

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 15, 2015

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE January 1, 2016

DATE: December 1, 2015

TO: Public Utility Commission

FROM: Max St. Brown<sup>MSB</sup>

THROUGH: Jason Eisdorfer and Marc Hellman

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 127/Advice No. 15-26) Revises Schedule 102, Adjusts the Residential Exchange Program Credits to Reflect the 2016-2017 Benefit.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Portland General Electric (PGE or Company)'s proposed revisions to the residential exchange program (REP) credits in its Schedule 102, Regional Power Act Exchange Credit.

**ISSUE:**

Should the commission approve, pursuant to ORS 757.663, PGE's proposed revisions to the REP credits in its Schedule 102?

**Applicable Law:**

The Commission's authority over this tariff filing is pursuant to ORS 757.205-.215 and OAR 860-022-0025. In addition, the tariff relates to the Residential Exchange Credit and the Regional Power Act (RPA) for which ORS 757.663 provides the Commission authority to require electric companies to enter into contracts with Bonneville Power Administration (BPA). BPA and PGE are operating under the terms of the contract with PGE that was previously approved by the Commission.

## **ANALYSIS:**

### Background:

On November 4, 2015, PGE filed Advice No. 15-26, relating to the values of the REP credits for its Schedule 102 customers. The REP credits provide customers benefits from the low-cost federal system resources. Staff initiated nine requests for information.

BPA allocates REP credits based on relative state qualifying residential and small farm load, with an adjustment for investor owned utility reallocations. The BPA Administrator's Record of Decision (ROD) for the 2012 Residential Exchange Program Settlement Proceeding explains that the reallocations were agreed upon to reflect the "Lookback" adjustment amounts between investor owned utilities and consumer owned utilities.<sup>1</sup>

For the 2016-2017 timeframe, eligible PGE customers are allocated \$61.8 million in yearly benefits.<sup>2</sup> PGE also proposes to pass through during 2016 the balance in its BPA balancing account to customers. This balance is expected to be \$10.8 million.<sup>3</sup> PGE began amortizing the BPA balancing account effective January 1, 2015, over a two year period, thus PGE proposes to fully amortize the account by December 2016, as originally intended.<sup>4</sup>

In response to Staff's information request, the Company confirmed that, "The RPA Exchange Credits from BPA are provided equally to all eligible customers" (subject to the limitations of kWh in a billing month). This ensures that benefits are distributed equitably between Schedule 7 customers and Other Schedules.

For Schedule 7 residential customers, for the first 1000 kWh of use, the filing proposes to increase the credit from \$0.00855/kWh to \$0.01091/kWh.<sup>5</sup> For other eligible Schedules the filing proposes to increase the credit from \$0.00698/kWh to \$0.00890/kWh.<sup>6</sup> As a result of the proposed tariff revisions, in 2016, a typical Schedule

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<sup>1</sup> See page 120 of: Bonneville Power Administration. (2011). "2012 Residential Exchange Program Settlement Proceeding: Administrator's Final Record of Decision (DOE/BP 4306)," Available at: <http://www.bpa.gov/Finance/ResidentialExchangeProgram/FY1213UtilityFilings/REP-12-A-02.pdf>

<sup>2</sup> See PGE Advice No. 15-26 at 1.

<sup>3</sup> PGE Advice No. 15-26 at 1.

<sup>4</sup> PGE Advice No. 15-26. See also PGE Advice No. 14-23.

<sup>5</sup> PGE Advice No. 15-26 at 1.

<sup>6</sup> PGE Advice No. 15-26 at 1.

7 residential customer consuming 840 kWh monthly will see a bill decrease of approximately \$2.04 or 2.0 percent<sup>7</sup>

Conclusion:

Staff has reviewed the Company's workpapers provided with the initial filing and each of the information responses to Staff information requests provided by the Company. Based on this review, Staff is in support of the allocation of BPA REP credits for eligible PGE customers and Staff agrees with PGE's calculation of the balance in PGE's BPA balancing account that PGE is proposing to pass through to customers during 2016. The Company is proposing to increase customers' credits, which will lower customers' bills. In its information response the Company has confirmed that credits are distributed equitably between eligible customers' Schedules, thus Staff is in support of the Company's proposed revisions to its Schedule 102.

**PROPOSED COMMISSION MOTION:**

PGE's proposed revisions to its Schedule 102, Regional Power Act Exchange Credit, be approved effective January 1, 2016.

Memo 12-15\_Advice No. 15-26

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<sup>7</sup> PGE Advice No. 15-26 at 1.