

ITEM NO. CA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 23, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE July 1, 2015

DATE: June 17, 2015

TO: Public Utility Commission

FROM: Suparna Bhattacharya ^{SB}

THROUGH: Jason Eisdorfer and Marc Hellman ^{JE} ^W

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 37/Advice No. 15-13) Updates Schedule 105, Regulatory Adjustments.

STAFF RECOMMENDATION:

Staff recommends that Portland General Electric's (PGE or Company) supplemental filing of Advice No. 15-13 be approved, and the associated tariff sheets be allowed to go into effect on and after July 1, 2015.

DISCUSSION:

Issue

In PGE's last general rate case, the Commission ordered PGE to a refund to customers a portion of the \$500,000 included in PGE's revenue requirement for a "Fee Free Bankcard Program" after the start of the program was delayed from July 1, 2014 to November 1, 2014. PGE filed Advice No. 15-13 to refund to customers the appropriate portion of the \$500,000 for the program previously included in rates. In this memorandum, Staff discusses its analysis of Advice No. 15-13 and its conclusion that PGE properly calculated and implemented the refund.

Pertinent statutes and rules

ORS 757.210 and OAR 860-022-0025 apply to rate changes. Under ORS 757.210, rates must be just, fair and reasonable. OAR 860-22-0025(2) specifies that when an energy utility submits a filing to change rates, the energy utility must include:
(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.

Background

In 2013, the Commission authorized PGE to begin a “Fee-free Bankcard Program,” starting July 1, 2014.¹ Under the “Fee-free Bankcard Program” customers can pay their bills with a debit or credit card without paying an associated transaction fee. The Commission included \$0.5 million in the 2014 test year revenue requirement for this program.²

In the general rate case PGE filed in 2014, Docket UE 283, several parties stipulated to a four-month delay in the implementation of the program from July 1 to November 1, 2014, and a refund of a ratable portion of the \$0.5 million for the program included in revenue requirement under Order No. 13-459. The Commission adopted this stipulation, wherein PGE agreed to defer and refund during 2015, 2/3 of \$500,000 to customers.³

Consistent with the Commission’s order adopting the stipulation regarding the delayed implementation of the Fee-free Bankcard Program, PGE’s Advice No. 15-13 refunds \$0.33 million with interest to applicable customers starting July 1, 2015, and through December 31, 2015. The refund amount is spread across rate schedules based on the allocation percentage determined in the Docket No. UE 262 customer service marginal cost study.

After its initial review of Advice No. 15-13, Staff notified the Company that the proposed rates were incorrectly entered into Schedule 105-1 and 105-3 tariff sheets. PGE submitted a supplemental filing on May 27, 2015, with corrected Schedule 105 rates. The current supplemental filing refunds \$0.33 million with interest to applicable customers starting July 1, 2015, and ending December 31, 2015.

Staff’s Analysis

Staff reviewed the Company’s original and supplemental filings, associated worksheets and tariff sheet Nos. 105-1 and 105-3. The proposed total amortization amount of \$361,518 (\$333,333 with interest), to be refunded to customers from July 2015 through

¹ *In the Matter of Portland General Electric Co. Request for a General Rate Revision*, Order No. 13-459 at 6 (Docket No. UE 262).

² *Id.*

³ *In the Matter of Portland General Electric Company Request for a General Rate Revision*, Order No. 14-442 (Docket No. UE 283).

December 2015, is appropriately calculated. Based on the UE 262 allocation percentages, the refund amount of \$361,518 is spread across rate schedules- 7, 15, 32, 47, 49, 83, 515, 532, and 549, and 583. The refund is spread to rate schedules that were allocated the bankcard program costs.

Staff verified that Schedule 105 price rates for all rate schedules, except schedule 83 and 583, will decrease. Specifically, the Schedule 105 rate decrease results in an annual decrease of \$0.7 million to 836,000 applicable customers (0.04 percent, overall decrease in annualized revenues). For schedule 83 and 583, current and proposed rates are same because refund amounts spread over the energy usage, applicable to these schedules, do not change the price.

Advice No. 15-13 results in rates that are just, fair, and reasonable. Further, Advice Filing No. 15-13 is consistent with the requirements of OAR 860-022-0025(2).

The Company has reviewed this memo and has no areas of concerns.

PROPOSED COMMISSION MOTION:

Portland General Electric's supplemental filing of Advice No. 15-13 and the associated Schedule 105 tariff sheets, effective on and after July 1, 2015, be approved.