

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 23, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE July 1, 2015

DATE: June 9, 2015

TO: Public Utility Commission

FROM: Judy Johnson *JJ*

THROUGH: Jason Eisdorfer and Marc Hellman *J*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 48/Advice No. 15-14) Requests recovery of projected increases in the Customer-Owned Solar Payment Option.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE or Company) Advice No. 15-14 effective on and after July 1, 2015.

Introduction

In 2010, the Commission implemented a statutorily mandated Volumetric Incentive Rate (VIR) Pilot Program for all three investor-owned electric utilities operating in Oregon.¹ PGE recovers costs associated with the VIR Pilot Program under an automatic adjustment clause in PGE Schedule 137 (the Customer-Owned Solar Payment Option (SPO) Cost Recovery Mechanism). PGE has filed revisions to Schedule 137 to account for increasing pilot program expenses and to recover remaining costs in a SPO Cost Recovery Mechanism balancing account. For the reasons that follow, Staff concludes that PGE's filing should be approved.

¹ *In the Matter of the Public Utility Commission of Oregon Investigation into Pilot Programs to Demonstrate the use and effectiveness of Volumetric Incentive Rates for Solar Photovoltaic Energy Systems*, OPUC Order No. 10-198 (Docket No. UM 1452).

Applicable Oregon Administrative Rules (OARs)

PGE submits this filing pursuant to ORS 757.205 and 757.210 and OARs 860-022-0025(2) and 860-022-0030(1).

ORS 757.210 requires fair, just and reasonable rates. OAR 860-022-0025(2) and – 0030(1) require a utility proposing a rate change to provide certain information, as follows:

OAR 860-022-0025(2) states:

(2) Each energy or large telecommunications utility filing tariffs or schedules changing existing tariffs or schedules shall submit therewith the following information:

(a) A statement plainly indicating the increase, decrease, or other change thereby made in existing rates, charges, tolls, or rules and regulations;

(b) A statement setting forth the number of customers affected by the proposed change and the resulting change in annual revenue; and

(c) A detailed statement setting forth the reasons or grounds relied upon in support of the proposed change.

OAR 860-022-0030(1) states:

(1) Each energy or large telecommunications utility filing tariffs or schedules which name increased rates shall submit therewith, in addition to requirements of OAR 860-022-0025, the following information:

(a) A statement setting forth for each separate schedule the total number of customers affected, the total annual revenue derived under the existing schedule, and the amount of estimated revenue which will be derived from applying the proposed schedule;

(b) A statement setting forth for each separate schedule the average monthly use and resulting bills under both the existing rates and the proposed rates for characteristic customers, which will fairly represent the application of the proposed tariff or schedules; and

(c) A detailed statement setting forth the reasons or grounds relied upon in support of the proposed increase.

DISCUSSION:

Background

PGE states that the purpose of this filing is to adjust the SPO Cost Recovery Mechanism rates to reflect projections of the SPO pilot expense through 2016 and the current state of the SPO balancing account.² PGE anticipates an increase in SPO pilot expenses as the program achieves full capacity in 2016.³ In order to provide for stable Schedule 137 prices, PGE proposes to amortize the balancing account to approximately \$500,000 at the end of 2016.⁴

The proposed change in Schedule 137 prices results in an annualized increase of approximately \$2.7 million to applicable customers, or a 0.15 percent increase overall.⁵ There are approximately 845,000 applicable customers as of April 2015.⁶ A typical Schedule 7 Residential customer consuming 840 kWh monthly will see a bill increase of \$0.13.⁷

PGE also states it chose a July 1 effective date because the Company is already behind on collection amounts and will continue to fall further behind at the current Schedule 137 rates. PGE believes its current under-recovery will translate into higher rates in the future unless an adjustment is made immediately.⁸

Staff's Analysis

Staff reviewed PGE's filing and workpapers. PGE has satisfied the requirements of OAR 860-022-0025(2) and -0030(1). The filing and workpapers support the new rates and Staff concludes increasing the rates in Schedule 37 to recover the costs of the statutorily-mandated pilot program is appropriate and results in rates that are just, fair and reasonable.

² PGE Advice No. 15-14 at 1.

³ PGE Advice No. 15-14 at 1.

⁴ PGE Advice No. 15-14 at 1.

⁵ PGE Advice No. 15-14 at 1.

⁶ PGE Advice No. 15-14 at 1.

⁷ PGE Advice No. 15-14 at 1.

⁸ E-mail response from PGE employee Colin Wright on 6/4/2015.

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The Company has reviewed Staff's memo and has no areas of concerns.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 15-14 to be effective on and after July 1, 2015.

PGE Advice 15-14