

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT**

PUBLIC MEETING DATE: December 28, 2021

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2022

DATE: December 16, 2021

TO: Public Utility Commission

FROM: Brian Fjeldheim

THROUGH: Bryan Conway and John Crider **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1352/Advice No. 21-44)
Updates Schedule 105 - Regulatory Adjustments.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) proposed Schedule 105 tariff, as described in the Advice filing 21-44, effective on and after January 1, 2022.

DISCUSSION:

Issue

Whether the Commission should approve revised Schedule 105, which updates the Company's Regulatory Adjustments Tariff.

Applicable Laws

Under ORS 757.259(2), upon application of a utility and after public notice, opportunity for comment and a hearing if any party requests a hearing, the Commission by order may authorize deferral of certain amounts for later incorporation in rates. Those amounts include, under ORS 757.259(2)(e), identifiable utility expenses or revenues, the recovery or refund of which the commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.

OAR 860-022-0025(2) states that each energy utility filing tariffs or schedules changing existing tariffs or schedules shall submit the following information: (a) a statement plainly indicating the increase, decrease, or other change thereby made in existing rates, charges, tolls, or rules and regulations; (b) a statement setting forth the number of customers affected by the proposed change and the resulting change in annual revenue; and (c) a detailed statement setting forth the reasons or grounds relied upon in support of the proposed change.

Analysis

Background

The purpose of Schedule 105, Regulatory Adjustments, is to reflect the effects of regulatory adjustments such as net gains from nonrecurring property transactions, Research and Development (R&D) tax credits, an increase in the Commission regulatory fee, and other miscellaneous regulatory adjustments on customer rates.

In this filing, PGE states that Schedule 105, Regulatory Adjustments is composed of parts A and B, as explained below.

Part A results in a net credit total of \$1.376 million and includes:

- Amortization of property sales, resulting in a credit to customers of approximately \$1.049 million;
- R&D tax credit consistent with Order No. 20-291 in UM 1991, resulting in a credit to customers of approximately \$3.100 million; and
- The 2021 Commission fee increase, consistent with Order No. 20-411 in Docket No. UM 2046, resulting in a customer charge of approximately \$2.733 million.

Part B includes:

- A charge to customers of approximately \$262,000 related to the 2021 deferred Large Nonresidential (LNR) Load True-up consistent with the provisions of Schedule 128. This amount is spread to applicable LNR customers on an equal cents per kWh basis.

Review - Rate Impact of Advice No. 21-44

To satisfy the requirements of OAR 860-022-0025(2) and 860-22-0030(1), PGE provided the following response:¹

¹ The 2021 net credit provided to customers via Schedule 105 was approximately \$8.5 million.

The 2022 revenues resulting from the proposed Schedule 105 prices are a credit to customers of approximately \$1.1 million. This represents an increase of approximately \$7.4 million relative to current Schedule 105 prices. A typical Schedule 7 Residential customer consuming 780 kWh monthly will see a bill increase of \$0.36, or 0.34%.

To satisfy the requirements of ORS 757.259(6), PGE provided the following response:

PGE's 2020 annual cycle revenues were approximately \$1,818 million. The sum of PGE's current and proposed 2022 amortization of deferrals, including the proposed applicable amortizations in Schedules 105, is approximately \$34.3 million, or 1.9% of 2020 revenues. A list of the applicable current and proposed amortizations is provided in the work papers.

Staff reviewed the Company's filing to include the proposed tariff sheet and supporting electronic workpapers used to calculate the proposed tariff. Based upon Staff's review, the Company provided sufficient documentation necessary to satisfy parts 2(a) and 2(c) of OAR 860-022-0025. Via email, Staff requested that PGE provide the number of customers affected by this tariff filing. Per PGE's response, Schedule 105 will impact approximately 921,000 total customers. The following is a breakout of affected customers (rounded), by general rate class:

Customer Class	Count
Residential	808,200
General Service < 30 kW	94,500
Time of day & Irrigation/Drain Pump	4,900
General Service > 30 kW	12,900
Lighting and Traffic Signals	200
Direct Access	300
Total	921,000

Conclusion

Staff reviewed work papers and detailed bill comparisons combining the impact of all PGE's filings for price changes. Staff found that in this filing, PGE generally complied with the requirements of OAR 860-022-0025(2), and provided a detailed statement setting forth the reasons or grounds relied upon in support of the proposed change. Staff verified PGE's work paper data, and found the calculations are sufficient and supportive of the Company's filing, and are consistent with past Commission Orders.

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PROPOSED COMMISSION MOTION:

Approve PGE's proposed Schedule 105 tariff, as described in the Advice filing 21-44, effective on and after January 1, 2022.

ADV 1352 PGE Schedule 105. Miscellaneous Regulatory Adjustments.docx