

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 16, 2014**

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE  January 1, 2015

DATE: December 8, 2014

TO: Public Utility Commission

FROM: George Compton <sup>GRC</sup>

THROUGH: Jason Eisdorfer and Marc Hellman <sup>JH</sup>

SUBJECT: PORTLAND GENERAL ELECTRIC: (Advice No. 14-23) Updates  
Schedule 102, Regional Power Act Exchange Credit.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Portland General Electric's (PGE) Advice No. 14-23 filing to revise Schedule 102 rates with an effective date of January 1, 2015.

**DISCUSSION:**

PGE submitted a tariff filing on November 12, 2014, to pass through to customers the monetary benefits from the 2008 Interim True-Up payment from the Bonneville Power Administration of approximately \$13.2 million. The payment relates to a true up between the actual Residential Exchange Program benefits paid to PGE after the Ninth Circuit Court of Appeals invalidated settlement agreements between Northwest investor-owned utilities and BPA in 2007 in *Portland General Electric v. BPA*, 501 F.3d 1009 (9<sup>th</sup> Cir. 2007), and benefits to which PGE was entitled under BPA's subsequent WP-07S order. BPA made the Interim True-Up Payment to PGE in late February of 2014, after the Ninth Circuit Court of Appeals upheld the Residential Exchange Program Settlement Agreement in *Association of Public Agency Customers v. BPA*, 733 F.3d 939 (9<sup>th</sup> Cir. 2013). Interest has accrued on the benefit since February at the approved rate of 1.77 percent that was established by UM 1147, Order Nos. 08-263 and 09-065.

Total annual benefits to qualifying PGE customers (residential and agricultural) is now about \$57 million, which in turn is about \$4.3 million above the current benefit level. The \$4.3 million figure is principally the net of: a) a two-year amortization of the \$13.2 million true-up (with interest); and, b) the expiration of a \$3 million amortization that was heretofore in effect. I say "principally" because there has also been a slight reduction in the base BPA compensation owing to a disallowance of costs associated with a "New Large Single Load" served by PGE.

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The net addition of \$4.3 million increases the residential credit from 0.790 cents per kWh to 0.855 cents per kWh, applicable to the first 1,000 kWh. The credit for all other eligible schedules increases from 0.648 cents per kWh to 0.698 cents per kWh. The increased residential credit reduces the bill of an average Schedule 7 customer (who uses 840 kWh monthly) by approximately \$0.56, or 0.6 percent.

**PROPOSED COMMISSION MOTION:**

Approve PGE Advice Filing No. 14-23, with rates effective January 1, 2015.

PGE Advice No. 14-23