



Oregon

Kate Brown, Governor

Public Utility Commission

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September 7, 2021



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 21-20

At the special public meeting on September 7, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1301. The Staff Report, LSN, and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: September 7, 2021**

REGULAR X CONSENT EFFECTIVE DATE September 8, 2021

DATE: August 31, 2021

TO: Public Utility Commission

FROM: Michelle Scala and Bret Farrell

THROUGH: Bryan Conway and Michael Dougherty **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1301/Advice No. 21-20)
Request for \$6 million in additional funding for PGE’s Schedule 307,
Residential Bill Assistance Program.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric’s (PGE or Company) request for \$6 million in additional funding for Schedule 307, Residential Bill Assistance Program, effective with service rendered on and after September 8, 2021, on less than statutory notice (LSN) and further direct PGE to:

1. Conduct a review with Staff when 50 percent of the authorized additional funding has been committed.

DISCUSSION:

Issue

Whether the Commission should approve PGE’s Advice No. 21-20, which requests an additional \$6 million in funding for Schedule 307, Residential Bill Assistance Program, effective with service rendered on and after September 8, 2021, on LSN.

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.

ORS 860-022-0025 requires any tariff changes be submitted with revised sheets and include statements indicating whether the change is an increase, decrease or change to existing rates, charges, or rules and regulations; the number of customers affected by the proposed changes and the resulting change in annual revenue; and a detailed statement setting forth the reason or grounds supporting the proposed change.

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 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

In Order No. 20-401, the Commission approved a Stipulated Agreement in UM 2114. Paragraph 18 of the Stipulated Agreement required each utility to establish a program that identifies and manages customer arrearages associated with the pandemic. Paragraph 18 further states that the program may identify and waive residential arrearages at an initial amount of at least one percent of each utilities' 2019 Oregon retail revenues, not to be increased without prior Commission approval. Paragraph 25 of the Stipulated Agreement subpart (f) authorized all costs to fund a COVID-19 bill payment assistance program to be deferred for subsequent recovery following a future Commission prudence review.

Analysis

Background

On November 5, 2020, the Commission approved a stipulated agreement for the energy utilities in Docket No. UM 2114 in Order No. 20-401 (Agreement or Stipulation). The Stipulation included a requirement that energy utilities establish an arrearage management program (AMP) prior to the resumption of residential disconnections. Following multiple workshops that included Staff and stakeholders, PGE submitted its proposal for Schedule 307, Residential Bill Assistance Program.

On February 11, 2021, the Commission approved PGE's Schedule 307 with an initial funding amount of \$17.557 million; the equivalent of one percent of PGE's 2019 Oregon retail revenues, as specified in the Stipulation. As originally approved, Schedule 307 provided the following bill assistance options to residential customers in arrears, who were experiencing financial hardship as a result of the COVID-19 pandemic:

1. 50/50 Plan – A one-time PGE bill payment to match a customer payment of an equal amount.
2. Three-Month Payment Match – PGE will match customer payments of equal amounts. Matching stops after three months or when the total account balance reaches \$0.
3. Extended Match Program – A bill payment plan under which PGE will match customer payments for up to 12 months. To be eligible, a customer must enroll in a Time Payment Arrangement (TPA) plan, up to 24-months, to match payments up to the first 12 months of a TPA. Matching stops after 12 months, when total account balance reaches \$0, or if the customer is disconnected.
4. Customer Assistance – A one-time bill payment by PGE, for up to \$500, to help a customer get current on their balance. This assistance will be made available to customers who are unable to make matching payments. This assistance will also cover any remaining customer balance after receiving energy assistance, up to \$500. PGE will allocate no more than 10 percent of total funding available to this program.
5. Reconnect Assistance – One-time PGE bill payment matching a customer's payment to reconnect disconnected customers. For customers who utilize this option, PGE will also offer enrollment in a TPA plan of up to one year. Customers who previously used one of the four other options are eligible to utilize this option.

All five Program options were open to customers who are more than 31 days in arrears. None of the five program options leave a credit on a customer's account, and the maximum available assistance is \$1,000 per customer. Program options could be utilized in any combination to provide the customer assistance up to the \$1,000 limit.

On May 3, 2021, in accordance with the conditions of the approval, PGE conducted a review when approximately 50 percent of the \$17.557 million had been committed. At this meeting, PGE reported that 19,849 customers were enrolled in one of the Schedule 307 program options. By the end of July, only \$1.5 million (9 percent) of the original funding was unallocated and enrollments were reported at 32,289 plus an additional 2,128 Customer Assistance recipients.¹ PGE expected to be fully allocated before the end of August and notified Staff that it intended to file a request for additional funding at or before such a time. On August 6, 2021, PGE filed its request for approval to add an additional \$6 million in program funds to PGE's Schedule 307, Residential Bill

¹ PGE RE 189.

Assistance Program (Program) and that these funds also be authorized for deferred accounting to be included in the balance of COVID-related deferred costs.

PGE's initial deferral application for costs associated with the COVID-19 pandemic was filed on March 20, 2020, and approved in Commission Order No. 20-376. PGE filed an application for reauthorization of the approval on March 23, 2021, in Docket No. UM 2064.

Summary of Changes to Schedule 307

The Program's original structure focused on matching programs with the intent to spread the funds to the greatest number of recipients. This approach also had the effect of making funds more accessible to customers who have the ability to make a matching payments. PGE has stated that this was appropriate where there is no threat of disconnection and as of August 1, 2021, the moratorium on residential disconnections ended.

In filing Advice No. 21-20, PGE proposes to shift Schedule 307 toward an emphasis on grant programs. The Company indicated that doing so would be a better strategy to help customers stay connected or get reconnected quickly now that there is the potential of disconnection for residential customers. As such, in addition to the request for additional funding authorization, Advice No. 21-20 includes proposed changes to the Program options available to residential customers enrolling on or after September 8, 2021. The Program will retain much of its original structure, including the \$1,000 overall program limit and the ability for customers to utilize multiple options. Changes proposed for Schedule 307 are only intended for Program subscriptions beyond the original \$17.557 authorized funding amount and can be summarized as follows:

- Eligible customers must contact PGE Customer Service to enroll in a bill assistance plan. Online enrollment is no longer available.
- The 50/50 Plan will be closed to new entrants.
- The Payment Match (three-month match) will be closed to new entrants.
- The Extended Match Program will remain available until 50 percent of the additional \$6 million funding is allocated or October 31, 2021, whichever occurs sooner.
- Customer Assistance will remain available and is no longer limited to 10 percent of total funding. This option is available to customers who are unable to get

current without assistance.² This program will continue to automatically apply up to \$500 to any customer accounts with a remaining balance after the receipt of energy assistance.

- The Reconnect Assistance will no longer require a matching customer payment and may provide up to \$500 to assist in reconnecting disconnected customers.

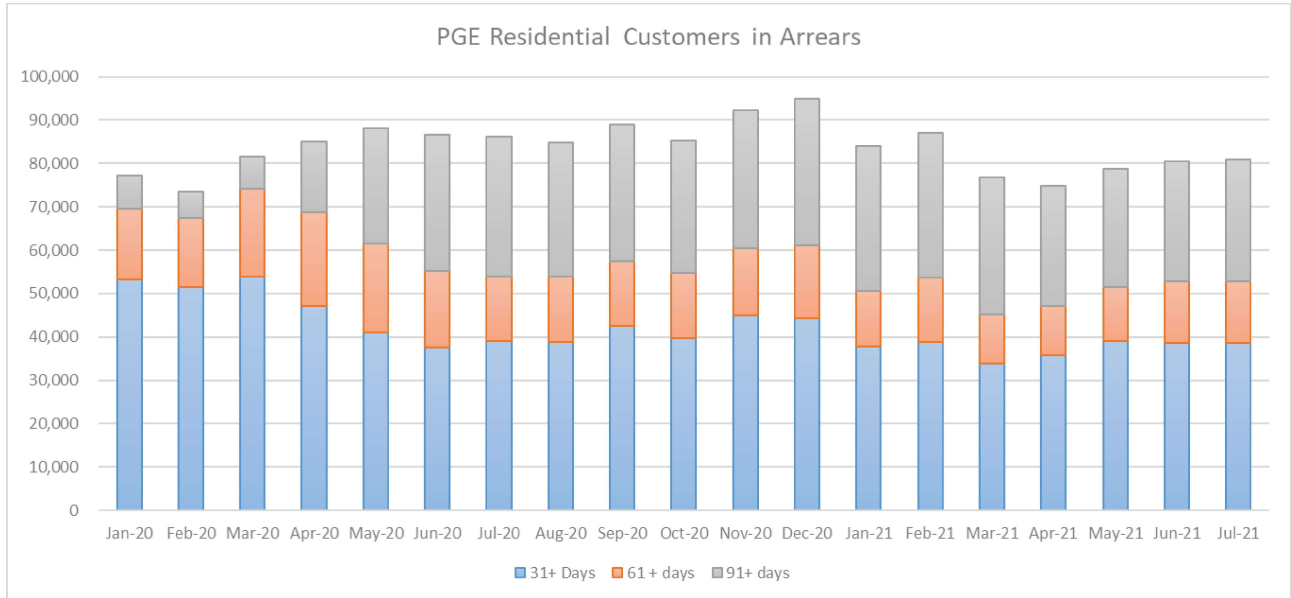
In its filing, the Company stated that the additional funding is intended to be timed to allow the Program to continue to operate, supplementing low-income assistance and provide additional time as it develops other tools to help customers stay connected. The Company expects the additional funding to allow Schedule 307 to provide customers assistance for an additional two to three months. The Company plans to allow new enrollments to run until assistance funds are depleted or December 31, 2021, whichever occurs first.

PGE Residential Customer Arrears

At the end of July, PGE reported a total of 80,977 residential customers as having a past due balance of 31 days or more. This is a 14 percent reduction from the December 2020 peak of 94,828 residential customers in arrears, however in more recent months, the count has showed increases since the end of April.

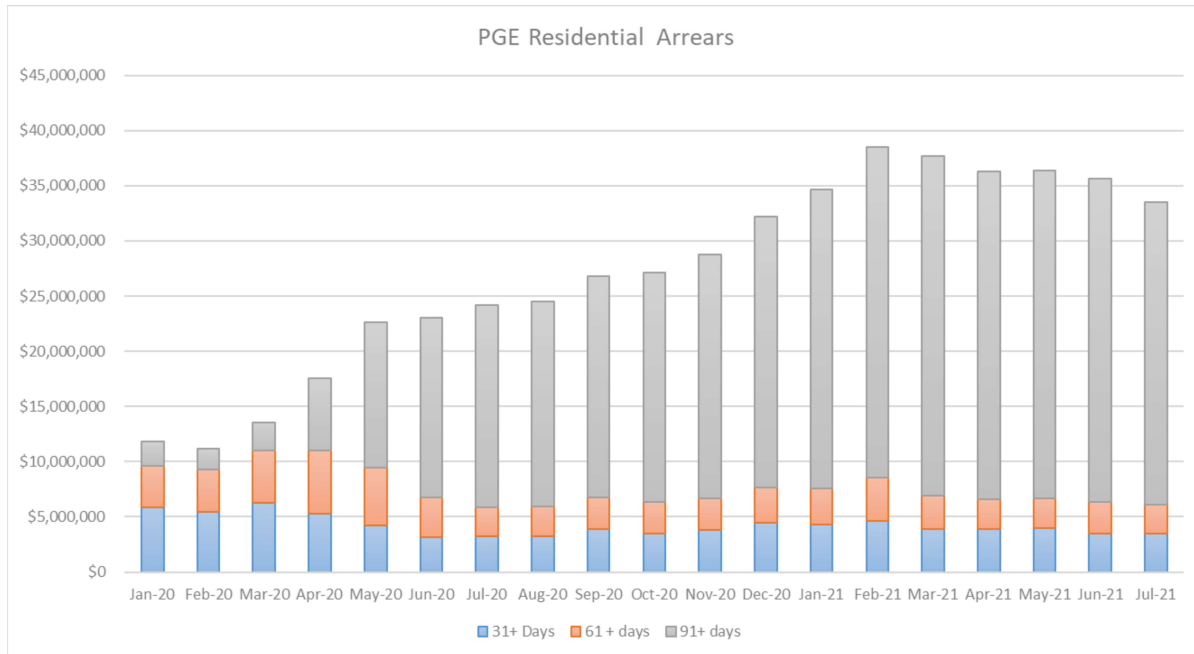
² Tariff language explicitly stating that the customer be unable to make a matching payment was removed in the revised sheets.

Figure 1. PGE Residential Customers in Arrears



Total residential arrears at the end of July were reported at \$33.47 million with month over month declines since May. Peak arrears for PGE occurred in February 2021 at \$38.51 million.

Figure 2. PGE Residential Arrears



The average past due balance per customer was recorded as \$415.28.

Table 1 breaks out the above information into aging arrears buckets:

Table 1. PGE July Residential Customer Arrears data

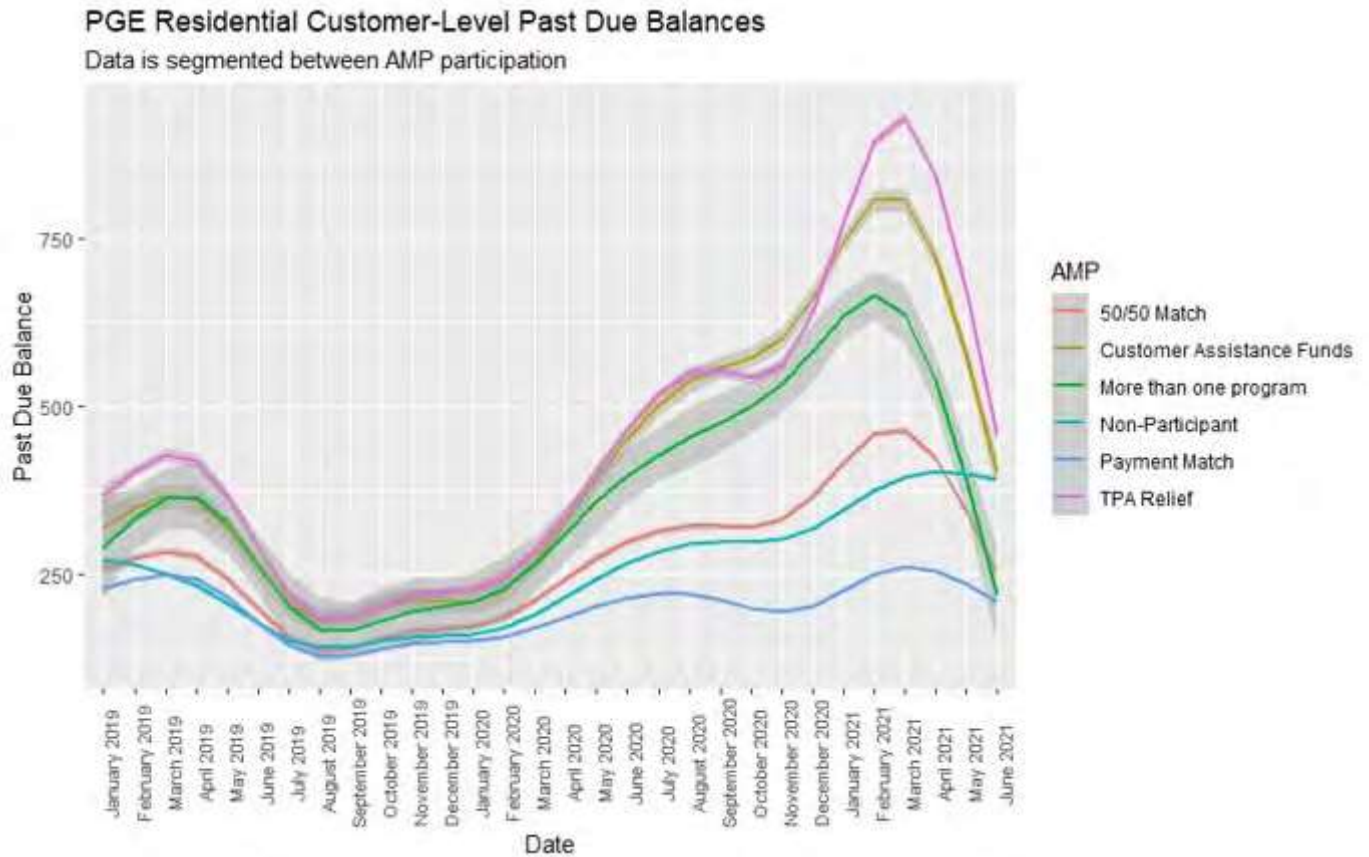
	31+ Days	61 + days	91+ days
Number of Customers in Arrears	38,630	14,067	28,280
Total Arrears	\$ 3,460,643.42	\$ 2,664,418.87	\$ 27,342,507.79
Average Arrears/Customer	\$ 89.58	\$ 189.41	\$ 966.85

As one might observe, customers in arrears for 91+ days represent the vast majority of past due balances. This remains a concern for Staff as disconnections resume.

PGE Schedule 307 Performance

Under Docket No. UM 2114, Staff requested several comprehensive data sets around customers in arrears and AMP participants in order to assess whether the programs were working as intended. Using the Company’s responses, Staff was able to analyze arrears balances for PGE customers and graph the information in a time series by participant type. Figure 3 depicts said time series:

Figure 3. PGE Residential Customer-Level Past Due Balances by AMP participation

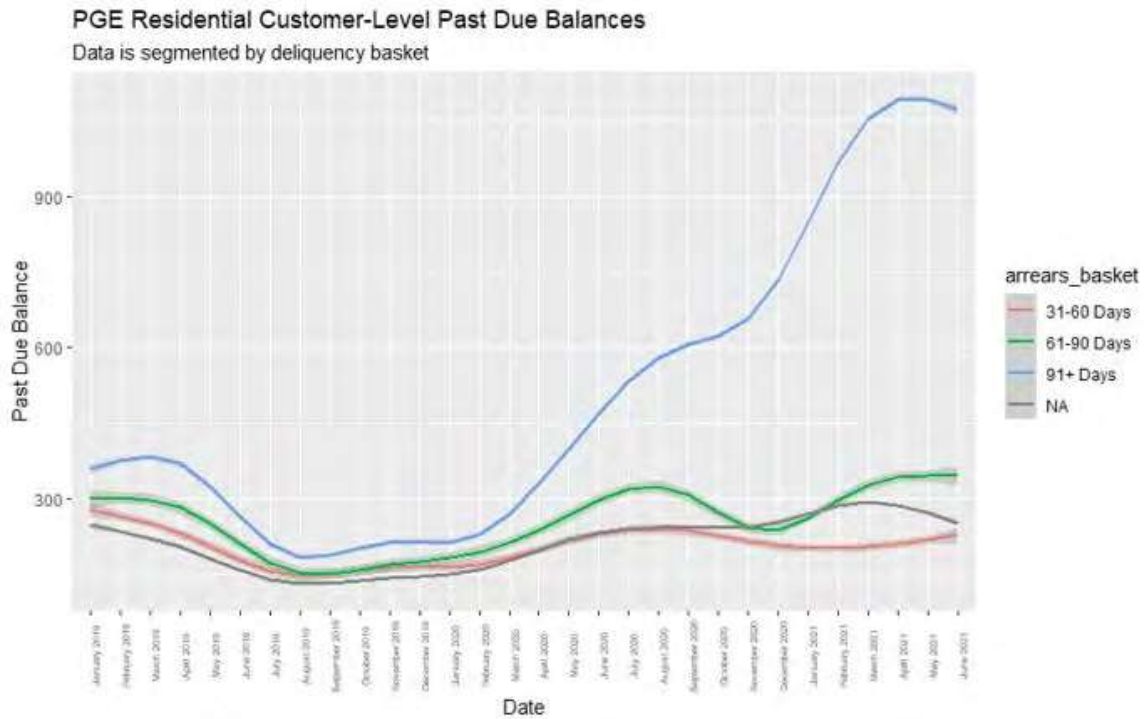


In this analysis, Staff observed average balances decreasing significantly for customers participating in the AMP versus those who did not. Customers who participated in more than one program saw the steepest and most rapid decline in arrears. Staff also observed a greater representation of customers with higher balances tended to be in the Extended Match Program³ and/or recipients of Customer Assistance funds.

Staff's analysis also included a look at the likely hardest hit subset of customers in arrears: those who have recorded past due balances for 91+ days. The original program deployed with a staggered outreach strategy, which marketed the Program to the customer the furthest and deepest arrears first and moved through the 91+, 61+, and 31+ day arrearage buckets, respectively. Figure 4 shows a time series of past due balances for residential customers by time spent in arrears:

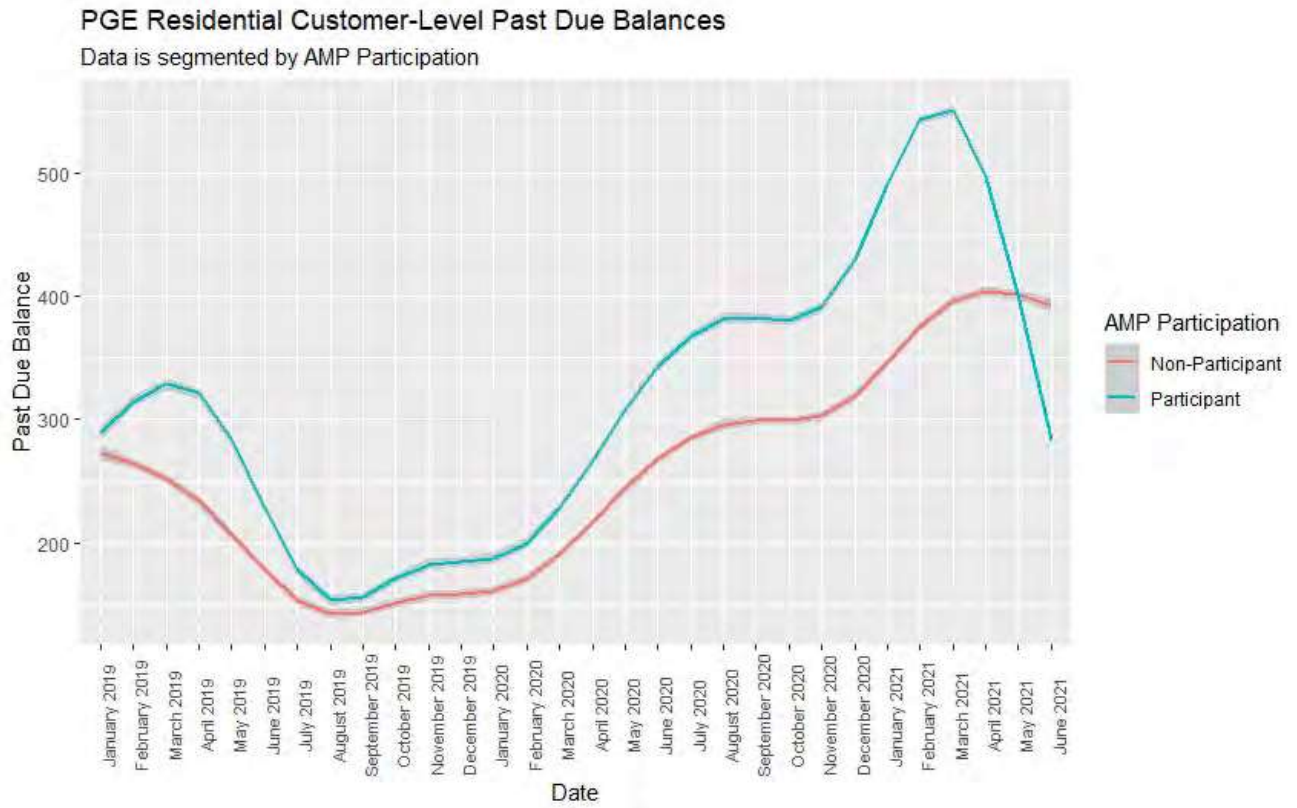
³ "TPA relief" is PGE's Extended Match Program.

Figure 4. PGE Residential Customer-Level Past Due Balances



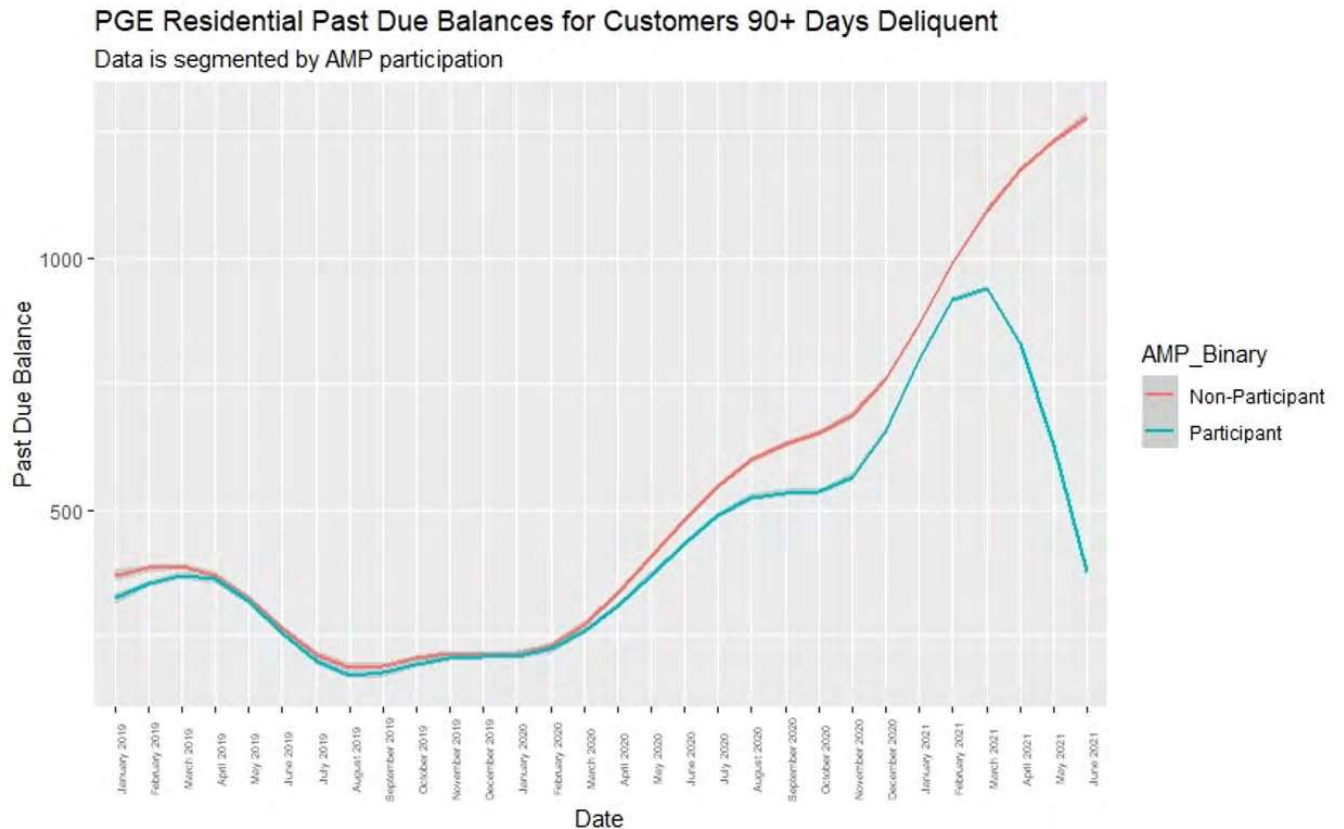
Staff and the Company have endeavored to support a program that can do the most with the funding available and focus on keeping customers connected while preventing bad debt from accumulating on customer accounts. In order to assess some success in this regard, Staff bifurcated the data into those who participated in the Program and those who did not. Figure 5 shows the movement of customer past-due balances before and after the original Program's effective date.

Figure 5. PGE Residential Customer-Level Past Due Balances



As previously mentioned, customers 90+ days in arrears continue to be a source of concern for staff. Balances can be thousands of dollars above those in the 61+ and 31+ day arrears categories and AMP funding is unable to cover all of the past due balances. Figure 6 distills down the previous chart into just customers 90+ days in arrears:

Figure 6. PGE Residential Past Due Balances for Customers 90+ Days Delinquent



The data depicted in Figures 5 and 6 appear to show that participation in Schedule 307 is an effective way for eligible customers to reduce past-due balances, including those more than 90+ days past due. Staff also points out that Figure 6 shows average past due balances for customers who ultimately participated in the Program trended slightly below non-participants at the start of the pandemic (March 2020). This may indicate that some customers within this subset are both uniquely vulnerable to the economic impacts of the pandemic and more resistant or unavailable to outreach efforts. Staff intends to take a closer look at this subset as it continues the evaluation of AMPs generally.

Staff Review

The Company informed Staff of its intention to file a request for additional Schedule 307 funding in July, when the original \$17.557 million was expected to be fully subscribed before the end of August. The Company filed its request on August 6, 2021, requesting \$6 million in additional funding for a modified version of the program for new enrollments on or after September 8, 2021.

Staff's primary concerns throughout the review process were around whether or not the additional funding proposal could be refined to more effectively target non-participants with high arrears and prevent as many disconnections as possible. Staff felt the best way to address this would be to structure the program with a narrowed approach incorporating the most successful program options, particularly those that were most successful for customers with higher balances. As seen in Figure 3, those appeared to be the Customer Assistance and Extended Payment Match programs. Staff is supportive of the Program's design to allow customers the ability to participate in multiple options (e.g. receive Customer Assistance funds and enroll in an Extended Payment Match program for any remaining balance) as it appears to show the most significant declines in past-due balances. Both Staff and Stakeholders indicated that the Extended Match Program would be most effective for customers with the least means to pay if Company matches were provided for a longer period of time. Staff argued that allowing customers to have smaller monthly payments would likely improve success rates for participants struggling to pay off past-due debt on top of monthly billing obligations. Further, given the Program's overall dollar limit, a longer term for matching payments would not equate to more funds being paid out per customer and be more inclusive for customers with limited access to funds.

Staff notes that in questions about Reconnection Assistance, PGE responded that stakeholders have expressed support for the option as a way to help customers get rapidly reconnected, particularly those who could not or did not engage with Company communication efforts prior to disconnection. That being said, Staff encourages all Company efforts to engage customers with past-due balances in order to prevent disconnection wherever practicable.

Staff and PGE met to discuss the proposed changes to the tariff language and concerns Staff had with limiting the program to just the Customer Assistance and Reconnection options as the Company had originally proposed. Following the meeting with Staff, on August 26, 2021, PGE held a workshop with interested stakeholders and Staff to solicit feedback on the Company's to the proposal. The workshop discussed a number of topics and concerns related to PGE's current and proposed Program, including but not limited to enrollment data, transparency in marketing the various program options, targeting subsets within the eligible customer base, and retaining some matching options. PGE indicated it planned to market the program more comprehensively, allowing customers to review all the options available to them in conversations with customer representatives. The Company was receptive to Staff and stakeholder input regarding several considerations, including retaining the Extended Payment Match program with all 12-months of matching payments from PGE.

On August 27, 2021, PGE filed revised tariff sheets incorporating this feedback, which was outlined in the *Summary of Schedule 307* section above.

PGE has indicated that it will likely employ a similar staggered outreach strategy if the revised tariff and additional funding are approved. PGE also stated that while Customer Assistance funds will continue to be automatically applied to any remaining balances on customer accounts after the receipt and application of energy assistance, the intent of Schedule 307 is not to limit the program to low-income. The Company wants the program to be able to provide assistance to customers that may not be eligible for income based assistance and are still struggling to become current with their bills. Staff remains concerned with the disproportionate effects of the COVID-19 pandemic on low-income and BIPOC communities, but is hopeful that HB 2475 and larger infusions of energy assistance funds will be tools to help to partially offset the greater need among these groups. Further, Staff acknowledges the EA element of Customer Assistance funds and is supportive of the Company targeting outreach to customers furthest and deepest in arrears first. Staggered outreach is a priority for Staff, given the information depicted in Figure 6 above, and the staggered approach to disconnections PGE has deployed where those 91+ days and \$2,000+ in arrears that do not meet the additional protections of Order No. 21-236 are disconnected first.

PGE has actively engaged Staff and stakeholders in this filing and has made notable efforts to include the feedback provided during meetings and workshops related to this docket. Staff has reviewed PGE's proposed changes to Schedule 307, Residential Bill Assistance Program and request for additional funding as filed in the revised sheets under Advice No. 21-20, and finds the Company sufficiently addressed Staff and stakeholder concerns with the original proposal and that Schedule 307, as revised, remains consistent with Commission Orders and AMP principles. Staff further finds that the proposed changes to Schedule 307 will provide additional benefits to customers who have experienced increased financial hardship due to the COVID-19 pandemic and have not had the opportunity to participate in PGE's AMP using the initial authorized funding. As such, Staff is also supportive of PGE's request to include the additional \$6 million in the Company's COVID-19 deferrals to be reviewed under Docket No. UM 2064.⁴

⁴ PGE's quarterly COVID-19 report can be monitored through Docket No. RE 186.

Conclusion

Based on the circumstances outlined above, and Staff's review of the Company's filing, Staff concludes that PGE's Advice No. 21-20 remains in compliance with the Stipulation approved in Order No. 20-401 and meets the Arrearage Management Plan Principles outlined in Docket No. UM 2114. Further, Staff notes the collaborative nature PGE employed when filing the revised language proposed for Schedule 307. Staff finds the Company has provided sufficient justification for funding beyond the original one percent of the Company's 2019 Oregon retail revenues and supports the proposed changes as filed. Staff recommends that the Commission approve the Company's tariff changes and additional funding as proposed in Advice No. 21-20 on LSN. The Company has reviewed this report and has no objection.

PROPOSED COMMISSION MOTION:

Approve PGE's request for \$6 million in additional funding for Schedule 307, Residential Bill Assistance Program, effective with service rendered on and after September 8, 2021, on less than statutory notice and further direct PGE to:

1. Conduct a review with Staff when 50 percent of the authorized additional funding has been committed.

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@state.or.us.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF)	UTILITY L.S.N. APPLICATION
Portland General Electric)	NO. 2287
(UTILITY COMPANY))	(LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.)	

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)
 PGE initially filed Advice No. 21-20 on August 6, 2021 with a requested effective date of September 8, 2021, which remains as filed. After meeting with Staff and parties on August 26, 2021, PGE is submitting this Supplemental Filing to address comments received by Staff and parties. This filing seeks Commission approval to add an additional amount of \$6 million in program funds to PGE's Schedule 307 Residential Bill Assistance Program. In addition, the filing seeks to direct this additional funding towards our Customer Assistance and Customer Reconnection Assistance programs and a revised Extended Match program which will match customer payments for up to twelve months. The Extended Match Program enrollments will end once up to 50% of the additional \$6 million funding is allocated or October 31, 2021 which ever happens sooner.


2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)
 Original Sheet No. 307-1
 Original Sheet No. 307-2

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)
 First Supplemental Sheet No. 307-1
 First Supplemental Sheet No. 307-2
 Original Sheet No. 307-3

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:
 PGE initially filed Advice No. 21-20 on August 6, 2021 with a requested effective date of September 8, 2021, which remains as filed. After meeting with Staff and parties on August 26, 2021, PGE is submitting this Supplemental Filing to address comments received by Staff and parties.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): September 8, 2021

Received
 Filing Center
 AUG 27 2021

. AUTHORIZED SIGNATURE		TITLE s\ Robert Macfarlane Manager, Pricing & Tariffs	DATE August 27, 2021
PUC USE ONLY			
<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DENIED		EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE 		DATE 9/7/2021	

**SCHEDULE 307
RESIDENTIAL BILL ASSISTANCE PROGRAM**

PURPOSE

The purpose of this schedule is to implement the Residential Bill Assistance Program consistent with Commission Order No. 20-401. The Order directs Utilities to establish a program to identify and manage residential customer arrearages associated with the COVID-19 pandemic to proactively assist residential customers prior to resuming disconnections and prevent bad debt accumulating on utility accounts.

The program may identify and waive residential arrearages at an initial total amount of \$17,557,000. This amount represents one percent of the Company's 2019 Oregon retail revenues, not to be increased without prior Commission approval. The Company is seeking Commission approval to add an additional amount of \$6 million in program funds to continue offering the Customer Assistance and Reconnect Assistance, and the revised Extended Match programs described below.

(C)
|
(C)

AVAILABLE

In all territory served by the Company.

APPLICABLE

This program is only available to Residential Customers.

ELIGIBILITY

The PGE Bill Assistance Program will be eligible to Residential Customers at least 31 days in arrears.

ENROLLMENT

Eligible Residential Customers may enroll in a bill assistance plan by calling PGE Customer Service, Monday through Friday, 7 a.m. to 7 p.m. at 503-228-6322 or 800-542-8818.

(C)

BILL ASSISTANCE OPTIONS

Several options are available to assist Residential Customers manage bills regardless of account status. The program's intent is to help customers catch up on past due balances or get reconnected if they've been disconnected for non-payment. Programs are designed to match Customer payments anywhere from a one-time match up to a match for 12-months as well as provide one-time assistance for those unable to make a payment. The maximum amount of bill assistance per Customer is \$1,000 for all programs combined, including Customer Assistance. All programs will be available for a limited time based on funding availability. Programs are outlined below:

(C)
(C)

SCHEDULE 307 (Continued)

(T)

BILL ASSISTANCE OPTIONS (Continued)

1. 50/50 Plan – One-time Company bill payment to match Customer payment of an equal amount. To qualify, the Customer must be at least 31 days past due on payments. The Company match will not leave a credit on the Customer account. This program will be closed to new entrants after the initial \$17.5 million in funding is fully subscribed. **(C)**
(C)
2. Payment Match –Three-month Company bill payment plan to match Customer payments of equal amounts. To qualify, the Customer must be at least 31 days past due on payments. Matching stops after three months or when total account balance reaches \$0. This program will be closed to new entrants after the initial \$17.5 million in funding is fully subscribed. **(C)**
(C)
3. Extended Match Program – Company bill payment plan to match Customer payments for up to 12 months. Customer must enroll in a Time Payment Arrangement (TPA) plan, up to 24-months, to match payments up to the first 12 months of a TPA. To qualify, the Customer must be at least 31 days past due on payments. Matching stops after 12 months, when total account balance reaches \$0 or if the Customer is disconnected. Extended Match Program enrollments will end once up to 50% of the additional \$6 million funding is allocated or October 31, 2021 which ever happens sooner. **(C)**
(C)
4. Customer Assistance – One-time Company bill payment, up to \$500, to help Customers get current on their balance utilizing an instant grant. This assistance will be made available to Customers who are unable to get current without assistance. This assistance will also cover any remaining Customer balance after receiving energy assistance, up to \$500. Customer Assistance funds will not leave a credit on the account. **(C)**
|
(C)
5. Reconnect Assistance – One-time Company bill payment, up to \$500, to assist in reconnecting disconnected Customers. Company will also offer enrollment in TPA plan up to one year. Customers that used one of the other options previously are eligible. **(C)**

(M)

