

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: April 23, 2019

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE May 1, 2019

DATE: April 9, 2019

TO: Public Utility Commission

FROM: *JE FASS*  
Sabrinna Soldavini

THROUGH: *EPH SS* Jason Eisdorfer, *JE for MC* John Crider, and Marianne Gardner

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 946/Advice No. 19-11) Updates Rule F, adding clarifying language to Equal Pay Plan.

**STAFF RECOMMENDATION:**

Approve Portland General Electric's (PGE or Company) Advice No. 19-11, which updates its Rule F, Equal Pay Plan, effective for service on and after May 1, 2019.

**DISCUSSION:**

Issue

Whether the Oregon Public Utility Commission (Commission) should approve PGE's Advice No. 19-11, which updates its Rule F, Equal Pay Plan, subject to service on or after May 1, 2019.

Applicable Law

ORS 757.205(1) states that a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just and reasonable.

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. Filings that make any change in rates, tolls, charges, rules or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220.

Under OAR 860-021-0414, electric companies and gas utilities must make residential equal-payment plans available. Under such a plan, a customer with no outstanding balance who agrees to remain on an equal-payment plan for 12 months may enter into an equal-payment agreement at any time. OAR 860-021-0414 requires an annual adjustment between the estimated equal pay charge and actual monthly usage charges.

## Analysis

### *Background*

Portland General Electric submitted this filing to the Commission on March 29, 2019, pursuant to ORS 757.205, ORS 757.210, and OAR 860-022-0025, with a requested effective date of May 1, 2019. In its filing, the Company requests to update Sheet No. 8 of Rule F, adding clarifying language to the Equal Pay Plan section of the tariff. The Company states in its filing that its goal is to make it clearer that the Equal Pay amount is an estimate of the annual bill amount, based on usage over the last twelve months, and divided by eleven (not twelve). If a significant shift occurs in the Customer's usage during the year, the payment amount will be evaluated, and may be adjusted to realign the Equal Pay amount with the average amount.

### *Rule F, Equal Pay*

Section F of Rule F outlines the Company's budget pay plans. Budget pay plans are available to Residential Customers who have satisfactory credit and no past due balance on their account. The Company's Equal Pay Plan is an optional, budget pay plan offered to eligible customers under OAR 860-021-041. The Equal Pay Plan allows those wishing to avoid variance in their monthly electric bills to pay an equal amount for eleven months of the year, based on a forecast of their usage for the upcoming year. This can help to reduce uncertainty in a Customer's monthly bill, and may allow for simplified budgeting and planning.

Currently, the language under the Equal Pay Plan section of Rule F states that the monthly bill is based on 1/12<sup>th</sup> of the Customer's anticipated annual bill. This may lead to confusion for a Customer, who based on the existing language in the tariff, might reasonably expect to pay the same amount for each month in the upcoming year. However, under the Equal Pay Plan, the Customer pays the same amount for eleven months, with an annual review and true up occurring in the twelfth month.

The Company's proposed modification updates the language to state, "The monthly payment amount is based upon 1/11<sup>th</sup> of the anticipated annual bill, adjusted as necessary for Tariff changes." Changing to 1/11<sup>th</sup> from 1/12<sup>th</sup> clarifies that in the twelfth month, the Customer's bill will not be the same as it was in the prior eleven months.

This is because, after the annual equal pay anniversary date, the Customer's forecasted usage for the subsequent twelve months will be calculated, and the equal pay amount updated. Additionally, a true up occurs after the annual review, and the Customer will be either credited or charged the difference between their forecasted and actual usage for the prior year, in addition to the updated equal pay amount.

Staff believes the updated language is beneficial, and does provide additional clarification for Customers enrolled in the program. The clarification may allow a Customer to better anticipate future bill levels, helping to alleviate confusion over whether their bill would remain unchanged for the entire twelve months of the year, with the adjustment occurring in the next year, rather than in month twelve. Staff has reviewed the affected tariff schedule for accuracy and finds the revisions to Sheet No. F-8 to be accurate, and further finds the tariff is fair, just and reasonable.

#### *Effects of Filing*

PGE's Advice No. 19-11 updates the language of Rule F, Part F (Sheet No. F-8), related to the Equal Pay Plan billing option. The Company's proposed changes are to language only, and thus do not impact existing rates or revenues. Staff finds these changes will not harm customers.

#### Conclusion

Based on Staff's analysis of PGE's advice filing, Staff finds the proposed changes associated with the filing are accurate and consistent with applicable Commission Orders. Staff recommends PGE's updated Rule F go into effect.

#### **PROPOSED COMMISSION MOTION:**

Approve PGE's advice No. 19-11, which updates its Rule F, Equal Pay Plan, subject to service on or after May 1, 2019.