered by the Energy Trust of Oregon.

Staff had determined that deferred accounting orders are needed to support the carrying forward of positive or negative balances in balancing accounts.

Description of Amounts

The amount to be deferred is the amount rolled forward to future years when the amount collected in Schedule 110 is at variance – positive or negative – with the amounts expended through its EE programs.

Reason for Deferral

Granting this deferral will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers, in accordance with ORS 757.259(2)(e).

Proposed Accounting

The EE Customer Service balancing account is recorded in either FERC Account 182.3 (Regulatory Assets), when qualified expenses incurred exceed revenue collected from customers, or FERC Account 254 (Regulatory Liabilities) when qualified expenses incurred are less than revenue collected from customers. PGE amortizes the balancing account based on the rate collected from customers through Schedule 110, adjusted by revenue sensitive costs.

Estimate of Amounts
PGE does not have an estimate of the amounts to be deferred in this period because they occur infrequently and can vary based on the accuracy of projected revenues and expenses.

Information Related to Future Amortization

- Earnings review – No earnings review is applicable because PGE does not seek separate amortization outside of the operation of the balancing account.
- Prudence Review – A prudence review should be performed by Commission Staff as part of their review of PGE's general rate case filings.
- Sharing – All prudently incurred costs are recoverable by PGE with no sharing mechanism.
- Rate Spread/Design – Costs are allocated among customer classes according to the terms of Schedule 110.
- Three Percent Test (ORS 757.259(6)) – The three percent would not apply because PGE will not seek amortization of the deferred amounts in a future proceeding.

Conclusion

The Company's application meets the requirements of ORS 757.259 and OAR 860-027-0300. In addition, approving this application does not authorize a change in rates, but will permit PGE to continue using its established EE balancing account to track associated costs and revenues. For these reasons, Staff recommends PGE's application be approved.

PROPOSED COMMISSION MOTION:

Approve PGE's application to defer costs associated with EE balancing account for the 12-month period beginning December 7, 2019, and to reauthorize deferred accounting for the 12-month period beginning December 7, 2020.