

ORDER NO. 24-351

ENTERED Oct 16 2024

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2039(4)

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 October 15, 2024, 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:



Alison Lackey
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. CA3

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 15, 2024**

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: September 25, 2024

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Caroline Moore, Scott Gibbens, and Michelle Scala **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2039(4))
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 beginning December 7, 2023, through December 31, 2023.

DISCUSSION:

Issue

Whether the Commission should approve PGE's request for reauthorization to defer certain costs in support of PGE's Energy Efficiency (EE) Customer Service.

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

The Company filed this reauthorization deferral application, on December 7, 2023, to support its EE Customer Service activities in conjunction with PGE Schedule 110.

Because the Company will include the amounts associated with EE Customer Service in base rates consistent with Order No. 23-386, beginning January 1, 2024, this deferral reauthorization request is for the short time period of December 7, 2023 through December 31, 2023.

The Company plans to seek amortization of any remaining deferred costs or revenue balances in 2025.

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.

Thus, approval of this Application will permit the Company to continue using the established EE Customer Service balancing account mechanism as approved by the OPUC.

Reason for Deferral

The Company 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.

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.

Description of Expense

The Company established a balancing account to record the differences between the actual fully loaded qualifying expenses to fund PGE activities associated with enabling customers to achieve energy efficiency and the revenues collected under Schedule 110 adjusted to allow for uncollectibles, franchise fees, and other revenue-sensitive costs.

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Estimate of Amounts

The Company does not have an estimate of the amounts to be deferred because they can vary depending on the level of costs and revenues. Nevertheless, for the remaining period of December 2023, the amount is approximately \$110,000.

Information Related to Future Amortization

- Earnings Review – No earnings review is applicable as 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.
- 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 Percentages – All prudently incurred costs are recoverable by PGE with no sharing mechanism.
- Rate Spread/Rate Design – is applied in accordance with PGE Schedule 110. PGE will not seek amortization of the deferred amounts in a future proceeding because all associated costs and revenues will continue to flow through the established balancing account.
- Three percent test (ORS 757.259(6)) – The three percent test does not apply because PGE will not seek amortization of the deferred amounts in a future proceeding.

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.

The Company has voiced no concern regarding the memo.

PROPOSED COMMISSION MOTION:

Approve PGE’s reauthorization applications to defer costs associated with its Energy Efficiency Customer Service balancing account for the time period beginning December 7, 2023, through December 31, 2023.