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2 **BEFORE THE PUBLIC UTILITY COMMISSION**  
3 **OF OREGON**

4 **UE 319**

5 In the Matter of  
6 PORTLAND GENERAL ELECTRIC  
7 COMPANY

**STAFF MOTION FOR EXPEDITED  
CONSIDERATION OF THE SECOND  
PARTIAL STIPULATION**

**[Expedited Consideration Requested]**

8 Request for a General Rate Revision.

9 **I. Introduction.**

10 The above-captioned docket concerns Portland General Electric Company (PGE)'s  
11 request for a general rate increase. The issues identified by Staff of the Public Utility  
12 Commission (Staff) and intervenors in this docket have been resolved by a total of three  
13 stipulations: (1) a net variable power cost (NVPC) Stipulation filed on September 18, 2017,  
14 resolving issues related to PGE's forecast of its 2018 NVPC for its Automatic Update Tariff  
15 (AUT); (2) a Partial Stipulation submitted on September 18, 2017, resolving all non-NVPC  
16 revenue requirement and rate spread and rate design issues identified in the docket with the  
17 exception of issues related to the Oregon Citizens' Utility Board(CUB) proposal regarding  
18 allocation of costs and benefits of energy efficiency (EE); and (3) a Second Partial Stipulation  
19 submitted on October 9, 2017, resolving the issues related to CUB's EE proposal. The  
20 Commission has already addressed the NVPC Stipulation and issued an order approving the  
21 NVPC Stipulation on October 9, 2017.<sup>1</sup>

22 In this motion, Staff asks the Commission to consider the Second Partial Stipulation  
23 resolving EE-related issues on an expedited basis in order to allow the Energy Trust of Oregon  
24 (Energy Trust) to appropriately budget for projects in 2018. Staff has contacted all parties to this  
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26 <sup>1</sup> Order No. 17-384.

1 docket and no party objects to this request for expedited consideration.<sup>2</sup> Staff does not anticipate  
2 there will be a response to this motion. To facilitate expedited consideration, Staff asks that the  
3 Commission set October 24, 2017, as the due date for any response for this motion. October 24,  
4 2017, is the last day on which an objection may be filed to the Second Partial Stipulation, which  
5 was filed on October 9, 2017. Staff does not anticipate that any party will object to the Second  
6 Partial Stipulation. The stipulating parties are Staff, PGE, CUB, the Industrial Customers of  
7 Northwest Utilities, and Fred Meyer Stores. As stated in the stipulation, Walmart Stores, Inc.,  
8 Calpine Energy Solutions, Inc., do not oppose the stipulation and that the Small Business Utility  
9 Advocates does not take a position.<sup>3</sup> The only other party to Docket No. UE 319 is PacifiCorp,  
10 which did not file testimony.

11 **A. Background.**

12 On February 28, 2017, PGE filed a request for a general rate increase, which included its  
13 forecasted 2018 NVPC and draft tariffs with an effective date of January 1, 2018. All issues  
14 identified by parties regarding PGE's request for a rate increase and PGE's forecast of its 2018  
15 NVPC have been resolved by stipulations. The Commission has already approved the NVPC  
16 Stipulation resolving issues related to PGE's 2018 NVPC forecast. Pending before the  
17 Commission are two partial stipulations, the first resolving all non-NVPC-related issues  
18 identified by parties, with the exception of issues related to CUB's testimony regarding EE, and  
19 the second resolving these EE-related issues.

20 In the ordinary course, Staff would expect that the Commission consider the remaining two  
21 stipulations in the coming weeks and issue a decision on both in time to allow PGE to file

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23 <sup>2</sup> Counsel for Staff notified all Docket No. UE 319 parties of this motion in an e-mail sent to the  
24 service list on October 19, 2017, at 10:49 a.m. The e-mail asked parties to respond with any  
25 objection to the motion no later than noon on October 20, 2017. CUB, PGE, ICNU, and  
26 Walmart confirmed by e-mail that they do not object to the motion for expedited consideration.  
No party notified counsel for Staff of an objection prior to noon October 20, 2017. And, no party  
has objected to the Second Partial Stipulation since it was filed on October 9, 2017.

<sup>3</sup> Second Partial Stipulation, p. 2.

1 compliance tariffs with an effective of January 1, 2018. However, the Second Partial Stipulation  
2 has a time-sensitive provision that warrants earlier action. The Second Partial Stipulation  
3 includes a recommendation to the Commission to direct the Energy Trust to change the informal  
4 cap on EE funds provided to customers larger than one aMW in PGE's service territory. If the  
5 Commission adopts the recommendation, the amount of funds available for EE for customers  
6 one aMW and larger in PGE's service territory will increase.

7 The Energy Trust of Oregon (Energy Trust) is scheduled to present its budget to the  
8 Commission for 2018 to the Commission for approval at a public meeting on November 16,  
9 2017. Staff asks the Commission to address the Second Partial Stipulation prior to this so that  
10 the Energy Trust knows what funds are available for EE for customers larger than one aMW.  
11 Specifically, Staff asks that the Commission issue an order regarding the Second Partial  
12 Stipulation by November 9, 2017, to allow the Energy Trust to budget accordingly.

13 **B. Issues presented in Second Partial Stipulation.**

14 The CUB EE issues include the concern the costs and benefits of EE funding collected  
15 pursuant to SB 838 (2007) from customers with loads less than one average megawatt (aMW)  
16 and the assertion that these customers are paying more than their fair share for system benefits of  
17 EE without receiving commensurate benefits when compared with EE funding paid for by  
18 customers over one aMW and the benefits those customers receive.<sup>4</sup> They also include the  
19 concern the Energy Trust will be unable in the future to acquire all cost effective energy  
20 efficiency because of the cap on industrial EE imposed by Senate Bill 838. CUB, ICNU, Fred  
21 Meyer Stores, and Staff filed testimony about the issues raised by CUB with respect to the  
22 allocation of costs and benefits of EE and regarding CUB's concern that cost-effective EE would  
23 be left on the table because of the SB 838 cap on EE funding for the largest customers

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26 <sup>4</sup> Stipulating Parties/300, St. Brown – Townsend – Mullins- Brown/2

1 In the Second Partial Stipulation, the stipulating parties agreed that Schedule 7 and 32  
2 customers (small customers) shall receive a credit of \$777,315 on an equal cents per kWh basis  
3 through a Customer Impact Offset (CIO) payment funded as follows: \$618,652 to Schedules 89,  
4 489, and 589 on an equal volumetric price basis; and \$154,663 to Schedule 90, 490 and 590 on  
5 an equal volumetric price basis.<sup>5</sup> In addition, stipulating parties asked the Commission to open an  
6 investigatory docket into the costs and benefits of EE funding among rate classes and that the  
7 Commission direct the Energy Trust to immediately raise the informal 18.4% cap on public  
8 purpose charge EE funding for customers over 1 aMW to 13 20%.<sup>6</sup>

9 Staff believes the Commission can address the Second Partial Stipulation addressing CUB's  
10 EE issues without impacting its review of the Partial Stipulation resolving all other general rate  
11 case issues. If approved, the Second Partial Stipulation will result in an increased cap on the  
12 amount of EE that can be funded by the Public Purpose Charge (PPC) for customers larger than  
13 one aMW in PGE's service territory and will result in a CIO payment to residential and small  
14 nonresidential customers. The issues resolved in the Partial Stipulation are not affected by the  
15 resolution of these issues resolved in the Second Partial Stipulation.

16 Notably, the stipulating parties' agreement regarding the CIO in the Second Partial  
17 Stipulation is not inconsistent with the parties' agreement regarding the CIO in the Partial  
18 Stipulation. PGE proposed a CIO for Schedule 7 (residential customers) in its original filing.  
19 The Joint Testimony in Support of Stipulation explains that Staff and the Industrial Customers of  
20 Northwest Utilities (ICNU) believed the PGE "proposal to mitigate the Schedule 7 price increase  
21 is unwarranted given that the base rate percentage difference between Schedule 7 and the overall  
22 base price impact is less than two percent."<sup>7</sup> Staff and ICNU were also concerned about PGE  
23 proposing that direct access customers should help mitigate the Schedule 7 price increase.

24 <sup>5</sup> Second Partial Stipulation, ¶ 1.

25 <sup>6</sup> Second Partial Stipulation, ¶ 2.

26 <sup>7</sup> Stipulating Parties/200, Gardner-Townsend-Jenks-Mullins-Brown/26-27.

1 To settle the issues raised by Staff and ICNU, the parties agreed that there should not be a  
2 CIO for Schedule 7 customers.<sup>8</sup> However, the Parties further agreed that it is appropriate to  
3 revisit the CIO should "rate shock" result from resolution of the issue sponsored by CUB.<sup>9</sup>  
4 In the Second Partial Stipulation, parties did revisit the CIO, stipulating that the increase to the  
5 informal cap on EE funding for customers larger than one aMW should be accompanied by a  
6 CIO of \$777,315 to customers on Schedules 7 and 32.<sup>10</sup> The parties agreed that the cost of the  
7 CIO should be allocated to all customers on Schedules 89, 489/589, 90, and 490/590.<sup>11</sup>

8 The treatment of the CIO in the Partial Stipulation and the Second Partial Stipulation is  
9 consistent. CUB testified regarding its concern with the allocation of costs and benefits of  
10 industrial EE. CUB's concern is exacerbated if additional funding is provided to customers over  
11 one a MW. Although parties agreed in the Partial Stipulation that a CIO to residential customers  
12 is not necessary with the current informal cap on EE to customers over one aMW, parties to the  
13 Second Partial Stipulation concluded that a CIO to residential and small nonresidential customers  
14 is appropriate consideration in exchange for additional funds for EE provided to customers over  
15 one MW under an increased informal cap.<sup>12</sup>

16 **C. Tolling of period before Commission investigation into funding of EE.**

17 In addition to agreeing to recommend the increased EE funding cap and CIO, parties to  
18 the Second Partial Stipulation asked the Commission to open an investigation into funding of EE  
19 and the allocation of costs and benefits among rate classes, but to do so no sooner than six  
20 months after a final order resolving all issues in this docket.<sup>13</sup> To the extent the Commission

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<sup>8</sup> Partial Stipulation ¶30(h).

22 <sup>9</sup> Partial Stipulation ¶30(h).

23 <sup>10</sup> Second Partial Stipulation ¶1

24 <sup>11</sup> Second Partial Stipulation ¶1.

25 <sup>12</sup> Although the parties have stipulated to the CIO, they do not all agree with CUB's assertion  
26 that the costs and benefits of EE are allocated in an inequitable manner.

<sup>13</sup> Second Partial Stipulation ¶ 2.

1 grants this motion and considers the Second Partial Stipulation on an expedited basis and before  
2 it considers the Partial Stipulation, Staff asks the Commission to clarify that the order approving  
3 the Second Partial Stipulation is not the “final order resolving all issues in this docket,” that  
4 triggers the six month period.

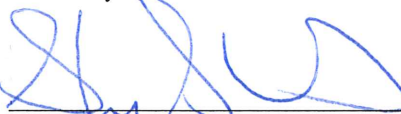
5 **II. Conclusion.**

6 Staff asks the Commission to consider the Second Partial Stipulation on an expedited  
7 basis so that it may decide the merits of the stipulation and provide certainty to the Energy Trust  
8 as to the amount of funding available for EE for customers over one aMW in 2018 before the  
9 Commission approves the budget.

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11 DATED this 20th day of October 2017.

12 Respectfully submitted,

13 ELLEN F. ROSENBLUM  
14 Attorney General

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16 Stephanie S. Andrus, #925123  
17 Oregon Department of Justice  
18 Of Attorneys for Staff of the Public Utility  
19 Commission of Oregon