



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

November 13, 2017

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street, S.E.  
P.O. Box 1088  
Salem, OR 97308-1088

**RE: Advice No. 17-29, Schedule 135 Demand Response Cost Recovery Mechanism**

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes (ORS) 757.205 and 757.210 and Oregon Administrative Rules (OARs) 860-022-0025(2) and 860-022-0030(1) for filing proposed tariff sheets associated with Tariff P.U.C. No. 18, with a requested effective date of **January 1, 2018**:

Seventh Revision of Sheet No. 135-1  
Eighth Revision of Sheet No. 135-2

The purpose of this filing is to update the Schedule 135 prices consistent with the existing balance for Automated Demand Response; projections of costs for Schedules 4, 25, and 26; and projected 2018 applicable loads. The proposed Schedule 135 price changes result in an approximate \$2.25 million increase in revenues. The deferral for the nonresidential demand response programs is docket UM 1514. The residential water heater pilot deferral is docket UM 1827.

PGE calculated the \$2.25 million amortization to purposely under recover the projected 2018 program costs by \$500,000 for the nonresidential programs and \$1.2 million for the residential program. Both programs are in their early stages and it's difficult to determine whether the programs will reach targeted levels of participation. PGE will reevaluate the amortizations for 2019 and adjust as necessary.

To satisfy the requirements of OARs 860-022-0025(2) and 860-022-0030(1), PGE provides the following responses:

The recovery of the demand response expenses through Schedule 135 prices result in an approximate \$2.25 million or 0.1% overall average rate increase for the 883,000 (2018 average) applicable Cost-of-Service Customers. A typical Schedule 7 Residential Customer consuming 820 kWh monthly will see a \$0.11 or 0.1% increase in their monthly bill as a result of this filing, inclusive of the Public Purpose Charge.

The enclosed work papers include support for the proposed Schedule 135 prices, the projected applicable billing determinants, and the projected balancing account activity.

Please direct any questions regarding this filing to Robert Macfarlane at (503) 464-8954.

Please direct all formal correspondence and requests to the following email address [pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

Sincerely,

A handwritten signature in black ink that reads "Jay Tinker". The signature is written in a cursive, flowing style.

Jay Tinker  
Director, Regulatory Policy & Affairs

Enclosure(s)

**SCHEDULE 135  
DEMAND RESPONSE COST RECOVERY MECHANISM**

**PURPOSE**

This Schedule recovers the expenses associated with demand response pilots not otherwise included in rates. This adjustment schedule is implemented as an automatic adjustment clause as provided for under ORS 757.210.

**AVAILABLE**

In all territory served by the Company.

**APPLICABLE**

To all bills for Electricity Service except Schedules 76R, 485, 489, 490, 491, 492, 495 and 576R.

(C)  
(C)

**ADJUSTMENT RATE**

The Adjustment Rate, applicable for service on and after the effective date of this schedule are:

<u>Schedule</u>	<u>Adjustment Rate</u>
7	0.014 ¢ per kWh
15/515	0.011 ¢ per kWh
32/532	0.013 ¢ per kWh
38/538	0.012 ¢ per kWh
47	0.015 ¢ per kWh
49/549	0.015 ¢ per kWh
75/575	
Secondary	0.012 ¢ per kWh <sup>(1)</sup>
Primary	0.012 ¢ per kWh <sup>(1)</sup>
Subtransmission	0.012 ¢ per kWh <sup>(1)</sup>
83/583	0.013 ¢ per kWh
85/585	
Secondary	0.012 ¢ per kWh
Primary	0.012 ¢ per kWh

(I)  
(C)  
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(I)

(1) Applicable only to the Baseline and Scheduled Maintenance Energy.

**SCHEDULE 135 ( Concluded)**

ADJUSTMENT RATE (Continued)

<u>Schedule</u>	<u>Adjustment Rate</u>		
89/589			(C) (I)
Secondary	0.012	¢ per kWh	
Primary	0.012	¢ per kWh	
Subtransmission	0.012	¢ per kWh	
90/590	0.011	¢ per kWh	(C)
91/591	0.011	¢ per kWh	
92/592	0.011	¢ per kWh	
95/595	0.011	¢ per kWh	(C)(I)

**BALANCING ACCOUNT**

The Company will maintain a balancing account to accrue differences between the incremental costs associated with automated demand response and the revenues collected under this schedule. This balancing account will accrue interest at the Commission-authorized rate for deferred accounts.

**DEFERRAL MECHANISM**

Each year the Company may file a deferral request to defer the incremental costs associated with the implementation and administration of demand response pilots. The rate on this schedule recovers only the incremental costs for implementation and administration of demand response pilots. The deferral will be amortized over one year in this schedule unless otherwise approved by the Oregon Public Utility Commission.

**SPECIAL CONDITION**

1. Costs recovered through this schedule will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of generation revenue applied on a cents per kWh basis to each applicable rate schedule.