

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 28, 2023**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** January 1, 2024

**DATE:** December 18, 2023

**TO:** Public Utility Commission

**FROM:** David Abraham

**THROUGH:** Bryan Conway, Marc Hellman, and Anna Kim **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. ADV 1557/ Advice No. 23-27)  
Update to the Schedule 102 Residential Exchange Credit.

**STAFF RECOMMENDATION:**

Staff recommends the Commission approve Portland General Electric's (PGE or Company) Advice No. 23-27, which updates Schedule 102 Regional Power Act Exchange Credit, for service rendered on and after January 1, 2024.

**DISCUSSION:**

Issue

Whether the Commission should approve PGE's proposed revisions to the Regional Power Act Exchange Credit in Schedule 102.

Applicable Rule

Under ORS 757.205(1), 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. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. 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 860-022-0025(2) specifically requires that each 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.

In addition, the tariff relates to monetary benefits received from Bonneville Power Administration (BPA) under the Residential Exchange Program (REP) pursuant to Section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act). ORS 757.663 provides the Commission authority to require electric companies to enter into contracts with BPA to retain such benefits for customers. BPA and PGE are operating under the terms of Contract No. 11PB-12467 that was previously approved by the Commission in Order No. 11-114.

### Analysis

PGE filed Advice No. 23-27 on November 6, 2023, to update Schedule 102 reflecting an update in REP credits to be distributed to residential, farm, nonresidential farm, irrigation, and drainage pumping customers. BPA updated REP rates for the 2024 fiscal year; the update decreased PGE's annual monetary benefits by approximately \$1 million. The amount of funds distributed to each utility through the REP is based upon each utility's Average System Cost ("ASC") in comparison to BPA's Priority Firm Exchange Rate ("PF Exchange Rate"), and upon a two-year average of the utility's historical eligible loads. A utility's ASC and the resulting benefits are determined through an ASC filing and review process administered by BPA and conducted every two years.

This filing updates Schedule 102 rates to pass those credits, less a projected 2023 year-end \$8.4 million in the BPA balancing account, through to customers and to reflect PGE's updated load forecast.<sup>1</sup>

As a first step to compute Schedule 102 rates, PGE sums the rate year's BPA benefit with the funds remaining in the BPA balancing account and then divides by the rate year's eligible load. The revised tariff provides a credit of \$0.00679 per kWh, which is the proposed rate for all eligible schedules. This is an increase in credit from the current \$0.00676 per kWh due to the projected decrease in load and the amortization of the existing overpayment balance in the BPA account. The BPA balancing account is expected to be fully amortized by December 2024.

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<sup>1</sup> No deferral is needed in support of this balancing account, given the Northwest Power Act's requirement to pass through directly such benefits to customers. See *In re Portland General Electric*, OPUC Docket No. UM 1986, Order No. 19-020 (Jan. 15, 2019).

Staff also during the review of this filing had discussions with PGE regarding how rates were calculated when amortizing a balancing account. PGE's standard methodology is to calculate a rate assuming that the same amount is amortized in each month. This is a simplification that makes calculations more straightforward. However, it does not accurately forecast how much interest will be accrued in the balancing account over the course of the year. Staff suggested that rates be set with the goal of minimizing the balancing account at the end of the period, taking into account the monthly load forecast for the following year.

PGE agreed with this methodology in principle, however both Staff and PGE agreed that it was not necessary to make this change in this filing as it did not result in a material rate change. However, Staff and PGE are discussing making this methodological change more broadly going forward.

Staff independently reviewed the Company's changes to Schedule 102 and its associated workpapers. Staff also met with PGE through a conference call on November 9, 2023, and December 4, 2023, to discuss the workpapers and calculations. Staff is satisfied that the Company's changes to Schedule 102 and its associated workpapers are sufficient.

### Conclusion

The Company is proposing to increase customers' per kWh BPA credits, which will decrease customers' bills. As a result of the proposed tariff revisions, a typical Schedule 7 residential customer consuming 795 kWh a month will see a bill decrease of approximately \$0.03 or 0.02 percent. Staff reviewed PGE's workpapers and confirmed that the proposed Schedule 102 rates are properly computed.

### **PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's Advice No. 23-27, which updates Schedule 102 Residential Exchange Credit, for service rendered on and after January 1, 2024.