



Portland General Electric Company
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December 31, 2024

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street, Ste. 100
P. O. Box 1088
Salem, OR 97308-1088

Re: UM 2019 PGE's Application to Reauthorize Deferred Accounting of Costs Associated with Wildfire Risk Mitigation Measures

Enclosed for filing is Portland General Electric Company's (PGE) application to reauthorize deferred accounting of costs associated with wildfire risk mitigation measures.

A Notice regarding the filing of this application has been provided to the parties on the UM 2019 and UE 435 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
Senior Manager, Revenue Requirement

JF/dm

Enclosure
cc: Service Lists: UE 435, UM 2019

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 2019**

In the Matter of:

PORTLAND GENERAL ELECTRIC
COMPANY

Deferral of Costs Related to Wildfire Risk
Mitigation Measures

**Application to Reauthorize Deferred
Accounting of Costs Associated with
Wildfire Risk Mitigation Measures**

Pursuant to ORS 757.210, 757.259, 757.963(8), OAR 860-027-0300, and Commission Order No. 23-173, Portland General Electric Company (PGE) hereby submits this Application to request reauthorization to defer for later rate-making treatment incremental and decremental expenses associated with PGE’s wildfire mitigation activities and the expenses incurred in the development, implementation, and operation of PGE’s wildfire protection plans¹ for the period of January 1, 2025 through December 31, 2025 (WM-related costs). Consistent with design of PGE’s approved Wildfire Mitigation Automatic Adjustment Clause (WM AAC), PGE plans to update Schedule 151 through an advice filing to reflect the full year 2025 prospective rates for wildfire mitigation with rate effective dates of March 1, 2025 and May 1, 2025.

In support of this application (Application) PGE states:

1. PGE is a public utility in the state of Oregon and its rates, service and accounting practices are subject to the regulation of the Commission.

¹ PGE filed its 2025 Wildfire Mitigation Plan is being filed concurrently on December 31, 2024, in Docket UM 2208. This is the “wildfire protection plan” required by Senate Bill 762. PGE uses these terms interchangeably.

2. This Application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation into rates.
3. Written communications regarding this Application should be addressed to:

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

Jaki Ferchland, Senior Manager Revenue Requirement
E-mail: jacquelyn.ferchland@pgn.com

I. Deferral History

In 2019, PGE filed its initial application for the deferral of costs related to wildfire mitigation measures. The initial application sought to defer for later ratemaking treatment the incremental WM-related operating and maintenance (O&M) costs. PGE's initial application indicated that while the development and implementation of a comprehensive wildfire mitigation plan is a multi-year effort, immediate steps could be taken to reduce wildfire risks. PGE filed an application to reauthorize the deferral from July 1, 2020 through June 30, 2021. Then, the 2021 Deferral Application was filed seeking to reauthorize the deferral for the July 1, 2021 through June 30, 2022 period. On June 30, 2022, PGE filed an application to update its prior reauthorization request and to reauthorize deferred accounting of WM-related costs for the period of

January 1, 2022 through December 31, 2022. The Commission denied PGE's request for deferral of these cost through Order No. 24-164.

On August 19, 2022, PGE submitted Advice Filing 22-18 to create a new Schedule 151 for Wildfire Mitigation Cost Recovery; this request was moved into Docket UE 412, and PGE's WM AAC was approved by the Commission on May 10, 2023, through Order No. 23-173. Subsequently, the Commission approved PGE's application for deferral of incremental and decremental amounts of wildfire mitigation expenses in base rates for 2023 at the Regular Public Meeting on December 28, 2023. Then, in PGE's 2024 General Rate Case, Docket UE 416, all wildfire mitigation spending (except for indirect loadings related to wildfire mitigation) were removed from base rates and placed into supplemental Schedule 151. The Commission later approved PGE's application for deferral of incremental and decremental amounts for wildfire mitigation relative to amounts included in Schedule 151 for 2024 through Order No. 24-035.

Consistent with the approved design of the WM AAC, PGE made an advice filing on October 24, 2023 to update Schedule 151 to contemporaneously collect costs in 2024, beginning January 1, 2024, in-line with PGE's 2024 Wildfire Mitigation Plan activities. PGE supplemented this filing on November 30, 2023 to move the effective date from January 1, 2024 to April 1, 2024. PGE filed third and fourth supplementals with replacement sheets and moved the effective date to July 1, 2024. On July 29, 2024, through Order No. 24-251 the Commission approved partial recovery of PGE's 2024 wildfire mitigation plan spending with the remaining amounts to be later reviewed for recovery under the approved deferral.² Costs associated with 2024 activities were included in customer prices beginning August 1, 2024.

² Order No. 24-035.

Since PGE first filed its deferral application in 2019, several significant events have occurred. First, the Oregon state legislature passed Senate Bill (SB) 762, which became effective on July 19, 2021. SB 762 directs utilities to develop and implement risk-based wildfire protection plans, to be filed with and evaluated by the Commission.³ SB 762 also directs that “[a]ll reasonable operating costs incurred by, and prudent investment made by, a public utility to develop, implement or operate a wildfire protection plan...are recoverable in the rates of the public utility” and that the Commission “shall establish an automatic adjustment clause, as defined in ORS 757.210, or another method to allow timely recovery of the costs.”⁴

Consistent with the requirements of SB 762, PGE filed its 2024 Wildfire Mitigation Plan (WMP) in December 2023, which was approved by the Commission in Order No. 24-232. PGE filed its 2025 WMP on December 31, 2024, in Docket No. UM 2208.

PGE files this deferral reauthorization application to defer WM-related costs that are incremental and decremental compared to what is to be included in Schedule 151 for the period of January 1, 2025 through December 31, 2025.

II. Forecasted Calendar Year 2025 Expenses in the Development, Implementation and Operation of PGE’s 2025 WMP

Forecasted 2025 expenses are included within PGE's 2025 WMP, which is being filed concurrently with this deferral reauthorization on December 31, 2024, in Docket No. 2208. PGE’s 2025 WMP describes the efforts PGE undertakes to reduce the risk that electric utility infrastructure could cause a fire, while limiting the impacts of specific mitigation activities, such as Public Safety Power Shutoff (PSPS) events, on customers. PGE’s WMP discusses PGE’s wildfire risk mitigation assessment, including designation of High Fire Risk Zones (HFRZ),

³ SB 762, Section 2.

⁴ SB 762, Section 3(8).

operating protocols, asset management and inspections, WM-related vegetation management (including the advanced wildfire risk reduction (AWRR) program and Enhanced Vegetation Management (EVM) techniques), community outreach and public awareness, PSPS events, and research and development. As the 2025 WMP makes clear, wildfire-related planning and research are a year-round endeavor and PGE will continually adapt and evolve its practices and actions to mitigate wildfire risk. As such, starting in 2025, PGE will focus its AWRR efforts on rapid growth species during peak growing season while maintaining full-scope patrol and mitigation for all HFRZs every two years.

Based on the 2025 WMP and related requirements under SB 762, PGE has updated its forecasted expenses to be incurred in the development, implementation, and operation of the 2025 WMP.

A. Forecast of 2025 WM-Related O&M Expenses

Table 1 shows PGE’s total forecast of WM-related O&M expenses for calendar year 2025. The amount of 2025 incremental WM-related O&M costs to be deferred under this deferral will not be known until the 2025 calendar year has concluded.

Table 1
Forecast of 2025 WM-Related O&M Expenses⁵

Forecast of 2025 WM-Related O&M Expenses	
Cost Area	\$ in millions
Community Outreach & Public Awareness	\$1.0
Grid Design & System Hardening	\$0.2
Grid Operations & Protocols	\$0.7
Industry Engagement	\$0.1
Inspect / Correct	\$4.1
Overview of the Service Territory	\$0.0
PSPS / Emergency Preparedness	\$1.4
Risk Methodology & Assessment	\$5.5
Situational Awareness & Forecasting	\$2.3

⁵ Table 1 Costs provided in thousands, including direct loadings per OPUC Order 23-370, Appendix A Page 10

Vegetation Management	\$37.0
Wildfire Mitigation Strategy Development	\$2.6
WMP Total	\$54.9

For more information regarding the listed cost categories, please refer to PGE's 2024 WMP filed in UM 2208.

III. OAR 860-027-0300(3) Requirements

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

A. Description of Utility Expense for Which the Deferred Accounting is Requested.

See Deferral History above. PGE seeks reauthorization to continue to defer costs associated with PGE's WM-related activities as described above. Without reauthorization this deferral will expire on December 31, 2024. PGE seeks to defer the incremental and decremental WM-related costs, compared to what is included in Schedule 151, for calendar year 2025.

B. Reasons for Deferral

Pursuant to ORS 757.259(2)(e), and for the reasons discussed above, PGE seeks deferred accounting treatment for incremental and decremental WM-related costs. Granting this Application will minimize the frequency of rate changes and/or match appropriately the costs borne by and benefits received by customers.

C. Proposed Accounting for Recording Amounts Deferred.

If the deferred amount is a credit (refund), PGE proposes to record it as a regulatory liability in FERC account, 254 Other Regulatory Liability, with a debit to FERC account 407.3 Regulatory Debits. If the deferred amount is a debit (collection), PGE proposes to record it as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts. When specific identification of the source of the regulatory asset cannot be reasonably

made, then FERC account 407.4 (Regulatory Credits) will be credited. In the absence of a deferred accounting order, the costs would be debited to the appropriate cost accounts.

D. Estimate of Amounts to be Recorded for the Next Twelve Months.

PGE estimates that the incremental or decremental WM-related O&M costs for the twelve months of January 1, 2025 through December 31, 2025, to be minimal. Such amounts will not be known until the 2025 calendar year ends. For the same period, we anticipate including capital expenditures consistent with PGE's 2025 WMP.

E. Notice

A copy of the Notice of Application for deferred accounting treatment and a list of persons served with Notice are attached to the application as Exhibit A. In compliance with the provisions of 860-027-0300(6), PGE is serving notice of application on the service lists of Docket No. UE 435 and UM 2019.

VI. Summary of Filing Conditions

A. Earnings Review

Recovery of incremental WM-related costs will not be subject to an earnings review.

B. Prudence Review

A prudence review should be performed by the Commission Staff as part of their review of this deferral's annual reauthorization filings or upon approval of an automatic adjustment clause application to update the relevant schedule.

C. Sharing

All prudently incurred cost and benefits will be collected from or refunded to customers with no sharing mechanism.

D. Rate Spread/Rate Design

The rate spread/rate design will be consistent with the prevailing rate spread/rate design at the time of amortization.

E. Three percent test (ORS 757.259(6))

The amortization of the deferred costs will be subject to the three percent test in accordance with ORS 757.259(6), which absent certain exceptions limits aggregated deferral amortizations during a year to no more than three percent of the utility's gross revenues for the preceding calendar year.

VII. Conclusion

For the reasons stated above, PGE requests the authority to continue deferring incremental and decremental, compared to Schedule 151, WM-related expenses and capital costs for calendar year 2025.

DATED this December 31, 2024.

Respectfully Submitted,

/s/ Jaki Ferchland

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Exhibit A

Notice of Application to Reauthorize Deferred Accounting of Costs Associated Wildfire Risk Mitigation Measures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 2019**

In the Matter of:

PORTLAND GENERAL ELECTRIC
COMPANY

Deferral of Costs Related to Wildfire Risk
Mitigation Measures

**Application to Reauthorize Deferred
Accounting of Costs Associated with
Wildfire Risk Mitigation Measures**

On December 31, 2024, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (the Commission or OPUC) seeking an order reauthorizing deferral of costs associated with wildfire risk mitigation.

Approval of PGE's application will not authorize a change in rates.

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

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than January 29, 2025.

Dated December 31, 2024.

/s/ Jaki Ferchland

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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **Notice of Application to Reauthorize Deferred Accounting of Costs Associated Wildfire Risk Mitigation** to be served by electronic mail to those parties whose email addresses appear on the attached service lists for OPUC Docket No. UE 435 and UM 2019.

Dated at Portland, Oregon, this 31st day of December 2024.

/s/ Jaki Ferchland

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