



Portland General Electric Company
121 SW Salmon Street • 1WTC0306 • Portland, OR 97204
portlandgeneral.com

December 29, 2023

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 416 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 419, 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 and capital associated with PGE’s wildfire mitigation activities and the expenses and capital incurred in the development, implementation, and operation of PGE’s wildfire protection plans¹ for the period of January 1, 2024 through December 31, 2024 (WM-related costs). On December 22, 2023, PGE supplemented Advice No. 23-16 to show the full year 2024 prospective rates for wildfire mitigation, which were removed from PGE’s base rate schedules and placed into Schedule 151 through Docket No. UE 416 – PGE’s 2024 General Rate Case. The advice filing includes an effective date of April 1, 2024.

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 2024 Wildfire Mitigation Plan on December 29, 2023, 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:

Kim Burton
Assistant General Counsel III
Portland General Electric Company
1WTC1301
121 SW Salmon Street
Portland, OR 97204
Phone: (573) 356-9688
Email: kim.burton@pgn.com

PGE OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
1WTC1306
121 SW Salmon Street
Portland, OR 97204
Phone: (503) 464-7805
Email: 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:

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 has not taken action on these

deferral applications. 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 No. UE 412, and an automatic adjustment clause mechanism was approved by the Commission on May 10, 2023, through Order No. 23-173.

On December 30, 2022, PGE filed an application to reauthorize the deferral of amounts incremental or decremental to the wildfire mitigation expenses included in base rates as established by Docket No. UE 394 for the period of January 1, 2023 through December 31, 2023. The Commission approved this deferral application on at the Regular Public Meeting on December 28, 2023.

In PGE 2024 General Rate Case, Docket No. UE 416, all WM spending (except for indirect loadings related to WM) were removed from base rates and placed into supplemental Schedule 151.

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.² 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.”³

² SB 762, Section 2.

³ SB 762, Section 3(8).

Consistent with the requirements of SB 762, PGE filed its 2023 Wildfire Mitigation Plan (WMP) in December 2022, which was approved by the Commission in Order No. 23-221. PGE filed its 2024 WMP on December 29, 2023, 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 included in Schedule 151 for the period of January 1, 2024 through December 31, 2024.

II. Deferral of Underspending in Compliance with Commission Order No. 22-129

In Order No. 22-129, the Commission directed PGE to establish a deferral to track underspending. This UM 2019 deferral will track both incremental and decremental spending (that is, unspent amounts relative to test year forecast) compared to base rates for WM-related costs. PGE has not underspent Routine Vegetation Management (that is, non-WM-related) costs in 2022. Section III provides updated information on PGE's forecasted spending under the 2023 WMP compared to what is included in base rates.

III. Forecasted Calendar Year 2024 Expenses and Capital Incurred in the Development, Implementation and Operation of PGE's 2024 WMP

Forecasted 2024 expenses and capital are included within PGE's 2024 WMP, which was filed on December 29, 2023, in Docket No. 2208. PGE's 2024 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), 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 2024 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.

Based on the 2024 WMP and related requirements under SB 762, PGE has updated its forecasted expenses and capital to be incurred in the development, implementation, and operation of the 2024 WMP.

A. Forecast of 2024 WM-Related O&M Expenses

Table 1 shows PGE’s total forecast of WM-related O&M expenses for calendar year 2024. The amount of 2024 incremental WM-related O&M costs to be deferred under this deferral will not be known until the 2024 calendar year has concluded.

**Table 1
Forecast of 2024 WM-Related O&M Expenses⁴**

Cost Area	\$ in millions
Wildfire Mitigation Program & Compliance	\$2.1
Risk Mapping & Simulations	\$0.8
Grid Operations & Protocols	\$0.5
PSPS Program	\$0.9
WMP Engagement, Public Awareness & Education, and Public Safety Partner Coordination	\$0.7
Asset Management & Inspections	\$3.6
Vegetation Management & Inspections (AWRR)	\$36.2
Investment O&M	\$0.5
WMP Total	\$45.3

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

⁴ Table 1 is excluding loadings. Direct loadings will be deferred under this deferral filing while indirect loadings will remain in base rates.

B. Forecast of 2023 WM-Related Capital Expenditures

We anticipate including capital expenditures consistent with PGE’s 2024 WMP. Table 2 shows PGE’s anticipated WM-related capital investments for calendar year 2024.

Table 2	
Forecast of 2024 Capital Investments⁵	
Cost Area	\$ in millions
Wildfire Mitigation	\$39.5–\$44.4
Wildfire-Related Utility Asset Management	\$3.5–\$4.8
WMP Total Range	\$43–\$49.2

IV. 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, 2023. PGE seeks to defer the incremental and decremental WM-related costs, compared to what is included in Schedule 151, for calendar year 2024.

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. The granting of this Application will minimize the frequency of rate changes and/or match appropriately the costs borne by and benefits received by customers.

⁵ The forecasted capital amounts show the dollars PGE plans to spend in 2024. Actual dollars placed into service will be provided when PGE files for amortization of the amounts in September 2024 for a January 1, 2025 effective date.

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 particular 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, 2024 through December 31, 2024, to be minimal. Such amounts will not be known until the 2024 calendar year ends. For the same period, we anticipate including capital expenditures consistent with PGE's 2024 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 416 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 2024.

DATED this December 29, 2023.

Respectfully Submitted,

/s/ Jaki Ferchland

Jaki Ferchland
Senior Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street, 3WTC0306
Portland, OR 97204
Telephone: 503.464.7488
E-Mail: jacquelyn.ferchland@pgn.com

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 29, 2023, 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, 2024.

Dated December 29, 2023.

/s/ Jaki Ferchland

Jaki Ferchland
Senior Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street, 3WTC0306
Portland, OR 97204
Telephone: 503.464.7488
E-Mail: jacquelyn.ferchland@pgn.com

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 416 and UM 2019.

Dated at Portland, Oregon, this 29th day of December 2023.

/s/ Jaki Ferchland

Jaki Ferchland
Senior Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon Street, 3WTC0306
Portland, OR 97204
Telephone: 503.464.7488
E-Mail: jacquelyn.ferchland@pgn.com

**SERVICE LIST
OPUC DOCKET NO. UE 416**

GUILERMO CASTILLO (C) (HC)
SMALL BUSINESS UTILITY
ADVOCATES

guillermo@utilityadvocates.org

STEVE CHRISS
WALMART

stephen.chriss@wal-mart.com

TONIA L MORO (C)
ATTORNEY AT LAW PC

106 TALENT AVE STE 6
TALENT OR 97540
tonia@toniamoro.com

BENEDIKT SPRINGER (C)
COMMUNITY ACTION
PARTNERSHIP OF OREGON

2475 CENTER ST NE
SALEM OR 97301
benedikt@caporegon.org

AWEC

BRENT COLEMAN (C) (HC)
DAVISON VAN CLEVE

1750 SW HARBOR WAY, SUITE 450
PORTLAND OR 97201
blc@dvclaw.com

JESSE O GORSUCH (C) (HC)
DAVISON VAN CLEVE

1750 SW HARBOR WAY STE 450
PORTLAND OR 97201
jog@dvclaw.com

TYLER C PEPPE (C) (HC)
DAVISON VAN CLEVE

1750 SW HARBOR WAY STE 450
PORTLAND OR 97201
tcp@dvclaw.com

CALPINE SOLUTIONS

GREGORY M. ADAMS (C)
RICHARDSON ADAMS PLLC

515 N 27TH ST
BOISE ID 83702
greg@richardsonadams.com

GREG BASS
CALPINE ENERGY SOLUTIONS, LLC

401 WEST A ST, STE 500
SAN DIEGO CA 92101
greg.bass@calpinesolutions.com

KEVIN HIGGINS (C)
ENERGY STRATEGIES LLC

215 STATE ST - STE 200
SALT LAKE CITY UT 84111-2322
khiggins@energystrat.com

COMMUNITY ENERGY PROJECT

KATE AYRES
COMMUNITY ENERGY PROJECT

106 TALENT AVE STE 6
TALENT OR 97540
kate@communityenergyproject.org

CHARITY FAIN (C)
COMMUNITY ENERGY PROJECT

2900 SE STARK ST STE A
PORTLAND OR 97214
charity@communityenergyproject.org

CUB

WILLIAM GEHRKE (C) (HC)
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY STE 400
PORTLAND OR 97206
will@oregoncub.org

MICHAEL GOETZ (C) (HC)
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY STE 400
PORTLAND OR 97205
mike@oregoncub.org

Share OREGON CITIZENS' UTILITY
BOARD
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY, STE 400
PORTLAND OR 97205
dockets@oregoncub.org

FRED MEYER

JUSTIN BIEBER (C)
FRED MEYER/ENERGY STRATEGIES
LLC

215 SOUTH STATE STREET, STE 200
SALT LAKE CITY UT 84111
jbieber@energystrat.com

KURT J BOEHM (C)
BOEHM KURTZ & LOWRY

36 E SEVENTH ST - STE 1510
CINCINNATI OH 45202
kboehm@bkllawfirm.com

JODY KYLER COHN
BOEHM KURTZ & LOWRY

36 E SEVENTH ST STE 1510
CINCINNATI OH 45202
jkylercohn@bkllawfirm.com

NEWSUN ENERGY

MARIE P BARLOW (C)
NEWSUN ENERGY LLC

550 NW FRANKLIN AVE STE 408
BEND OR 97703
mbarlow@newsunenergy.net

LESLIE SCHAUER (C)
NEWSUN ENERGY LLC

550 NW FRANKLIN AVE STE 408
BEND OR 97703
leslie@newsunenergy.net

JACOB (JAKE) STEPHENS (C)
NEWSUN ENERGY LLC

550 NW FRANKLIN AVE STE 408
BEND OR 97703
jstephens@newsunenergy.net

NRDC

RALPH CAVANAGH (C) (HC)
NATURAL RESOURCES DEFENSE
COUNCIL

111 SUTTER ST FL 20
SAN FRANCISCO CA 94104
rcavanagh@nrdc.org

CAROLINE CILEK (C) (HC)
GREEN ENERGY INSTITUTE

carolinecilek@lclark.edu

NW ENERGY COALITION

F. DIEGO RIVAS (C) (HC)
NW ENERGY COALITION

1101 8TH AVE
HELENA MT 59601
diego@nwenergy.org

PARSONS BEHLE & LATIMER

JUSTINA A CAVIGLIA
PARSONS BEHLE & LATIMER

50 WEST LIBERTY ST STE 750
RENO NV 89501
jcaviglia@parsonsbehle.com

PGE

PORTLAND GENERAL ELECTRIC

pge.opuc.filings@pgn.com

KIM BURTON (C) (HC)
PORTLAND GENERAL ELECTRIC

121 SW SALMON STREET
PORTLAND OR 97204
kim.burton@pgn.com

JAKI FERCHLAND (C) (HC)
PORTLAND GENERAL ELECTRIC

121 SW SALMON ST. 1WTC0306
PORTLAND OR 97204
jacquelyn.ferchland@pgn.com

**SMALL BUSINESS UTILITY
ADVOCATES**

DIANE HENKELS (C) (HC)
SMALL BUSINESS UTILITY
ADVOCATES

621 SW MORRISON ST. STE 1025
PORTLAND OR 97205
diane@utilityadvocates.org

SBUA SBUA
SMALL BUSINESS UTILITY
ADVOCATES

9450 SW GEMINI DR. #11200
BEAVERTON OR 97008
britt@utilityadvocates.org

STAFF

STEPHANIE S ANDRUS (C) (HC)
Oregon Department of Justice

BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM OR 97301-4096
stephanie.andrus@doj.state.or.us

MATTHEW MULDOON (C) (HC)
PUBLIC UTILITY COMMISSION OF
OREGON

PO BOX 1088
SALEM OR 97308-1088
matt.muldoon@puc.oregon.gov

NATASCHA SMITH (C) (HC)
Oregon Department of Justice

BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM OR 97301
natascha.b.smith@doj.state.or.us

WALMART

ALEX KRONAUER (C)
WALMART

alex.kronauer@walmart.com

SERVICE LIST
OPUC DOCKET NO. UM 2019

KIM BURTON
PORTLAND GENERAL ELECTRIC

121 SW SALMON STREET
PORTLAND OR 97204
kim.burton@pgn.com

HEATHER COHEN
PUBLIC UTILITY COMMISSION OF
OREGON

PO BOX 1088
SALEM OR 97308-1088
heather.b.cohen@puc.oregon.gov

ANGELA CROWLEY-KOCH
OREGON SOLAR + STORAGE
INDUSTRIES ASSOCIATION (OSS)

angela@oseia.org

JENI HALL
ENERGY TRUST OF OREGON

421 SW OAK ST STE 300
PORTLAND OR 97204
jeni.hall@energytrust.org

JENNIFER HILL-HART
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY STE 400
PORTLAND OR 97205
jennifer@oregoncub.org

JASON LEHMANN
S&P GLOBAL MARKET INTELLIGENCE

212 7TH ST NE
CHARLOTTESVILLE VA 22902
jason.lehmann@spglobal.com

NATASCHA SMITH
Oregon Department of Justice

BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM OR 97301
natascha.b.smith@doj.state.or.us

KATHY ZARATE
PUBLIC UTILITY COMMISSION OF
OREGON

201 HIGH ST SE STE 100
SALEM OR 97301
kathy.zarate@puc.oregon.gov

EQ RESEARCH

CHARLIE COGGESHALL
EQ RESEARCH

1155 KILDAIRE FARM ROAD, STE. 202
CARY OR 27511
regtrackdsire@gmail.com

OREGON CITIZENS UTILITY BOARD

MICHAEL GOETZ
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY STE 400
PORTLAND OR 97205
mike@oregoncub.org

Share OREGON CITIZENS' UTILITY
BOARD
OREGON CITIZENS' UTILITY BOARD

610 SW BROADWAY, STE 400
PORTLAND OR 97205
dockets@oregoncub.org

PGE

JAKI FERCHLAND
PORTLAND GENERAL ELECTRIC

121 SW SALMON ST. 1WTC0306
PORTLAND OR 97204
jacquelyn.ferchland@pgn.com

PORTLAND GENERAL ELECTRIC

Share PGE RATES & REGULATORY
AFFAIRS
PORTLAND GENERAL ELECTRIC

PORTLAND GENERAL ELECTRIC
COMPANY
121 SW SALMON STREET, 1WTC0306
PORTLAND OR 97204
pge.opuc.filings@pgn.com