

ITEM NO. CA24

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 18, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE January 2, 2018

DATE: December 11, 2017

TO: Public Utility Commission

FROM: Max St. Brown^{MSB}

THROUGH: Jason Eisdorfer and John Crider

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 665/Advice No. 17-32) Updates Schedule 115, Low Income Bill Payment Assistance Fund.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric (PGE or Company)'s proposed revisions to its Schedule 115 in compliance with the 2017 House Bill 2134 (HB 2134).

DISCUSSION:

Issue

Whether the Commission should approve PGE's proposed revisions to its Schedule 115.

Applicable Rule or Law

Under ORS 757.205(1), every public utility must file with the Commission schedules showing all rates, tolls and charges in force at the time for any service performed by it. The Commission may approve tariff changes if they are deemed to be fair, just and reasonable per 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. 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.

ORS 757.612(7)(a) establishes a low-income electric bill payment assistance program. To fund this program, ORS 757.612(7)(b) currently provides:

“The commission shall establish the amount to be collected by each electric company in calendar year 2008 from retail electricity consumers served by the company, and the rates to be charged to retail electricity consumers served by the company, so that the total anticipated collection for low-income electric bill payment assistance by all electric companies in calendar year 2008 is \$15 million. In calendar year 2009 and subsequent calendar years, the commission may not change the rates established for retail electricity consumers, but the total amount collected in a calendar year for low-income electric bill payment assistance may vary based on electricity usage by retail electricity consumers and changes in the number of retail electricity consumers in this state. In no event shall a retail electricity consumer be required to pay more than \$500 per month per site for low-income electric bill payment assistance.”

In addition, to the \$15 million collected for the bill payment assistance program, the Commission has also been required to direct electric companies to collect an additional \$5 million per 12-month period from residential electricity consumers at the request of the Oregon Housing and Community Services Department. This provision expires on January 2, 2018.¹

Effective January 2, 2018, under HB 2134, ORS 757.612(7)(b) is amended to read:²

“The commission shall establish the amount to be collected by each electric company from retail electricity consumers, and the rates to be charged by each electric company to retail electricity consumers, so that the forecasted collection by all electric companies in calendar year 2018 is \$20 million. In subsequent calendar years, the commission may not decrease the rates below those established for calendar year 2018. The commission may temporarily adjust the rates if forecasted collections or actual collections are less than \$20 million in any calendar year. A retail electricity consumer may not be required to pay more than \$500 per month per site for low-income electric bill payment assistance.”

¹ Or Laws 2011 c.566 §§3,4; 2013 c.254 §1.

² Or Laws 2017 c.200 §§1-2.

Analysis

PGE filed Advice No. 17-32 on November 20, 2017, with a stated purpose of reflecting “the impact of HB 2134.”³ In order to comply with HB 2134, PGE and Pacific Power coordinated to set the rates which collect low income assistance funds “so that the forecasted collection by all electric companies in calendar year 2018 is \$20 million,” and so that “a retail electricity consumer may not be required to pay more than \$500 per month per site for low-income electric bill payment assistance.”⁴

In order to comply with HB 2134, PGE set its Schedule 115 rates so as to collect a forecasted amount of \$11,962,473 in 2018. Pacific Power is setting rates to collect the remainder of the \$20 million. Staff asked three requests for information in order to confirm that PGE forecasted collection amount is accurate, including reviewing how PGE implements its per-site cap of \$500 per month.

This filing impacts rates because under PGE’s current Schedule 115 rates, the Company collects a \$5 million subset of the \$20 million strictly from residential customers, a requirement that expires on January 2, 2018. HB 2134 does not include this requirement in setting the new limit at \$20 million and accordingly, residential rates decrease while all other schedules’ rates increase under the proposed rates.

Conclusion

As a result of the proposed tariff revisions, “a typical Schedule 7 residential customer consuming 820 kWh monthly will see a bill decrease of approximately \$0.5 or 0.2 percent.”⁵ All other Schedules see a \$0.00019 per kWh increase in their Schedule 115 rate, thus, a nonresidential customer using 50,000 kWh in a month would pay an additional \$95 in that month. A nonresidential customer using 100,000 kWh in a month would see no bill change because they were already at the \$500 per month, per site cap for low-income electric bill payment assistance.

Staff reviewed PGE’s workpapers and Pacific Power’s workpapers and each utilities’ information request responses. Staff finds the assumptions used in the rate revenue

³ See the initial filing in Advice No. 17-32 at 1.

⁴ See Or Laws 2017 c.200 §§1(7)(b). Available at:

https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2017orlaw0200.pdf

⁵ See PGE Advice No. 17-3 at 1.

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forecast computation to be reasonable⁶, and therefore recommends that the Commission allow the proposed rates to take effect.

PROPOSED COMMISSION MOTION:

Approve PGE's proposed revisions to its Schedule 115, effective for service rendered on and after January 2, 2018.

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⁶ For example, for some customers, the Company uses historical load data to determine whether that customer is expected to hit the \$500 per month per site cap for low-income electric bill payment assistance. See PGE's response to Staff IR 2.