

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

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

DATE: December 4, 2014

TO: Public Utility Commission

FROM: Deborah Garcia <sup>DA</sup> and George Compton <sup>ARC</sup>

THROUGH: Jason Eisdorfer <sup>J</sup> and Marc Hellman <sup>MH</sup>

SUBJECT: PORTLAND GENERAL ELECTRIC: (Advice No. 14-24) Updates  
Schedule 105, Regulatory Adjustments, and Schedule 135, Demand  
Response Cost Recovery Mechanism.

**STAFF RECOMMENDATION:**

Staff recommends that Portland General Electric's (PGE or Company) filing be approved and the associated tariff sheets be allowed to go into effect on January 1, 2015.

**DISCUSSION:**

PGE made this filing pursuant to ORS 757.205, ORS 757.210, OAR 860-022-0025, and OAR 860-022-0030, to reset the rates for Schedule 105, Miscellaneous Regulatory Adjustments and Schedule 135, Demand Response Cost Recovery Mechanism.

Schedule 105 Miscellaneous Regulatory Adjustments

Schedule 105, Regulatory Adjustments is composed of parts A and B. Part A includes the proposed amortization of miscellaneous accounts comprised of the Property Sales Balancing Account, the UE 283 stipulation regarding the economic benefits of PGE's acquisition of the Power Resources Cooperative (PRC) share of the Boardman plant, and the Independent Evaluator (IE) costs incurred during the 2011-2013 period. The table below summarizes the Part A amortization amounts including interest, and the applicable rate design.

<b>Part A</b>		
<b>Category</b>	<b>Amount</b>	<b>Rate Design/Spread</b>
Property Sales	(\$6,461,737)	Equal percent of revenues with direct access customers priced at cost-of-service
PRC	(\$3,327,058)	Generation revenues
Independent Evaluator	\$521,063	Generation revenues
<b>Total</b>	<b>(\$9,267,674)</b>	

Schedule 105, Part B, is a credit to applicable customers of approximately \$537,542 related to the 2014 deferred Large Nonresidential Load True-up consistent with the provisions of Schedule 128. This amount is spread to large nonresidential customers on an equal cents per kWh basis.

This proposed change eliminates the current annual revenue of approximately \$600,000, resulting in an overall net reduction to Schedule 105 revenues of approximately \$10.3 million.

#### Schedule 135, Demand Response Cost Recovery Mechanism

To date, enrollment and incurred expenses for PGE's automated demand response program are less than anticipated so the Company proposes to set the 2015 rates to zero, thereby reducing annual revenues by approximately \$4.2 million. PGE will monitor the participation and expenses in this program and may propose changes to Schedule 135 for 2016.

#### Staff's Analysis

The proposed changes in Schedules 105 and 135 result in an approximate \$14.5 million reduction in revenues. For the 846,000 cost-of-service customers, the result is an approximate 0.8 percent average rate decrease. A typical residential customer consuming 840 kWh monthly will see a bill decrease of \$0.73 inclusive of the Public Purposes Charge or 0.7 percent.

Because the overall change in rates is a credit, no earnings review is needed.

Staff has reviewed the workpapers associated with this filing and agrees with the results.

PGE has reviewed this memo and has no objections.

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**PROPOSED COMMISSION MOTION:**

PGE's filing be approved and the associated tariffs be allowed to go into effect on January 1, 2015.

PGE 14-24 Schedules 105 & 135