

ITEM NO. CA16

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 14, 2021**

REGULAR CONSENT EFFECTIVE DATE January 1, 2022

DATE: December 6, 2021

TO: Public Utility Commission

FROM: Michelle Scala

THROUGH: Bryan Conway, Caroline Moore, and John Crider **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. ADV 1350/Advice No 21-024)
Updates Schedule 91, Low-Income Bill Payment Assistance.

STAFF RECOMMENDATION:

Approve Pacific Power's (PacifiCorp or Company) Advice No. 21-024, to update Schedule 91 in compliance with 2021 Oregon House Bill 2739 (HB 2739),¹ effective with service on and after January 1, 2022.

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's update to its Schedule 91, Low Income Bill Payment Assistance reflecting the Company's share of additional collections for low-income electric bill payment and crisis assistance as required by HB 2739.

Applicable Law

ORS 757.205(1) states that a public utility must 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. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each

¹ See Oregon Laws 2021, Chapter 536; [0536 \(oregonlegislature.gov\)](https://www.oregonlegislature.gov).

energy utility changing existing tariffs or schedules must 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. 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. The Commission may approve tariff changes on less than statutory notice upon a finding of good cause shown. ORS 757.220, OAR 860-022-0020.

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(11); "Electric company" means an entity engaged in the business of distributing electricity to retail electricity consumers in this state, but does not include a consumer-owned utility.

Currently, under ORS 757.612(7), an electric company must collect \$20 million in a calendar year from retail electricity customers to be used for low-income electric bill payment assistance. The 2021 legislature, in HB 3141,² deleted this language, effective January 1, 2022, and adopted revised language. Under the new provisions, as amended by HB 2739, Section 2 and 2a, the Commission shall:

- (a) Establish the amount to be collected and rates to be charged by each electric company from its customers, including customers receiving electricity from other sources, such that the forecasted collection by all electric companies in a calendar year is at least \$20 million.
- (b) Adjust the rates if forecasted collections or actual collections are less than \$20 million in any calendar year but shall not otherwise adjust the rates once set.
- (c) Ensure that no customer pays more than \$500 per month per customer site for low-income electric bill payment and crisis assistance.

In addition to this amount, for each calendar year through 2023, subject to the \$500 per month per customer site limit, the Commission shall provide for collection through rates

² Oregon Laws 2021 Ch. 547, Sec. 1.

charged to all customers of electric companies of \$10 million for low-income electric bill payment assistance and crisis assistance.³

Analysis

Background

On November 16, 2021, PacifiCorp filed Advice No. 21-024, Docket No. ADV 1350, to revise Schedule 91 and reflect the effects of HB 2739, Section 3. HB 2739, in part, temporarily increases collections for low-income electric bill payment and crisis assistance by \$10 million, effective January 1, 2022. This amount is in addition to the (at least) \$20 million collected annually for low-income electric bill payment and crisis assistance pursuant to HB 2739, Section 2. The additional \$10 million was designed as temporary and targeted to customers of electric companies who have lost income due to circumstances arising from the COVID-19 pandemic. The relevant section of the Act will automatically repeal on January 2, 2024. Pursuant to Section 2, no customer may be required to pay more than \$500 per month per site for low-income electricity bill payment assistance. This effectively limits collections from nonresidential customers and necessitates separate rates be applied to residential and nonresidential schedules for low-income electricity bill payment assistance.

The current Schedule 91 rates were designed to collect PacifiCorp's share of the \$20 million in low-income electric bill payment and crisis assistance under the existing statute, ORS 757.612(7). According to the Company's initial filing, PacifiCorp worked collaboratively with Portland General Electric (PGE) to determine each utility's share of this additional funding. The companies found that a total low-income surcharge rate of \$1.04 per month for residential customers and \$0.00104 per kilowatt-hour for the first 480,769 kilowatt-hours for nonresidential customers would most closely increase total revenues under the surcharge between the two utilities by \$10 million. Applying these rates would increase PacifiCorp's revenues by approximately \$4.0 million and PGE's by approximately \$6.0 million, thus increasing total collections for this purpose by the requisite \$10 million.

Staff Analysis

On November 9, 2021, PGE filed Advice No. 21-34, Docket No. ADV 1336, updating its Schedule 115,⁴ which is analogous to PacifiCorp's Schedule 91. Staff reviewed the PGE workpapers both independently and in conjunction with the PacifiCorp Schedule 91 workpapers, and was able to confirm that the proposed increases to low-income electric bill payment and crisis assistance surcharges were consistent between the two

³ Oregon Laws 2021 Ch. 536, Sec. 3 and 4.

⁴ See PGE Advice No. 21-34; [Microsoft Word - PGE Advice No. 21-34 Low Income ssistance Ltr 11.09.21 \(state.or.us\)](#).

companies. Further, the forecasted increase in revenues was found to be as indicated in the initial PacifiCorp filing, approximately \$4.0 million for PacifiCorp and approximately \$6.0 million for PGE.

According to PacifiCorp, the overall increase of \$4.0 million, or 0.3 percent, will impact approximately 642,000 customers.⁵ An average residential customer using 900 kilowatt-hours per month could expect to see a monthly bill increase of \$0.35 as a result of this change. Overall, nonresidential customers will see a total increase of \$1.8 million, or 0.3 percent. As described earlier and per the requirements of House Bill 2739, a customer site will pay no more than \$500 per month for low-income assistance. PacifiCorp indicated that using the kilowatt-hour limitation described above and shown in the tariff would prevent the surcharge from exceeding the \$500 cap. To confirm this, Staff reviewed the Company's workpapers, which showed historical and forecasted bills where the kilowatt-hour limitation had and would be applied to ensure compliance with the statute. Staff found the information provided in the workpapers demonstrating the application of the cap and the rates in general to be thorough and comprehensive and did not find any errors that would affect the final rate determinations.

The rates for the tariff are displayed in the table below.⁶

Applicable Schedule	Adjustment Rate
Residential Rate Schedules (4, 5, 6)	\$ 1.04 per month
Nonresidential Rate Schedules	\$ 0.00104 per kWh For the first 480,769 kWh

For non-residential customers, Schedule 91 is an energy charge assessed against kWh usage. To the extent that Direct Access (DA) customers are metered to measure kWh consumption in the same way Cost of Service (COS) Customers are, DA customers are assessed the same rate for Schedule 91 based on their metered usage. Staff notes that this approach does not represent a change. Both Staff and the Company find it appropriate for this policy-driven cost to apply to DA customers in the same way it does to nonresidential COS customers.

⁵ These effects speak strictly to the bill increases required to collect the additional \$4.0 million and do not assess the positive impacts of the increased assistance available to qualifying customers, direct or otherwise.

⁶ See PacifiCorp's initial filing in Advice No. 21-024; [091_Low_Income_Bill_Payment_Assistance_Fund.pdf \(pacificpower.net\)](#).

Conclusion

After reviewing House Bill 2739 and PacifiCorp's proposed update to Schedule 91, Staff finds no error in the underlying calculations used to determine the new Schedule 91 rates, and concludes that the tariff, as proposed, is in compliance with the requirements described in Oregon Laws 2021, Chapter 536, Sections 2 and 3.

PROPOSED COMMISSION MOTION:

Approve Pacific Power's Advice No. 21-024, to update Schedule 91 in compliance with 2021's HB 2739, effective with service on and after January 1, 2022.