



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

April 18, 2014

Public Utility Commission of Oregon
Attn: Filing Center
3930 Fairview Industrial Drive SE
P.O. Box 1088
Salem, OR 97308-1088

**RE: Advice No. 14-07, Schedule 142 Underground Conversion Cost Recovery
Adjustment and Request for Waiver of 860-022-0032**

Portland General Electric (PGE) submits this filing pursuant to Oregon Revised Statutes 757.205 and 757.210, and Oregon Administrative Rules 860-022-0025 and 860-022-0030, for filing proposed tariff sheets associated with Tariff P.U.C. No. 18. In addition to the electronic filing, enclosed are the original and three courtesy copies with a requested effective date of **June 5, 2014**:

Second Revision of Sheet No. 142-1

The purpose of this filing is to request termination of the current Schedule 142 Adjustment rate effective June 5, 2014, and to request a waiver of Oregon Administrative Rule (OAR) 860-022-0032. Because PGE had previously over-collected a forced undergrounding job in the City of Sandy, PGE requested and was granted the ability to refund this over-collection to the applicable customers effective February 5, 2014.

However, PGE discovered in March that the CIS billing logic in place for Schedule 142 is not consistent with the tariff provisions of Schedule 142 that specify "effective for service on and after February 5, 2014" or OAR 860-022-0032 that specifies the "utility shall make all tariff changes applicable with service rendered on and after the effective date of the changes." Specifically, PGE discovered that the first three billing cycles in February were assessed the prior one percent Schedule 142 surcharge on the entirety of their bills, as appropriate, while applicable customers in the other 18 billing cycles were assessed the 0.25 percent credit for the entirety of their bill. In other words, customers whose billing cycle ended on February 5 were assessed the 0.25 percent credit for their entire bill period even though only one day of that billing period was on or after the effective date of February 5. As a result of this billing in February, applicable customers will experience the refund of the over-collection in a more rapid manner.

To return the appropriate credit level to customers, PGE proposes to set the current Schedule 142 Adjustment rate to zero effective June 5, 2014 with customers whose billing cycles end after June 5 not receiving the Schedule 142 credit. In the future, PGE will change the billing logic for Schedule 142 to an "effective for service on and after" basis to conform to its tariff and Commission rules.

PGE maintains that OAR 860-021-0135(1) concerning Adjustment of Utility Bills, is inapplicable. Because the February Schedule 142 billings were a net under-billing, the provisions of OAR 860-0210-0135(2) apply. Given that it will take approximately 400 hours to correct all the applicable bills issued in February, it is uneconomical to rebill.

Although PGE estimates that the full amount of the over-collection will be refunded prior to the end of May, PGE requests an effective date of June 5, 2014 so that the first three billing cycles will receive the Schedule 142 credit that they did not receive in February. PGE will not seek recovery of the amount refunded in excess of the authorized collection.

To satisfy the requirements of Oregon Administrative Rules (OAR) 860-022-0025(2) and 860-022-0030(1), PGE provides the following responses: The proposed change in Schedule 142 results in an approximate \$17,000 annual or a 0.25% increase for the approximately 4,300 applicable customers as of June 5, 2014. An applicable Schedule 7 Residential customer consuming 840 kWh monthly will see a \$0.25 or 0.25% increase in their monthly bill.

Work papers supporting the June 5th Schedule 142 adjustment rates are attached.

Please direct any questions regarding this filing to Marc Cody at (503) 464-7434.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,



Karla Wenzel
Manager, Pricing & Tariffs

Enclosures

**SCHEDULE 142
UNDERGROUND CONVERSION COST RECOVERY ADJUSTMENT**

PURPOSE

To recover costs incurred by the Company to convert electric facilities from overhead to underground from customers within the boundaries of the local government requiring such conversion at the Company's expense, as required by OAR 860-022-0046.

APPLICABLE

To all bills for electric service supplied by the Company within the boundaries of the local government requiring the conversion of electric facilities from overhead to underground at the Company's expense.

ADJUSTMENT RATE

The Adjustment Rate is the applicable percentage as listed below of the total bill amount to each Customer located within the applicable local government's boundaries excluding the Public Purpose Charge (Schedule 108), Energy Efficiency Funding Adjustment (Schedule 109), Low Income Assistance Charge (Schedule 115) and all other separately stated taxes.

Municipality	Ordinance Number	Effective Date	Projected Term	Adjustment Rate

(C)

SPECIAL CONDITIONS

1. For each local government underground conversion project, the Company will establish a tracking mechanism that will track the receipts from each listed Adjustment Rate.
2. In accordance with OAR 860-022-0046, the Company will accrue interest for the unamortized conversion costs at the effective rate of the senior security issue that most recently preceded the incurrence of the conversion cost for the local government.
3. The Company will terminate the collection of the Adjustment Rate at the time when the conversion costs associated with each local government underground conversion project listed above are fully recovered.
4. The Adjustment Rate will be separately stated on the Customer bills rendered within the boundaries of the applicable local government.