

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 18, 2017**

REGULAR CONSENT EFFECTIVE DATE January 01, 2018

DATE: November 7, 2017

TO: Public Utility Commission

FROM: Kathy Zarate *KZ*

THROUGH: *Jc for JE* Jason Eisdorfer and *Jc* John Crider

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 651/Advice No. 17-27) Requests to reduce the Schedule 110 Energy Efficiency Customer Service.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission (Commission) approve the request by Portland General Electric (PGE or Company) to revise Schedule 110, Energy Efficiency Customer Service collections, effective January 1, 2018.

DISCUSSION:

Issue

Whether the Commission should approve the Company's filing to revise the amounts collected under Schedule 110 Energy Efficiency Customer Service for all customers in order to amortize an accumulated balance of amounts collected under the Schedule.

Applicable Law

Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls and charges for service that have been established and are in force at the time. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. Filings that make any change in rates, tolls, charges, rules or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220. The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just and reasonable.

Analysis

On November 10, 2017, PGE submitted Advice Filing No. 17-27 with revisions to tariff sheets to reduce the amounts collected pursuant to Schedule Energy Efficiency Customer Service (110-2, 110-3, and 110-4). Under Schedule 110, PGE collects amounts from all residential and non-residential customers, other than those with loads exceeding one aMW, for purposes of funding Energy Efficiency (EE) measures. Schedule 110 also requires PGE to maintain a balancing account for the difference between amounts actually collected from customers and amounts spent on EE.

During Docket No. UE 319, Staff recommended that PGE amortize the balance in the Schedule 110 balancing account, noting it was not necessary to carry a large balance in the account. PGE, Staff and other parties to UE 319 agreed that PGE should revise the Schedule 110 rates to collect less from customers in order to amortize the balance in the account down to zero by the end of 2019. This agreement is memorialized in the Partial Stipulation submitted to the Commission on September 18, 2017.

After PGE filed Advice Filing No. 17-27, Staff counsel conferred with PGE counsel to determine why PGE had filed the agreed-to revisions to Schedule 110 before the Commission issued an order regarding the Partial Stipulation. PGE's counsel noted that PGE believes the change is appropriate regardless of whether the Partial Stipulation is approved and that is appropriate to file the change as a stand-alone tariff rather than as a compliance filing.

Staff does not object to PGE's decision to file the proposed revision to Schedule 110 as a stand-alone change that is not dependent on the Commission's decision regarding the Partial Stipulation submitted on September 18, 2017. The effect of the proposed change is limited. It only affects how much is collected from customers for EE, reducing the collection for almost all customers in order to allow amortization of the balance in the Schedule 110 balancing account. The change is appropriate whether the Commission upholds other agreed-to changes to PGE's proposed revenue requirement or not.

The repricing of Schedule 110 results in an approximate \$240,000 or 0.014 percent overall average rate decrease for the 883,000 (2018 average) customers. The Irrigation and Pumping Schedules 47 and 49 will experience a slight increase as a result of this filing. This occurs for two reasons:

- 1) Since the last time that Schedule 110 prices were calculated, these schedules' prices have gone up considerably more than the prices of the other rate schedules, resulting in comparatively much larger revenues than the other rate schedules.

- 2) The proposed Schedule 110 collections are allocated to the applicable rate schedules on the basis of an equal percentage of revenues.

A typical Schedule 7 Residential Customer consuming 820 kWh monthly will see a bill decrease of \$0.02 or 0.02 percent. Because the irrigation Schedules 47 and 49 (and 549) will receive small increases because of this filing, PGE includes detailed bill comparisons for Schedules 47 and 49 in the work papers.

The Company is proposing to make changes to the following sheets:

- Schedule 110-2, Energy Efficiency Customer Service.

Schedule	Adjustment Rate
➤ 7	0.005 ¢ per kWh
➤ 15	0.010 ¢ per kWh
➤ 32	0.005 ¢ per kWh
➤ 38	0.006 ¢ per kWh
➤ 47	0.009 ¢ per kWh
➤ 49	0.006 ¢ per kWh
➤ 75	0.004 ¢ per kWh
➤ 83	0.004 ¢ per kWh
➤ 85	0.004 ¢ per kWh
➤ 89	0.004 ¢ per kWh
➤ 90	0.004 ¢ per kWh
➤ 91	0.010 ¢ per kWh
➤ 92	0.004 ¢ per kWh

The Fifth revision of sheet is no longer in effect.

- Schedule 110-3, Energy Efficiency Customer Service.

Schedule	Adjustment Rate
➤ 95	0.010 ¢ per kWh
➤ 485	0.004 ¢ per kWh
➤ 489	0.004 ¢ per kWh
➤ 490	0.004 ¢ per kWh
➤ 491	0.010 ¢ per kWh
➤ 492	0.004 ¢ per kWh
➤ 495	0.010 ¢ per kWh
➤ 515	0.010 ¢ per kWh
➤ 532	0.005 ¢ per kWh
➤ 538	0.006 ¢ per kWh
➤ 549	0.006 ¢ per kWh
➤ 575	0.004 ¢ per kWh

- 583 0.004 ¢ per kWh

The Fifth revision of sheet 110-3 is no longer in effect.

- Schedule 110-4 – Energy Efficiency Customer Service.

Schedule	Adjustment Rate
➤ 585	0.004 ¢ per kWh
➤ 589	0.004 ¢ per kWh
➤ 590	0.004 ¢ per kWh
➤ 591	0.010 ¢ per kWh
➤ 592	0.004 ¢ per kWh
➤ 595	0.010 ¢ per kWh

The Third revision of sheet 110-4 is no longer in effect.

Conclusion

After review, Staff concludes that the revisions filed by Portland General Electric are appropriate. Staff reviewed the proposed schedule changes to ensure that they were consistent with the rates already approved by the Commission. Staff also reviewed the entire tariff file to ensure no other schedules were affected by the changes. Staff identified no issues or errors with the filing and recommends the Commission approve the tariff changes as filed, allowing this filing to go into effect for service on and after January 1, 2018.

The Company was provided a draft copy of this memo and has no concerns.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric (PGE)'s Advice 651 No.17-27 for service on and after January 1, 2018.