



Oregon

Tina Kotek, Governor

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

Mailing Address: PO Box 1088

Salem, OR 97308-1088

503-373-7394

December 28, 2023



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 23-35

At the public meeting on December 28, 2023, the Commission adopted Staff's recommendation in this matter docketed as ADV 1568. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 28, 2023**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** January 1, 2024

DATE: December 12, 2023

TO: Public Utility Commission

FROM: Rawleigh White

THROUGH: Bryan Conway and Marc Hellman **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1568/Advice No. 23-35)
Schedule 131 Oregon Corporate Activity Tax Recovery.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) Advice No. 23-25, revising Schedule 131 Oregon Corporate Activity Tax Recovery, effective for service rendered on or after January 1, 2024.

DISCUSSION:

Issue

Whether the Commission should approve PGE's proposed revision of Schedule 131 Oregon Corporate Activity Tax Recovery, which seeks to adjust the tariff rate to reflect a refund of the 2022 Oregon Corporate Activity Tax (OCAT) expense and a credit balance at the end of 2021 in the balancing account.

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

In Order No. 20-029, the Commission approved PGE's application requesting authorization for deferred accounting beginning on January 1, 2020, and a new tariff, Schedule 131, implementing a rate schedule, balancing account, and automatic adjustment clause for the OCAT with the condition that the tariff will terminate, and the tax will be included in base rates at a future date to be agreed upon by the parties.¹

In accordance with the Second Partial Stipulation of UE 394 adopted in Commission Order No. 22-129, OCAT is recovered through base rates rather than Schedule 131 effective May 9, 2022.² Implementation of the agreement was omitted in PGE's initial filing Advice No. 22-08 but was corrected in Advice No. 22-08 on July 27, 2022.³ The prorated OCAT tax liability recovered through Schedule 131 that needs to be refunded to customers is \$3.6 million, including interest at the Blended Treasury Rate.

Current Filing

To satisfy the requirements of OAR 860-022-0025(2), PGE provides the following responses:

¹ *In re Portland General Electric*, OPUC Docket No. UE 368, Order No. 20-029, January 29, 2020.

² *In re Portland General Electric*, OPUC Docket No. UE 394, Order No. 22-129, Appendix B at 5, April 25, 2022.

³ *In re Portland General Electric*, OPUC Docket No. UE 394, PGE's Fifth Supplemental Filing of Advice No. 22-08, available at Microsoft Word - PGE Supp Filing of Advice No. 22-08 Supp Filing_UE 394 GRC Comp_Ltr_07.27.22 (state.or.us).

The proposed Schedule 131 rate change will result in a 0.01% overall rate decrease for approximately 940,000 Customers. A typical Schedule 7 Residential Customer consuming 795 kWh monthly will see a bill decrease of approximately \$0.15 or 0.1%.

Staff met with the Company on December 12, 2023, to review the associated work papers.

Conclusion

Based on its review of this filing and the associated work papers, Staff recommends the Commission approve PGE's proposed revision of tariff Schedule 131 Oregon Corporate Activity Tax Recovery.

The Company has reviewed this memo and agrees with its content.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 23-35, revising Schedule 131 Oregon Corporate Activity Tax Recovery, effective for service rendered on or after January 1, 2024.

**SCHEDULE 131
OREGON CORPORATE ACTIVITY TAX RECOVERY**

PURPOSE

To recover from Customers the Oregon Corporate Activity Tax (CAT) paid by the Company for "commercial activity" in accordance with House Bill 3427 and to establish an associated Automatic Adjustment Clause and balancing account.

APPLICABLE

To all bills for Electricity Service.

BALANCING ACCOUNT

A CAT Balancing Account will be maintained to accrue any difference between the Company's actual commercial activity tax liability and the amount collected from Customers under this Schedule. Any over or under-collection reflected in this account will be considered when the CAT Rate is established. The Balancing Account will accrue interest at the Commission-authorized rate for deferred accounts.

CAT RECOVERY RATE DETERMINATION

The CAT Recovery Rate is determined by dividing the sum of forecast commercial activity tax liability plus or minus any amount in the Balancing Account divided by forecast Retail Revenue from Customers for each tax year or other applicable recovery period. Forecast Retail Revenue excludes Schedule 102, Schedule 108, Schedule 109, and Schedule 115, and all other separately stated taxes.

CAT RECOVERY RATE

The CAT Recovery Rate is:

(0.122)% of the total billed amount to the Customer excluding the RPA Credit (Schedule 102), Public Purpose Charge (Schedule 108), Energy Efficiency Funding Adjustment (Schedule 109), Low Income Assistance Charge (Schedule 115) and all other separately stated taxes.

(R)

SPECIAL CONDITIONS

1. Actual commercial activity tax liability is subject to audit. Any adjustments to the commercial activity tax liability will be included in the balancing account.