

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: April 24, 2018

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE May 1, 2018

DATE: April 17, 2018

TO: Public Utility Commission

FROM: *JC for GC*  
George R. Compton

THROUGH: *J* Jason Eisdorfer and *JL* John Crider

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 751/Advice No. 18-06)  
Extends Schedule 6, Residential Pricing Pilot, for another fourteen months.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Portland General Electric's (PGE's or Company's) advice filing, which extends Schedule 6, Residential Pricing Pilot, for another fourteen months, effective May 1, 2018, subject to the condition stated in the body of this report.

**DISCUSSION**

Issue

Whether the Commission should approve extending the term of PGE's Schedule 6, Residential Pricing Pilot, to June 30, 2019, to allow affected customers the option to seamlessly transition from the pilot's rates to permanent rates that are intended to take effect in early 2019.

Applicable law

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. 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.

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. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

### Analysis

Schedule 6 is a pilot comprised of several options whereby residential customers receive an incentive/rebate for reducing their demands during peak times below previously established baseline levels. Around 4,500 customers are enrolled in the pilot, which was scheduled to end on April 30, 2018. Pending with PGE is general rate case Docket No. UE 335, with new rates contemplated to go into effect on January 1, 2019. It is the Company's intention to propose a permanent residential peak-time-rebate tariff that would be effective at the same time or soon after those new rates.<sup>1</sup> Unless the pilot term is extended per this application, customers would have to be removed from the incentive rates, likely only to be re-enrolled after the first of next year. I say "likely" because until the Company's yet-to-be-completed evaluation of pilot results takes place, it won't be known the degree to which the rates of the new opt-in peak-time-rebate tariff will be as attractive to customers as are those of the pilot Schedule 6. By extending the pilot period end date to June 30, 2019, its participants will get the benefit of several months to remain on a status quo peak-time-rebate tariff while waiting for the replacement tariff to be made public and also while deciding whether or not to join the new schedule after it is released.

### Condition

PGE shall hold a workshop on this subject for interested stakeholders, including parties to the general rate case, to be convened early in the autumn of 2018 for the purpose of reviewing the permanent peak-time-rebate tariff designed to replace the residential pricing pilot Schedule 6. In the interest of enabling the timely review of the new rates so that they can be effective in early 2019, cost-benefit and other information regarding the proposed replacement rates should be circulated to the parties as early as possible prior to the workshop date.

### Conclusion

During this transition period between a pilot program and the implementation of permanent rates it is prudent a) to avoid a gap in time where the pilot customers are denied the opportunity to continue under peak-time-rebate auspices in any form, and b) to allow pilot

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<sup>1</sup> While the objective is to publish permanent peak-time-rebate rates on the same January 1, 2019, date that is anticipated for the publication of new rates under Docket UE 335, approval of the former is not part of the general rate case and will be conducted separately.

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customers some time to decide whether they want to enroll in the permanent peak-time-rebate rates program or revert back to the conventional residential Schedule 7. Both objectives are satisfied by extending the Schedule 6, Residential Pricing Pilot, for another fourteen months beyond the current April 30, 2018 expiration date.

**PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's advice filing, which extends Schedule 6, Residential Pricing Pilot, for another fourteen months, effective May 1, 2018, subject to the condition stated in the body of this report.