



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204

December 30, 2022

Via Electronic Filing

Public Utility Commission of Oregon
P. O. Box 1088
Salem, OR 97308-1088

RE: UM 1294 PGE's Application for Reauthorization to Defer Annual Net Variable Power Cost Variance

Filing Center;

Enclosed for filing is Portland General Electric Company's (PGE) Application for Reauthorization of the Deferral of Annual Net Variable Power Cost Variances pursuant to Commission Order No. 22-033.

A Notice regarding the filing has been provided electronically to the parties on the UE 394 and UM 1294 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at 503-464-7488. Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement

JF/dm
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1294

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Application for Deferred Accounting of
Annual Power Cost Variance

**PORTLAND GENERAL ELECTRIC
COMPANY'S APPLICATION FOR
DEFERRAL REAUTHORIZATION**

Pursuant to ORS 757.259, OAR 860-027-0300, PGE tariff Schedule 126, and the Public Utility Commission of Oregon (Commission or OPUC) reauthorization Order No. 22-033, Portland General Electric Company (PGE) requests to continue to defer for later ratemaking treatment certain annual net variable power cost variances (PCV Deferral). PGE requests that the reauthorization continue effective January 1, 2023 through December 31, 2023.

I. Deferral History

In Commission Order No. 07-015, the OPUC authorized the adoption of an Annual Power Cost Adjustment Mechanism (PCAM) for PGE. On January 17, 2007, PGE filed an application for authorization from the Commission to accrue, for future amortization, the 2007 difference between annual actual net variable power costs and the baseline net variable power costs forecasted (i.e., PCV Deferral) in PGE's most recent general rate case or pursuant to tariff Schedule 125, in accordance with Order No. 07-015.

The PCV Deferral provides for recognition in rates of the difference, for a given year, between the actual net variable power costs incurred by PGE and the baseline net variable power costs forecasted in PGE's most recent general rate case or pursuant to PGE Schedule 125. The PCV Deferral is determined pursuant to the terms of Schedule 126, which includes a Positive Annual

Power Cost dead band for positive annual variances, a Negative Annual Power Cost dead band for negative annual variances, and an earnings review.

Pursuant to Commission Order No. 10-478 (Docket No. UE 215), the power cost variance dead bands in PGE's Annual PCAM tariff, Schedule 126, were reset to a negative annual power cost dead band of (\$15 million) and a positive annual power cost dead band of \$30 million.

The Commission authorized the PCV Deferral through Commission Order No. 07-050 and PGE's last request for reauthorization was approved through Commission Order No. 22-033. The continuance of the deferral will minimize the frequency of rate changes or the fluctuation of rate levels, and match appropriately the costs borne, and benefits received by customers.

PGE has filed and received several reauthorizations for this deferral as shown in Table 1 below:

Table 1 (\$ Millions)

Filing Date	Renewal Period	Approval Date	Order No.	PCV	Deferral for Amortization
01-16-08	1-17-08 / 1-16-09 (2008 PCAM)	03/04/08	08-154	\$16.7 credit	\$16.7 refund
12-19-08	1-01-09 / 12-31-09 (2009 PCAM)	1/27/09	09-023	\$0	\$0
12-01-09	1-01-10 / 12-31-10 (2010 PCAM)	12/28/09	09-505	\$0	\$0
12-15-10	1-01-11 / 12-31-11 (2011 PCAM)	1/28/11	11-042	\$17.3 credit	\$5.5 refund
12-22-11	1-1-12 / 12-31-12 (2012 PCAM)	2/14/12	12-051	\$1.7 credit	\$0
12-11-12	1-1-13 / 12-31-13 (2013 PCAM)	2/26/13	13-063	\$0	\$0
12-18-13	1-1-14 / 12-31-14 (2014 PCAM)	2/18/14	14-050	\$0	\$0
12-30-14	1-1-15 / 12-31-15 (2015 PCAM)	2/24/15	15-058	\$0	\$0
12-11-15	1-1-16 / 12-31-16 (2016 PCAM)	1/12/16	16-007	\$0	\$0
12-8-16	1-1-17 / 12-31-17 (2017 PCAM)	3/21/17	17-107	\$0	\$0
12-13-17	1-1-18 / 12-31-18 (2018 PCAM)	3/27/18	18-091	\$0	\$0
12-11-18	1-1-19 / 12-31-19 (2019 PCAM)	2/15/19	19-043	\$0	\$0
11-20-19	1-1-20 / 12-31-20 (2020 PCAM)	12/20/19	19-439	\$0	\$0
12-29-20	1-1-21 / 12-31-21 (2021 PCAM)	1/28/2021	21-032	\$28.4 debit	\$26.6 collection
12-30-21	1-1-22 / 12-31-22 (2022 PCAM)	2/10/2022	22-033	TBD	TBD

II. OAR 860-027-0300 Requirements

The following is provided pursuant to OAR 860-027-0300(3):

a. Description of Amounts

See the Deferral History above. Amounts will be deferred pursuant to the terms of Schedule 126.

b. Reasons for Deferral

PGE seeks reauthorization to defer annual net variable power cost variances from January 1, 2023 through December 31, 2023 (Deferral Period 2023). Without reauthorization, this deferral will expire on December 31, 2022. The continuance of the deferral will minimize the

frequency of rate changes or the fluctuation of rate levels, and match appropriately the costs borne, and benefits received by customers.

c. Proposed Accounting

PGE proposes to record the Deferred Amount in FERC Account 182.3 (Regulatory Assets); crediting FERC Account 555, Purchased Power, if there is an amount to collect from customers. PGE would record the Deferred Amount in FERC 229, Accumulated Provision for Rate Refunds; debiting FERC 449.1, [Provision for Rate Refunds], if there is a refund to customers. In the absence of deferral approval, PGE would not calculate a PCV and all associated revenue and expense would remain booked to the appropriate FERC accounts.

d. Estimate of Amounts

PGE cannot provide an estimate of the amount that will be deferred because it is dependent on actual 2023 information that is currently unknown, including the 2023 PCV and the earnings review required by Schedule 126. PGE requests that, in accordance with ORS 757.259(4), it be allowed to continue to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital. Interest for subsequent amortizations will accrue interest at the rate set by the Commission.

e. Notice

A copy of the Notice of Application for Reauthorization to Defer Annual Net Variable Power Cost Variances and a list of persons served with the Notice are attached to this Application as Attachment A.

III. The following is provided pursuant to OAR 860-027-0300(4):

a. Description of deferred account entries

Please see section (II)(a) and II(c) above.

b. The reason for continuing deferred accounting

PGE seeks approval to continue the PCV Deferral pursuant to Commission Order No. 07-015, PGE tariff Schedule 126, Order No. 07-050, and the latest reauthorizing Order No. 22-033, and as described in (II)(b) above.

IV. PGE Contacts

The authorized addresses to receive notices and communications in respect of this

Application are:

Kim Burton
Assistant General Counsel
Portland General Electric
121 SW Salmon Street
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PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric
121 SW Salmon Street
Portland, OR 97204
(503) 464-8172
pge.opuc.filings@pgn.com

In addition to the names and addresses above, the following are to receive notices and communications via the e-mail service list:

Ben Orndoff, Regulatory Analyst, Regulatory Affairs
ben.orndoff@pgn.com

V. Summary of Filing Conditions

a. Earnings

The Earnings Review¹ is subject to the terms of Schedule 126.

b. Prudence

A prudence review should: 1) be performed at the time of deferral amortization; and 2) include a verification of the accounting methodology used to determine the final amortization balance.

¹ Earnings Review v. Earnings Test: There is also a 90-10 percent sharing between customers and shareholders that is applied after the power cost dead bands and before the earnings test.

c. Sharing

Sharing is subject to the terms of Schedule 126.

d. Rate Spread / Rate Design

The PCV amortization amount will be spread on an equal cents per kWh basis, as specified in Schedule 126.

e. Three Percent Test - (ORS 757.259(6))

ORS 757.259(8) allows the Commission to consider up to a six percent limit. Schedule 126 specifies the six percent limit. The three percent test measures the annual overall effect on customer rates resulting from deferral amortizations. The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year. The limit of the deferrals, if any will be determined at the time of amortization.

VI. Conclusion

For the reasons stated above, PGE requests permission to continue to defer annual net variable power cost variances from January 1, 2023 through December 31, 2023.

Dated December 30, 2022.

Respectfully Submitted,

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement
Portland General Electric Company
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Portland, OR 97204
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UM 1294

Attachment A

Notice of Application for Reauthorization
To Defer Annual Net Variable Power Cost Variance

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1294

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Application for Deferred Accounting of
Annual Power Cost Variance

**PORTLAND GENERAL ELECTRIC
COMPANY'S NOTICE OF APPLICATION
FOR DEFERRAL REAUTHORIZATION**

On December 30, 2022, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (Commission) for an Order reauthorizing deferral of the annual net variable power cost variances pursuant to Order No. 07-015, Order No. 22-033 and PGE tariff Schedule 126.

Approval of PGE's reauthorization application will not authorize a change in PGE's rates but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Persons who wish to obtain a copy of PGE's application will be able to access it on the Commission website.

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than January 25, 2023.

Dated: December 30, 2022.

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street, 1WTC0306
Portland, OR 97204
Phone: 503.464.7488

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **Notice of Application for Reauthorization to Defer Annual Net Variable Power Cost Variance** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket Nos. UE 394 and UM 1294.

Dated at Portland, Oregon, this 30th day of December 2022.

/s/ Jaki Ferchland

Jaki Ferchland
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