

ITEM NO. CA13

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 20, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE January 1, 2016

DATE: December 9, 2016

TO: Public Utility Commission

FROM: Rose Anderson <sup>RA</sup>

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

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 425/  
Advice No. 16-19) Reprices Schedule 143 to Amortize Trojan Nuclear  
Decommissioning Trust Fund in 2017.

**STAFF RECOMMENDATION:**

Staff recommends that Portland General Electric's Advice No. 16-19 be approved and the replacement tariff sheet revisions be allowed to go into effect with service rendered on and after January 1, 2017.

**DISCUSSION:**

Issue

Whether the Commission should approve Portland General Electric's (PGE or Company) proposed Schedule 143 filing, as described in the Advice No. 16-19 filing (Advice Filing), effective with service rendered on and after January 1, 2017.

Applicable Rule or Law

ORS 757.205 and 757.210 summarily state that the Commission may approve tariff changes if they are deemed to be fair, just and reasonable.

OAR 860-022-0025 provides that utilities may make tariff changes by filing an entirely new tariff or by filing revised sheets which shall refer to the tariff sheets on file.

OAR 860-022-0030 provides that if the revision results in a rate increase, the filing shall include additional details and list the reasons for the increase.

ORS 757.259(6) states that, subject to other subsections of this statute, the overall average rate impact of the amortizations authorized under this section in any one year may not exceed three percent of the utility's gross revenues for the preceding calendar year.

### Analysis

#### *Background*

PGE submitted this filing on November 9, 2016. In this filing, PGE proposes to reprice Schedule 143 Spent Fuel Adjustment consistent with the Second Partial Stipulation adopted by the Commission in Docket No. UE 294.<sup>1</sup> PGE's Schedule 143 amortizes the refund from the Trojan Nuclear Decommissioning Trust Fund.

In the UE 294 Second Partial Stipulation, the parties agreed to an amortization schedule for Schedule 143. They agreed prices would be set to zero until the Carty plant was included in rates in 2016. Schedule 143 would then be set to amortize an agreed upon portion of the balance over the remainder of 2016. Then the remaining balance would be amortized to customers over calendar 2017 on an equal cents per kWh basis.

Schedule 143 consists of Part A and Part B. PGE is proposing to change the rates for Part A, which amortizes excess funds from the Trojan Nuclear Decommissioning Trust Fund (The Decommissioning Fund) which are from a US Department of Energy (US DOE) refund. Part B amortizes the pollution control tax credits associated with the Independent Spent Fuel Storage Installation (ISFSI) at Trojan. The rates for Part B are zero at this time.

The Advice Filing proposes to amortize the remainder of the US DOE refund over calendar 2017, as agreed upon in UE 294. Although the filing seeks to amortize a refund as a credit to customers, the result would be an increase in rates. This is because the amount amortized each month in 2017 will be less than the amount that was amortized through Schedule 143 in each of the last five months of 2016.

The Advice Filing also seeks to change the language in Schedule 143 so that any continued US Department of Energy refunds will be placed into Schedule 143 rather than the Decommissioning Fund.

#### *Staff Considerations*

Approximately \$17.5 million remains in the Decommissioning Fund. The main purpose of this filing is to adjust Part A of Schedule 143 to amortize this amount over calendar year 2017. The repricing of Schedule 143 will result in an approximate \$23.6 million or

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<sup>1</sup> *In re Portland General Electric*, OPUC Docket No. UE 294, Order No. 15-356 (Nov. 3, 2015).

1.3% average rate increase. A typical Schedule 7 residential customer using 840 kWh monthly will see a bill increase of \$1.14 or 1.15%. Staff has reviewed Company workpapers and confirms that Schedule 143 amortizes the Trust Fund balance in accordance with the UE 294 Commission-adopted Second Partial Stipulation.

PGE's requested language change to Schedule 143 specifies that any ongoing refunds from the US DOE will be placed into the Schedule 143 balancing account rather than the Decommissioning Fund. Staff has no objection to future refunds going to Schedule 143 and earning the Commission-authorized rate of return for deferred costs. Staff finds this recommendation reasonable at this time.

### Conclusion

Staff's review focused on whether the deferred amounts to be amortized were allocated correctly and whether proposed rates were calculated correctly. Staff has submitted two data requests and spoken with PGE by phone about the workpapers provided.

Staff finds that the proposed rate increase for all applicable schedules has been appropriately calculated and updated in the filed revised Schedule 143.

Staff finds that the proposed language change to Schedule 143 will not cause harm to customers, but reserves the right to review this language at a later time.

Staff has reviewed the tariff language and finds no unusual terms and conditions.

PGE has reviewed this memo and did not express any issues or concerns.

### **PROPOSED COMMISSION MOTION:**

Approve PGE Advice Filing 16-19, with PGE's proposed Schedule 143 revisions, to be effective with service rendered on and after January 1, 2017.