

**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: George Compton

THROUGH: Michael Dougherty, JP Batmale, and John Crider **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1044/Advice No.19-26)
Reprices Schedule 110, Energy Efficiency Customer Service, to Eliminate
the Year-end Residual Balance.

STAFF RECOMMENDATION:

Approve Portland General Electric's Advice Filing No. 19-26, to reprice Schedule 110, Energy Efficiency Customer Service, to eliminate the year-end residual balance, with an effective date of January 1, 2020.

DISCUSSION:

Issue

Whether the Commission should approve Portland General Electric's (PGE or "the Company") Advice Filing No. 19-26, which would reprice Schedule 110, Energy Efficiency Customer Service, to eliminate the year-end residual balance.

Applicable Rule or Law

PGE's filing is made under ORS 757.205 and OAR 860-022-0025.

- ORS 757.205 requires that public utilities file all rates, rules, and charges with the Commission.
- 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.

Analysis

Background

Beginning in 2008, PGE has been funding various customer energy efficiency projects via its Schedule 110. The PGE activities funded under Schedule 110 are in addition to the energy efficiency activities conducted by Energy Trust on behalf of ratepayers. Anna Kim of the Energy, Resources & Planning group of the Commission is charged with monitoring the efficacy of PGE's projects and activities themselves. In addition, PGE makes an annual presentation in June to the Commission on their Schedule 110 activities.

The revenue requirement associated with this schedule is allocated among the rate classes in proportion to their gross base revenues.¹ Annual expenditures are relatively modest—less than 0.07 percent of base revenues for 2019. The regulatory accounting process is to operate a balancing account whereby Schedule 110 revenues are collected, expenses are paid, and the net accumulated difference, or balance,² accrues interest obligations or credits. The Schedule 110 rates are adjusted annually so as to reduce/minimize that balance.

The Application

The application before the Commission, and as revised pursuant to an LSN, is to increase the (already very small)³ Schedule 110 rates by about one-third. The repricing adds about \$275 thousand, or 0.02 percent, to PGE's current revenues.⁴ A typical Schedule 7 Residential customer, consuming about 800 kWh per month, will see a monthly bill increase of \$0.02.⁵

Staff has reviewed and agrees with the tariff figures accompanying the LSN and the underlying, corrected spreadsheet revenue requirement model. The proposed rates serve to get the end-of-year (EOY) accumulated balance as close to zero as possible, subject to rounding. Adopting those rates to the Company spreadsheet revenue requirement model yields an expected ratepayer balancing account under-payment of about \$33 thousand.

¹ PacifiCorp allocates these costs in proportion to the generation portion of base revenues.

² The term "net *accumulated* balances" is to distinguish it from the *annual* differences between *current* income and *current* outgo.

³ For example, the current rate for the residential class is 0.006 cents/kWh.

⁴ See page 1 of the supplemental filing.

⁵ Ibid.

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Conclusion

In recent years, PGE's energy efficiency customer service expenditures have exceeded the revenues collected through Schedule 110. As a correction, and to bring the expected 2020 end-of-year accumulated balance close to zero, the Company has brought forth an appropriate increase in that schedule's rates.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's Advice Filing No. 19-26, to increase the Schedule 110 Energy Efficiency Customer Service rates so as to eliminate the year-end residual balance, with an effective date of January 1, 2020.