

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 15, 2020**

REGULAR CONSENT EFFECTIVE DATE January 1, 2021

DATE: December 1, 2020

TO: Public Utility Commission

FROM: John Fox

THROUGH: Bryan Conway and John Crider **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1192)
Portland General Electric Company Advice No. 20-33, Schedule 132
Federal Tax Reform Credit.

STAFF RECOMMENDATION:

Approve Portland General Electric's (PGE or Company) application to set Schedule 132 prices to zero effective January 1, 2021.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve PGE's application to set Schedule 132 prices to zero effective January 1, 2021.

Applicable Rule or 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. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. 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.

OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Unless subject to an automatic adjustment clause under ORS 757.210(1), amounts deferred are allowed in rates to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon review of the utility's earnings at the time of application to amortize the deferral. ORS 757.259(4); OAR 860-027-0300(9).

Analysis

Background

On December 4, 2018, the Commission issued Order No. 18-459 approving PGE's Application for the Deferral of 2018 Net Benefits Associated with the U.S. Tax Reconciliation Act, docketed as UM 1920, for the twelve-month period beginning December 31, 2017, calculated to be \$45 million.

At its December 18, 2018 regular public meeting, the Commission approved PGE's Schedule 132, Federal Tax Reform Credit amortizing the Commission-approved deferred 2018 net benefits associated with the tax rules and provisions implemented through the U.S. Tax Cut and Jobs Act of 2017.

At its December 17, 2019 regular public meeting, the Commission approved PGE's revisions to Schedule 132, Federal Tax Reform Credit effective January 1, 2020. These revisions were expected to result in the remaining portion of the \$45 million benefit, plus interest, being returned to customers by the end of 2020.

Review of the Company's Application

The Company states that the Schedule 132 credit of approximately \$45 million plus interest has been distributed to customers over two years, consistent with Order No. 18-459.

Staff has reviewed transactions recorded in the underlying deferral account (AWO 100007776) and the Company's projections through December 31, 2020, which support the Company's application.

The Company projects a remaining balance of \$210 thousand which Staff confirmed, via informal inquiry, will be transferred to the residual balancing account underlying

Schedule 105 Regulatory Adjustments, which is adjusted annually as necessary to recover nonrecurring regulatory adjustments.

To satisfy the requirements of OAR 860-022-0025(2) and 860-22-0030, the Company provides the following information:

Removing the Schedule 132 credit results in an approximate \$24 million annual or 1.26% increase for the approximately 910,000 (2021 forecasted) customers. A Schedule 7 residential customer consuming 800 kWh monthly will see a \$1.37 or 1.32% increase in their monthly bill.

Conclusion

For the reasons stated above, Staff recommends that the Commission approve the Company's application as filed.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's application to set Schedule 132 prices to zero effective January 1, 2021.