

**PUBLIC UTILITY COMMISSION OF OREGON  
INTEROFFICE CORRESPONDENCE**

**DATE:** December 19, 2014  
**TO:** Jason Eisdorfer  
**THROUGH:** Marc Hellman *MH*  
**FROM:** George R. Compton *MHG GC*  
**SUBJECT:** **Verification of Portland General Electric (PGE) UE 283 – Tariff Rates Effective January 1, 2015. Compliance Filing Advice No. 14-27.**

In Order No. 14-422 in this Docket (entered December 4, 2014), the Public Utility Commission of Oregon adopted a number of revenue requirement and rate spread/rate design stipulations. In response to that Order, PGE submitted its Compliance Filing Advice No. 14-27 on December 12, 2014.

Based upon analyses performed by Matt Muldoon, Suparna Bhattacharya, and myself, I can affirm the accuracy of PGE's filed tariff rates, to be effective January 1, 2015.

PGE's Compliance Filing included the following:

- Replacement sheets for affected Schedules.
- Advice No. 14-27 Work Papers, including the following:
  - An updated summary "Table 1," which shows, for each Customer Schedule, the proposed revenues from net rates (i.e., Base Schedule rates plus Schedules 122a, 125<sup>1</sup>) as compared with the revenues produced by the corresponding current rates for the test period.
  - Other summary tables, which reflect the inclusion of various supplemental schedules other than, or in addition to, schedules 122a, and 125.
  - Billing comparisons for major rate schedules, illustrating a host of different consumption levels for each schedule.
    - Note: The billing comparisons show an increase for low-usage Schedule 90 customers to exceed 11.5% even though the Schedule average is only 3.4%. This discrepancy is attributable to the monthly customer charge having been increased from \$5,100 to \$25,000. A much smaller increase would be experienced if the customer remained on or reverted to Schedule 89, where the customer charge is \$5,280 per month. The future tariff language should make clear that even though a customer meets the qualifications for being on Schedule 90, taking service on Schedule 89 would be an option for customers if such is advantageous. There now is only one customer on Schedule 90, and that customer benefits thereby.
  - Excel work papers in electronic format, including a Billing Determinants spreadsheet which lists all the test period customer-counts and sales volumes,

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<sup>1</sup> Current and proposed tariff figures for those two schedules are zeros.

and the present and proposed prices and revenues—by Tariff item and by Schedule.

- Comparable work papers were also submitted for evaluating lighting tariff compliance. Note: Lighting tariffs include monthly rates for poles and fixtures as well as energy sales (kWh's).

Preliminary Note: While the Commission's Order reproduces both Table 1 and Table 4 from the adopted settlement recommendations, the focus of the settlement negotiations was on Table 1 since it fully and accurately captures the effects upon the individual rate schedules of changes to base rates and incorporates the revenue requirement increase authorized by the subject Commission Order. Table 4 incorporates fifteen adjustment schedules whose net effect, compared to Table 1, is to reduce total revenues by only 0.2%. With that caveat in mind, the checks and analytic tasks required to affirm the accuracy of rates included the following:

- Confirm that the test period customer-counts and sales volumes contained in the Billing Determinants spreadsheet and shown in Table 1 reflect the increases that, in part, resulted from analyses performed by Staff member, Lance Kaufman.
- Confirm from the billing determinants spreadsheets that the proposed functionalized prices produce revenues that match what are proposed for each Schedule in Table 1.
  - Exception: Mr. Muldoon, with corroboration from a PGE responsible employee, found a category of lighting revenues to exceed—by \$700—what would be consistent with the published prices and sales volumes. This reduces the projected Company revenues by \$700. (Note: Due largely to rounding effects, PGE's revenues were projected to exceed the authorized level by \$59,000.)
- Confirm that the prices contained in the filed Tariffs, including the various lighting tariffs, conform with those of the respective billing determinants spreadsheets.
- To assure consistency with the authorized revenue increase of \$44.33 million, considerable effort was expended in reconciling the plethora of means by which aggregates were assembled and presented. Examples: Some revenues were presented (but not readily identified) as calendar-based (consistent with the Order), and others as cycle-based (consistent with projected billings); some "total" revenues/costs included "Partial Requirements" revenues (consistent with the total authorized revenue requirement), and others excluded those revenues (consistent with the basic tariffs and accounting for all but \$724 thousand out of over \$1.7 billion in total revenues).

Staff Recommendation to Improve Future Tariff Clarity and Consistency: While the units to which the various tariff prices apply (e.g., kWh or kW) are generally clear, in a large number of instances the units are not indicated. As examples, line items in Schedule 90 are as follows:

<u>Basic Charge</u>	\$25,000
<u>Energy Charge</u>	
On-Peak Period	6.022¢

Obvious label substitutions would have been, respectively: Monthly Basic Charge and Per-kWh Energy Charge.

CC: Joan Grindeland

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