

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT

PUBLIC MEETING DATE: December 18, 2017

REGULAR  CONSENT  EFFECTIVE DATE January 1, 2018

DATE: December 12, 2017

TO: Public Utility Commission

FROM: Mitchell Moore *mm*

THROUGH: Jason Eisdorfer *JE* and John Crider *JE for JC*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 653/  
Advice No. 17-29) Updates Schedule 135, Demand Response Recovery  
Mechanism.

**STAFF RECOMMENDATION:**

Staff recommends the Commission approve Portland General Electric's (PGE or Company) proposed Schedule 135, as described in the filing of Advice No. 17-29, for service rendered on and after January 1, 2018.

**DISCUSSION:**

Issue

Whether the Commission should approve PGE's proposed updates to Schedule 135 to recover accrued incremental costs and projected 2018 incremental costs for two Automated Demand Response (ADR) pilot programs.

Applicable Rule or Laws

- ORS 757.205 requires that public utilities file all rates, rules, and charges with the Public Utility Commission of Oregon (OPUC).
- ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just and reasonable.
- ORS 757.259 allows certain deferred amounts to be included in utility rates.
- OAR 860-022-0025 requires that new tariff filings include statements showing the new rates, the number of customers affected, the impact on annual revenue, and the reasons supporting the proposed tariff.

### Analysis

This filing updates PGE's Schedule 135 (Demand Response Cost Recovery Mechanism) rates to amortize the existing balance for Automated Demand Response projects, and recover to projections of 2018 costs for Schedules 4, 25, and 26.

Portland General Electric submitted its filing on November 13, 2017, pursuant to ORS 757.205, ORS 757.210, OAR 860-022-0025(2), and OAR 860-022-0030(1) with an effective date of January 1, 2018.

The deferral of incremental ADR costs and recovery through an automatic adjustment clause (Schedule 135) were initially authorized by Commission Order No. 11-182. Schedule 135 rates are currently set at \$0.00 for all customer classes. The proposed price changes will result in an approximate \$2.25 million increase in revenues. The new rates will amortize the existing non-residential Demand Response Balancing Account balance of \$338,123, as well as recover projected 2018 program costs. The Company states it set the rate schedule to purposely under-recover the 2018 program costs by \$500,000 for the nonresidential programs and \$1.2 million for the residential program. Since both programs are in their early stages, it is difficult to determine whether the programs will reach the target levels of participation. PGE will reevaluate the amortizations for 2019 and adjust as necessary.

### *Customer Bill Impacts*

Approximately 883,000 cost-of-service customers will be impacted by the changes to Schedule 135, which will result in an overall 0.1 percent average rate increase. A typical Schedule 7 Residential Customer consuming 820 kWh monthly will see an \$0.11 or 0.1 percent increase in their monthly bill as a result of this filing.

### Conclusion

Staff's review of this filing finds that the updated rates in Schedule 135 are correctly calculated, and that PGE's proposed under-recovery of 2018 target costs is appropriate given the uncertain nature of program participation. Staff recommends that the Commission approve the proposed tariff.

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**PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's proposed updates to Schedule 135, as described in the filing of Advice No. 17-29, effective for service rendered on and after January 1, 2018.

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