

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 27, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2023

DATE: December 19, 2022

TO: Oregon Public Utility Commission

FROM: Eric Shierman

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1459/Advice No. 22-38)
Schedule 150 transportation electrification deferral adjustment rate
change for monthly meter charge recovery under House Bill 2165.

STAFF RECOMMENDATION:

Approve Portland General Electric's Advice No. 22-38.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Portland General Electric's (PGE or the Company) proposed changes to the adjustment rates of Schedule 150.

Applicable Rule or Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

A hearing is not required to approve a particular rate change if it is the result of an automatic adjustment clause. ORS 757.210(1)(a).

The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. Each energy utility changing existing tariffs or schedules must include in its filing (a) a statement plainly indicating the increase, decrease, or other change made with the filing, (b) the number of customers affected by the proposed change, and (c) the resulting change in annual revenue, and the reasons or grounds relied upon in support of the proposed change. OAR 860-022-0025(2).

Filings that propose 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 change. ORS 757.220; OAR 860-022-0015.

When a utility files a tariff or schedule proposing an increased rate, the utility must for each separate schedule:

- a) 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,
- b) 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
- c) The reasons or grounds relied upon in support of the proposed increase.
OAR 860-022-0030(1).

Electric companies with more than 25,000 customers must collect a monthly meter charge of .25 percent of total revenues collected from all retail electric customers.¹

Analysis

Background

The Commission has approved Schedule 150 for two purposes related to transportation electrification (TE). Those purposes were the recovery of deferred expenses from TE pilots and the collection of HB 2065's monthly meter charge. On December 28, 2021, the Commission approved Schedule 150 adjustment rates to collect the HB 2165 monthly meter charge which went into effect on January 1, 2022.² On April 25, 2022,

¹ See HB 2065, 81st Leg., 2021 Reg. Sess., Section 2(2).

² See Docket No. ADV 1325, OPUC, Advice Letter, December 28, 2021, p 1.

the Commission approved Schedule 150 as an adjustment rate to recover TE pilot costs deferred through UM 1938 and UM 2003.³ Together these adjustment rates impose a cents-per-kilowatt-hour surcharge on retail customer rates.

This filing is the first automatic adjustment of Schedule 150's adjustment rates. The Commission approved adjustment rates for TE deferral amortization and monthly meter charge collection with an automatic adjustment clause, meaning the rates can be changed outside of a general rate case as needed to keep expenditures and revenue in balance.

Proposed Adjustment Rates

Table 1 presents the adjustment rates proposed by PGE in Advice No. 22-38.

Table 1: Advice No. 22-38 Adjustment Rates

Schedule	Cents per kWh
7	.074
15/515	.058
32/532	.070
47	.141
49/549	.112
75/575 Primary	.019
75/575 Secondary	.038
75/575 Subtransmission	.014
83/583	.029
85/585 Primary	.021
85/585 Secondary	.025
89/589 Primary	.019
89/589 Secondary	.038
89/589 Subtransmission	.014
90/490/590 Primary	.018
90/490/590 Subtransmission	.018
91/491/591	.068
92/492/592	.030
95/495/595	.068
485 Primary	.021
485 Secondary	.025
489 Primary	.019
489 Secondary	.038

³ See Docket No. UE 394, OPUC, Order No. 22-129, April 25, 2022, p 61.

Schedule	Cents per kWh
489 Subtransmission	.014
689 Primary	.019
689 Secondary	.038
689 Subtransmission	.014

These adjustment rates will impact approximately 931,000 customers, according to the Company's forecast for 2023, representing an increase of \$1.8 million or 0.1 percent increase in average rates. The impact for a typical residential customer consuming 780 kWh per month is estimated to be a twelve-cent increase in that customer's monthly electric bill.

Staff Review

PGE supplied Staff with the workpapers supporting the calculation of these adjustment rates. Staff has reviewed the calculations to confirm the reasonableness of these rates. Staff has confirmed:

- The UM 1938 and UM 2003 expenses accumulated before UE 394 are fully amortized.
- The rate of return from UM 1938 and UM 2003 deferrals has transitioned from the weighted average cost of capital to a blended treasury rate.
- The rate of return for the monthly meter charge is negative, because the Company is collecting the revenue before making the planned expenditures.
- The amount of revenue collected for the monthly meter charge meets the statutory requirement of 0.25 percent.

Therefore, Staff finds the adjustment rates PGE has proposed to be reasonable.

Conclusion

Staff recommends the Commission approve PGE's change to the adjustment rates for Schedule 150.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's Advice No. 22-38.