



Portland General Electric
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portlandgeneral.com

January 26, 2024

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

RE: Advice No. 24-01, Schedule 123 Decoupling Adjustment

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 for filing proposed tariff sheets associated with Tariff P.U.C. No. 19, with a requested effective date of **April 1, 2024**:

First Revision of Sheet No. 123-1
First Revision of Sheet No. 123-2
First Revision of Sheet No. 123-3
First Revision of Sheet No. 123-4

PGE withdraws the following Sheet due to pagination:

Original Sheet No. 123-5

The purpose of this filing is to comply with condition 9 in the sixth partial stipulation with Parties in UE 416, PGE's most recent general rate case. Condition 9 states the following:

- a. Parties agree that PGE will file a tariff for decoupling no later than 90 days after the Commission order in this GRC.
- b. The tariff will include a 3% soft cap on residential and small non-residential customers.
- c. The decoupling tariff will sunset after 12/31/2025.
- d. Parties will be free to support or oppose the tariff when it is filed¹.

PGE is proposing a Sales Normalization Adjustment (SNA) decoupling tariff applicable to Schedules 7, 32, and 38 that compares actual weather-adjusted distribution, transmission, and fixed generation revenues that are collected on a volumetric basis with those that would be collected with a fixed per-customer charge, much like PGE's previous mechanism. The difference would accumulate in a balancing account and be refunded or collected over a future period.

¹ UE 416 Sixth Partial Stipulation <https://edocs.puc.state.or.us/efdocs/HAO/ue416hao14174.pdf>

A 3% annual limit on collections and refunds will mitigate the price impact on customer bills but allow collection or refund amounts in the balancing account that exceed the 3% limit to carry forward to the subsequent year (or years) for refund or recovery. Additionally, PGE proposes a secondary fixed charge at a reduced rate for residential customer accounts over the forecast set in a GRC since typically new residential customers are expected to have lower average use compared to PGE 's existing average residential customer use.

PGE notes that the Schedule 123 tariff proposed in this filing does not differ materially from the sample tariff that was provided in PGE's Exhibit 1306 in UE 416. The only differences are updates to the fixed charges and prices for additional schedules due to closing out the previously approved, now expired, decoupling mechanism (accruals from partial year 2022), and a sunset date.

Based on the effective date requested, the tariff would be in effect for a partial year in 2024. PGE would prorate the year using the same methodology it used for the 2022 partial accrual year. PGE looks forward to working with Staff and Stakeholders as Parties review PGE's decoupling advice filing.

To satisfy the requirements of OAR 860-022-0025(2). PGE provides the following response:

The proposed changes do not increase, decrease, or otherwise change existing rates or impact revenues at this time.

Please direct any questions regarding this filing to Chris Pleasant at christopher.pleasant@pgn.com

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

\s\ Robert Macfarlane

Robert Macfarlane
Manager, Pricing & Tariffs

Enclosure

**SCHEDULE 123
DECOUPLING ADJUSTMENT**

PURPOSE

This Schedule establishes balancing accounts and rate adjustment mechanisms to track and mitigate a portion of the transmission, distribution and fixed generation revenue variations caused by weather-normalized variations in applicable Customer Energy usage. The intent of weather normalization is to remove the impacts of actual weather on Customer usage in this mechanism.

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AVAILABLE

In all territory served by the Company.

APPLICABLE

To all Residential Customers and Nonresidential Customers who receive service under Schedules 32, 38, 532 and 538 located within the Company’s service territory.

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(C)
(D)

SALES NORMALIZATION ADJUSTMENT (SNA)

The SNA reconciles on a monthly basis, differences between:

- a) the monthly revenues resulting from applying distribution, transmission and fixed generation charges (Fixed Charge Energy Rate) to weather-normalized kWh Energy sales; and
- b) the Fixed Charge Revenues that would be collected by applying the Monthly Fixed Charge per Customer to the numbers of active Customers for each applicable SNA rate schedule, respectively, for each month. For Schedule 7, a Secondary Fixed Charge equal to 72% of the Monthly Fixed Charge will be used to calculate Fixed Charge Revenues for actual customer counts that exceed the projected customer counts used to establish base rates in a general rate review.

(C)

The SNA will calculate monthly as the Fixed Charge Revenue less actual revenues and will accrue to the SNA Balancing Account. The monthly amount accrued may be positive (an under-collection) or negative (an over-collection). The SNA is divided into sub-accounts so that net accruals for each rate schedule will track separately.

(M)

The SNA is applicable to the following rate schedules:

<u>Schedule</u>	<u>Fixed Charge Energy Rate</u> (¢ per kWh)	<u>Monthly Fixed Charge</u>	<u>Monthly Secondary Fixed Charge</u>
7	10.430	\$82.69	\$59.54
32	8.915	\$120.47	
38	11.331	\$756.19	

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SCHEDULE 123 (Continued)

SNA BALANCING ACCOUNT

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The Company will maintain a balancing account for the SNA applicable rate schedules. The balancing account will record over- and under-collections resulting from differences as determined, by the SNA mechanism. The account will accrue interest at the Commission-authorized Modified Blended Treasury Rate established for deferred accounts.

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DECOUPLING ADJUSTMENT

The following adjustments amortize balances associated with the Company's previously approved mechanism that was discontinued in UE 394. After 2024, only Schedules 7, 32, and 38 will appear below. The Adjustment Rates, applicable for service on and after the effective date of this schedule will be:

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<u>Schedule</u>	<u>Adjustment Rate</u>
7	(0.014) ¢ per kWh
15/515	0.062 ¢ per kWh
32/532	0.212 ¢ per kWh
38/538	0.062 ¢ per kWh
47	0.062 ¢ per kWh
49/549	0.062 ¢ per kWh
75/575	
Secondary	0.062 ¢ per kWh
Primary	0.062 ¢ per kWh
Subtransmission	0.062 ¢ per kWh
83/583	0.026 ¢ per kWh
85/585	
Secondary	0.062 ¢ per kWh
Primary	0.062 ¢ per kWh
89/589	
Secondary	0.062 ¢ per kWh
Primary	0.062 ¢ per kWh
Subtransmission	0.062 ¢ per kWh
90/590	
Primary	0.062 ¢ per kWh
Subtransmission	0.062 ¢ per kWh
91/591	0.062 ¢ per kWh
92/592	0.062 ¢ per kWh
95/595	0.062 ¢ per kWh

(M)

SCHEDULE 123 (Continued)

DECOUPLING ADJUSTMENT (Continued)

	<u>Schedule</u>	<u>Adjustment Rate</u>
485		
	Secondary	0.013 ¢ per kWh
	Primary	0.013 ¢ per kWh
489		
	Secondary	0.013 ¢ per kWh
	Primary	0.013 ¢ per kWh
	Subtransmission	0.013 ¢ per kWh
490		
	Primary	0.013 ¢ per kWh
	Subtransmission	0.013 ¢ per kWh
491		0.013 ¢ per kWh
492		0.013 ¢ per kWh
495		0.013 ¢ per kWh
689		
	Secondary	0.013 ¢ per kWh
	Primary	0.013 ¢ per kWh
	Subtransmission	0.013 ¢ per kWh

TIME AND MANNER OF FILING

Commencing in 2025, the Company will submit to the Commission the following information by March 1 of each year:

1. The proposed price changes to this Schedule to be effective on May 1st based on the amounts in the SNA Balancing Account.
2. Revisions to this Schedule which reflect the new proposed prices and supporting work papers detailing the calculation of the new proposed prices and the SNA weather-normalizing adjustments.

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SCHEDULE 123 (Concluded)

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SPECIAL CONDITIONS

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1. The Fixed Charge Energy Rate, and Monthly Fixed Charge per Customer will be updated concurrently with a change in the applicable base revenues used to determine the rates. (C)
(C)
2. Weather-normalized energy usage by applicable rate schedule will be determined in a manner equivalent to that used for determining the forecasted loads used to establish base rates.
3. No revision to the SNA Adjustment Rate will result in an estimated average annual rate increase or decrease greater than 3% to the applicable SNA rate schedule, based on the net rates in effect on the effective date of the Schedule 123 rate revisions. If the amount of the proposed rate revision exceeds the 3% limit, only a 3% rate increase or decrease will be proposed. Any remaining amount in the SNA Balancing Account will be carried over to the following year(s). Balances carried forward continue to carry forward until they are amortized through this schedule. (C)
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(C)
4. The SNA mechanism will terminate on December 31, 2025. Balances accrued up to that point will be subject to subsequent adjustment. (M)