

ORDER NO. 23-002

ENTERED Jan 10 2023

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 2039(2) and (3)

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

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 January 10, 2023, 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:



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**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.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: January 10, 2023**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE** \_\_\_\_\_ **N/A** \_\_\_\_\_

**DATE:** January 3, 2023

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

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

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. UM 2039(2) and (3))  
Request Reauthorization of Deferred Accounting to support Energy Efficiency Customer Service Balancing Accounts.

**STAFF RECOMMENDATION:**

Staff recommends the Commission approve Portland General Electric's (PGE or Company) reauthorization applications to defer costs associated with its Energy Efficiency (EE) balancing account for the two time-periods beginning December 7, 2021, ending December 6, 2022, and beginning December 7, 2022, ending December 6, 2023.

**DISCUSSION:**

Issue

Whether the Commission should approve PGE's requests for reauthorization to defer certain costs to support PGE's use of a balancing account in a Commission-approved mechanism.

Applicable Law

In accordance with ORS 757.259, utilities may seek approval to defer amounts for later inclusion in rates to minimize the frequency of rate changes or to appropriately match customer benefits and costs. OAR 860-027-0300(4) requires the utility to provide certain information in an application to defer, such as reason for the deferral, estimated amount of the deferral, etc.

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## Analysis

### *Background*

This memorandum addresses two requests to reauthorize a deferral, one for the 12-month period beginning December 7, 2021, and the other for the 12-month period beginning December 7, 2022. Both applications to defer were filed in a timely manner.

The Company filed these applications to support the mechanics of a balancing account that is used to record the activity of a Commission-approved mechanism EE Customer Service, in conjunction with PGE Schedule 110.

PGE will not seek amortization of the deferred amounts in a future proceeding as the deferred amounts will automatically reverse due to the standard operation of the approved EE Customer Service mechanism

Approval of this Application will permit PGE to continue using the established EE Customer Service balancing account mechanism as approved by the OPUC Order Nos. 19-020 and 21-142. In accordance with prior Commission Orders, amounts in the EE Customer Service balancing account will continue to be rolled forward and can have either positive or negative (i.e., debit or credit) balances.

### *Reason for deferral*

Pursuant to ORS 757.259(2)(e) and for the reasons discussed above, PGE seeks to continue deferred accounting treatment for costs and revenues associated with EE Customer Service to support the use of related balancing account. Granting this Application will minimize the frequency of rate changes and match appropriately the costs borne by, and benefits received by customers. Approving this Application will not authorize a change in rates but will permit PGE to continue using the EE Customer Service balancing account as intended and approved by prior Commission orders.

### *Description of Expenses 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 its EE programs.

### *Proposed Accounting*

The EE Customer Service balancing account is recorded in either FERC 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

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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 because they can vary depending on the level of costs and revenues. However, the forecasted December 2021 EE Customer Service balance was (\$280,000), and the EE Customer Service balance for the next 12-month period, the forecasted December 2022 EE Customer Service balance, should also be approximately (\$280,000), As provided in Docket No. UE 394.

*Information Related to Future Amortization*

- Prudence Review – A prudence review should be performed by the Commission Staff as part of their review of PGE’s annual UM 2039 reauthorization filings.
- Sharing – The mechanism has no sharing component.
- Three Percent Test (ORS 757.259(6)) – The three percent test does not apply.

Note: PGE will not seek separate amortization of the deferred amounts in a future proceeding because all associated costs and revenues will continue to flow through the established balancing account. Therefore:

- Earnings review – No earnings review is applicable;
- Rate Spread/Design – Rate Spread/Rate Design is applied in accordance with PGE Schedule 110.

Staff shared a copy of a draft of this memo but did not respond.

Conclusion

Staff reviewed the Company’s applications. The applications meet the requirements of ORS 757.259 and OAR 860-027-0300 and are an appropriate use of the deferral statute. Accordingly, Staff recommends the applications be approved.

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**PROPOSED COMMISSION MOTION:**

Approve PGE's reauthorization applications to defer costs associated with its Energy Efficiency Customer Service balancing account for the two time-periods, one beginning December 7, 2021, ending December 6, 2022, and the other beginning December 7, 2022, ending December 6, 2023.

PGE UM 2039(2) and (3) EE Customer Service Deferral