

ORDER NO. 14 183

ENTERED MAY 28 2014

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 289

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

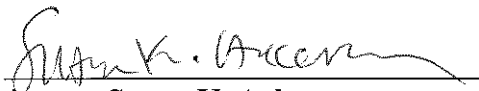
Request for revision of Schedule 142,
Underground Conversion Cost Recovery
Adjustment, and Waiver of OAR 860-022-
0032.

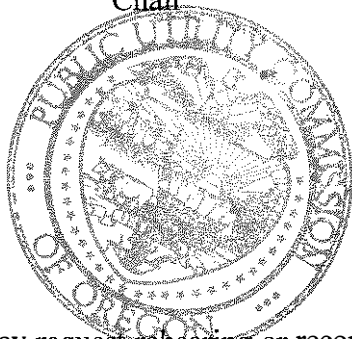
ORDER


DISPOSITION: STAFF'S RECOMMENDATION ADOPTED


This order memorializes our decision, made and effective at the public meeting on May 27, 2014, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 28th day of May, 2014, at Salem, Oregon.


Susan K. Ackerman
Chair




John Savage
Commissioner


Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

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ITEM NO. CA5

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 27, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE June 5, 2014

DATE: May 15, 2014

TO: Public Utility Commission

FROM: Deborah Garcia *DG* *ABME* *NA*

THROUGH: Jason Eisdorfer, Maury Galbraith, and Marc Hellman

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UE 289/Advice No. 14-07) Modifies Schedule 142, Underground Conversion Cost Recovery Adjustment, and requests waiver of OAR 860-022-0032.

STAFF RECOMMENDATION:

I recommend that the Commission approve Portland General Electric's filing, effective June 5, 2014.

DISCUSSION:

Portland General Electric (PGE or Company) makes this filing pursuant to ORS 757.205 and 757.210, and OAR 860-022-0025 and 860-022-0030.

The purpose of this filing is to request termination of the current Schedule 142 Adjustment Rate effective June 5, 2014. This request conflicts with the OAR 860-022-0032 (The Rule) requirement that a tariff change must become effective with service on and after a utility's requested effective date. Therefore, PGE is also requesting that the Commission waive the requirements of The Rule.

Background

Pursuant to OAR 860-022-0046, PGE filed a tariff to collect from customers residing in the City of Sandy (Sandy customers), the costs associated with a forced conversion of overhead to underground service. PGE ended up over-collecting those costs and filed Advice No. 14-01 to refund the over-collection effective February 5, 2014. PGE calculated a rate of 0.25 percent credit applied to each bill and estimated the refund would be complete in approximately seven months, at which time the Company would file a request to set the schedule rate to zero.

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This Filing

In March 2014, PGE discovered that its billing system incorrectly applied the credit rate to most of the Sandy customers' February billing cycles. Under The Rule, customer bills beginning with the February 5 billing cycle should have been pro-rated to reflect the surcharge rate for service rendered before February 5, and the credit should have only applied to service rendered on and after February 5, 2014. For example, a bill in the February 5 billing cycle should have reflected one day at the new rate (credit) and the surcharge should have been applied to the other days. Prorated billings should have continued until a customer's billing reflected a full month of service eligible for the credit. Instead, beginning with the February 5 billing cycle, the billing system applied the credit to the entire bill. Specifically, the system applied the surcharge to February's first three billing cycles, and a full month of credit was applied to the remaining 18 February billing cycles.

As a result of this billing error, the refund will be distributed more rapidly than expected. PGE requests a waiver of The Rule so that the Schedule 142 rate may be set to zero beginning with the June 5, 2014, billing cycle and apply to the entire bill. Using this approach, the customers in the first three billing cycles will receive a month's credit as the rest of the customers did in February.

Although PGE estimates that the full amount of the over-collection will be refunded around the end of May, PGE intends to absorb the difference.

In its filing, PGE maintains that OAR 860-021-0125(1) concerning adjustment of utility bills does not apply but rather OAR 860-021-0125(2) is applicable because the February billings were a net under-billing. Because it would take approximately 400 staff hours to correct all the applicable bills issued in February, it is uneconomical to rebill.

To satisfy the requirements of OAR 860-022-0025(2) and 860-022-0030(1), PGE has provided the following information: 1. The proposed change in Schedule 142 results in an approximate \$17,000 annual or a 0.25 percent total increase for the approximate 4,300 Sandy customers; and, 2. An average residential Sandy customer using 840 kWh a month will see a \$0.25 or 0.25 percent increase in their monthly bill.

PGE also states its billing system will be changed so that any future Schedule 142 rate will apply to service rendered on or after the effective date, in compliance with the Commission rules and PGE's tariff language.

Staff Analysis

Based on the circumstances, PGE's proposal appears to be the most practical solution to the inequitable application of the credit to the Sandy customers' February billings.

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For this reason, and because PGE has advised that it intends to immediately correct its billing system to avoid this sort of error in the future, I recommend the Commission waive The Rule and approve the Company's filing.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's Request to Waive OAR 860-022-0032, and allow Schedule 142 to take effect beginning with the June 5, 2014, billing cycle.

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