

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 17, 2019**

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2020

DATE: December 10, 2019

TO: Public Utility Commission

FROM: Sabrinna Soldavini

THROUGH: Michael Dougherty and Marianne Gardner **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1048/Advice No. 19-29)
Updates Schedule 128, Short Term Transition Adjustment.

STAFF RECOMMENDATION:

Staff recommends the Oregon Public Utility Commission (Commission) approve Portland General Electric's (PGE or Company) proposed updates to Schedule 128, Short Term Transition Adjustment, as described in the filing of Advice No. 19-29, effective for service rendered on and after January 1, 2020.

DISCUSSION:

Issue

Whether the Commission should approve PGE's Advice No. 19-29, which updates its Schedule 128, Short Term Transition Adjustment, effective with service rendered on and after January 1, 2020.

Applicable Law

ORS 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

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.

OAR 860-022-0025 and OAR 860-022-0030 set forth the requirements for tariff filings naming increased rates. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

OAR 860-022-0030(1) further requires that for tariff or schedule filings proposing increased rates, the utility must for each separate schedule, identify 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, the average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules, and the reasons or grounds relied upon in support of the proposed increase.

ORS 757.600 to 757.689 authorize and regulate the provision of the "direct access" (Direct Access) options in Oregon. The Commission's rules implementing these statutes are set forth in OAR Chapter 860, Division 038. OAR 860-038-0160 concerns Direct Access transition charges and credits.

Analysis

Background

The purpose of instituting transition adjustment rates for Direct Access customers is to recover fixed generation costs from those who elect to substitute third-party energy sources for retail utility service. To recover said costs, each such customer will receive a transition credit or pay a transition charge. These transition adjustment rates are adjusted regularly to prevent net revenue shortfalls or windfalls arising from Direct Access.

On November 15, 2019, PGE filed Advice No. 19-29, requesting updates to the 2020 short term transition adjustment rate under Schedule 128. Schedule 128 allows eligible customers on a cost-of-service rate to move to Direct Access service, or an applicable non-cost-of-service rate.

This proposed Schedule 128 update in this filing is the result of the updated price of electricity derived from the Company's most recent Net Variable Power Cost filing,

UE 359, and the 2020 forward market prices. The transition adjustment rates associated with a particular customer-schedule reflects the difference between the per-kWh weighted-average price that would be expected to be recovered applying current cost-of-service (COS) tariff energy charges to the respective schedule's projected total loads under the COS option, and the projected weighted average market cost. The respective schedule's load shape provides the weights used in estimating the average price and market cost.

Effects of Filing

The proposed updates to Schedule 128 affect only those customers electing to leave PGE's Cost of Service or choosing Direct Access as of January 1, 2020. As filed, the proposed Schedule 128 adjustment rate will range from 1.834 cents per kWh to 3.599 cents per kWh, dependent on schedule. Compared with last year's January update to Schedule 128, this represents a slight increase in the Schedule 128 adjustment, reflecting an increase in the COS energy price, and a slight decrease in the forecast market value of energy.

As it is unknown how many customers will elect service through Schedule 128, the corresponding change in Company revenue is also unknown.

Staff filed no information requests as the filing included all requisite documents to perform the analysis and review. Staff reviewed the filing, tariff schedule, and workpapers to ensure the proposed filing is accurately calculated and consistent with past Commission Orders. Staff further finds that all of the revised sheets are correct.

Conclusion

Staff's review of this filing finds that the updated rates in Schedule 128 are appropriately calculated, and recommends that the Commission approve the proposed tariff.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 19-29, which updates its Schedule 128, Short Term Transition Adjustment, effective with service rendered on and after January 1, 2020.