



Oregon

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Public Utility Commission

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December 28, 2021



BY EMAIL

Portland General Electric Company

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RE: Advice No. 21-36

At the public meeting on December 28, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1339. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

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**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 28, 2021**

REGULAR CONSENT EFFECTIVE DATE January 1, 2022

DATE: December 20, 2021

TO: Public Utility Commission

FROM: Madison Bolton

THROUGH: Bryan Conway, Caroline Moore, and Scott Gibbens **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1339/Advice No. 21-36)
Updates Schedule 139, New Large Load Transition Cost Adjustment.

STAFF RECOMMENDATION:

Approve Portland General Electric's (PGE or Company) proposed updates to Schedule 139, New Large Load Transition Cost Adjustment, as described in Advice No. 21-36, effective for service rendered on and after January 1, 2022.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (Commission) should approve PGE's Advice No. 20-36, which updates its Schedule 139, New Large Load Transition Cost Adjustment, effective with service rendered on and after January 1, 2022.

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

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 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 860-038-0740 concerns Direct Access transition charges and credits for New Large Load Program participants, stating that an electric company must charge a transition rate that recovers 20 percent of the fixed generation costs for five years and all reasonable costs of administering the New Large Load Direct Access program.

Analysis

Background

The purpose of instituting transition adjustment rates for PGE's New Large Load Direct Access customers is to ensure that there is no unwarranted cost-shifting between Cost of Service (COS) customers and New Large Load customers. Schedule 139 is for New Large Load COS Opt-Out customers under Schedule 689.

Schedule 139 adjustment prices for New Large Load COS Opt-Out customers are calculated based on twenty percent of the Company's fixed generation. Updates to Schedule 139 are required due to annual changes in fixed generation. In 2022, fixed generation will change due to the updated revenue requirement for the Wheatridge Wind facility. This revenue requirement is collected through the Renewable Resources Automatic Adjustment Clause under Schedule 122.

Staff Review

The updates to Schedule 139 affect only those customers enrolled in Schedule 689, New Large Load customers who have opted-out of a COS Schedule in favor of Direct

Access. As filed, the proposed Schedule 139 change affects one customer with an estimated \$375, or 0.13 percent, decrease compared to current prices.

Staff reviewed the filing, tariff schedule, and workpapers to ensure the proposed filing is accurately calculated and consistent with past Commission Orders.

Conclusion

Staff finds that the updated rates in Schedule 139 are appropriately calculated and recommends that the Commission approve PGE's proposed rate changes in Schedule 139.

PROPOSED COMMISSION MOTION:

Approve PGE's proposed updates to Schedule 139, New Large Load Transition Cost Adjustment, as described in Advice No. 21-36, effective for service rendered on and after January 1, 2022.

**SCHEDULE 139
NEW LARGE LOAD TRANSITION COST ADJUSTMENT**

AVAILABLE

In all territory served by the Company.

APPLICABLE

Applicable to Large Nonresidential Customers that have selected New Large Load Cost-of-Service Opt-Out service under Schedule 689. This transition adjustment will be paid when the Customer begins service under Schedule 689. This transition adjustment represents 20 percent of the Company's fixed generation costs and is subject to change annually during the Customer's five-years enrolled in Schedule 689. At the end of the Customer's five-year payment term of these transition adjustments, the Customer will no longer be subject to the charges in this rate schedule. The Customer will not be subject to the charges in this rate schedule with at least three years of notification to the Company of a return to cost-of-service pricing.

TRANSITION COST ADJUSTMENT

Minimum Five Year Opt-Out

For Period 1 (2020), the Transition Cost Adjustment will be:

Period	Sch. 689 Secondary Voltage ¢ per kWh	Sch. 689 Primary Voltage ¢ per kWh	Sch. 689 Subtransmission Voltage ¢ per kWh
2020	0.679	0.667	0.658
2021	0.702	0.689	0.680
2022	0.701	0.688	0.680
2023	0.701	0.688	0.680
2024	0.701	0.688	0.680
2025*	0.701	0.688	0.680
After 2026	0.000	0.000	0.000

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For Period 2 (2021), the Transition Cost Adjustment will be:

Period	Sch. 689 Secondary Voltage ¢ per kWh	Sch. 689 Primary Voltage ¢ per kWh	Sch. 689 Subtransmission Voltage ¢ per kWh
2021	0.702	0.689	0.680
2022	0.701	0.688	0.680
2023	0.701	0.688	0.680
2024	0.701	0.688	0.680
2025	0.701	0.688	0.680
2026*	0.701	0.688	0.680
After 2027	0.000	0.000	0.000

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*Applicable pricing only to completion of five-year period and zero thereafter.

SCHEDULE 139 (Concluded)

TRANSITION COST ADJUSTMENT (Continued)

For Period 3 (2022), the Transition Cost Adjustment will be:

Period	Sch. 689 Secondary Voltage ¢ per kWh	Sch. 689 Primary Voltage ¢ per kWh	Sch. 689 Subtransmission Voltage ¢ per kWh
2022	0.701	0.688	0.680
2023	0.701	0.688	0.680
2024	0.701	0.688	0.680
2025	0.701	0.688	0.680
2026	0.701	0.688	0.680
2027*	0.701	0.688	0.680
After 2028	0.000	0.000	0.000

(N)

(N)

SPECIAL CONDITIONS

1. Annually, the total amount collected in Schedule 139 New Large Load Transition Cost Adjustments will be incorporated into all rate schedules, through either System Usage Charges or Distribution Charges. Such adjustment to the System Usage or Distribution Charges will be made at the time the Company files final rates for Schedule 125, and will be effective on January 1st of the following calendar year.
2. Annually, changes in fixed generation revenues resulting from either return to or departure from Cost of Service pricing by Schedules 689 Customers relative to the Company's most recent general rate case will be incorporated into the System Usage Charges or Distribution Charges of all rate schedules. Such adjustment to the System Usage or Distribution Charges will be made at the time the Company files final rates for Schedule 125, and will be effective on January 1st of the following calendar year. The adjustment to the System Usage or Distribution Charges resulting from changes in fixed generation revenues shall not result in an overall rate increase or decrease of more than 2 percent except as noted below. For those Enrollment Periods in which the first-year Schedule 139 Transition Adjustments are expected to be positive charges to participants, the projected first-year revenues from Schedule 139 will be netted against the changes in fixed generation costs for purposes of calculating the proposed overall rate increase or decrease. Should the rate increase or decrease exceed 2 percent, the amounts exceeding 2 percent will be deferred for future recovery through a balancing account. This balancing account will be considered an "Automatic Adjustment Clause" as defined in ORS 757.210. For purposes of calculating the percent change in rates, Schedule 125 prices with and without the increased/decreased participating load will be determined.

TERM

The term of applicability under this schedule will correspond to a Customer's term of service under Schedules 689 but will not exceed 60 months.