

ITEM NO. CA8

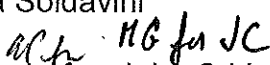

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 9, 2019

REGULAR CONSENT EFFECTIVE DATE April 10, 2019

DATE: April 2, 2019

TO: Public Utility Commission

FROM:  Sabrina Soldavini

THROUGH:  Jason Eisdorfer, John Crider, and Marianne Gardner 

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket ADV No. 936/Advice No. 19-07) Updates to Street and Area Lighting Service Options.

STAFF RECOMMENDATION:

Approve Portland General Electric's (PGE or Company) Advice No. 19-07, proposed updates to Street and Area Lighting Service Options, effective for service on and after April 10, 2019, on less than statutory notice.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (Commission) should approve PGE's request to update its Street and Area Lighting Service Options, including applicable Schedules, on less than statutory notice (LSN).

Applicable Law

ORS 757.205(1) states that 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.

OAR 860-022-0025 requires that new tariff filings include statements showing the new rates, the number of customers affected, the impact on annual revenue, and the reasons supporting the proposed tariff. 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. The Commission may approve tariff changes on less than 30 days' notice for good cause shown. *Id.*

The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just and reasonable.

Analysis

Background

Portland General Electric submitted this filing to the Commission on March 8, 2019, pursuant to ORS 757.205, ORS 757.210, and OAR 860-022-0025, with a requested effective date of April 10, 2019. In its filing, the Company proposes updates to certain Street and Area Lighting Tariffs – primarily related to the proposed expansion of its street lighting luminaire service option for maintenance to Schedule 95. On March 26, 2019, the Company filed replacement sheets with the Commission, correcting two errors found in the originally filed tariff sheets. The first renamed the Cobrahead luminaire to Roadway LED on Schedule 15 and Schedule 515. The second revision added Option B pole prices to Schedule 91, which were inadvertently left off the original filing. Due to the timing of the filing, an LSN was also included with the replacement sheets.

Currently, customers on Schedule 95 (and its Direct Access equivalents) can elect service on one of two rate options, Option A or Option C. Under Option A, the Company owns and maintains the luminaires and related equipment. Under Option C, the Customer owns and maintains the fixtures, while PGE provides electricity service only. The proposed Option B adds an intermediate option, allowing the Customer to own the luminaire and related equipment, but retain the Company as a maintenance provider.

Proposed Option B

As referenced above, the Company's filing proposes the expansion of a third option, Option B, to Schedule 95 and its Direct Access equivalents, Schedule 495 and Schedule 595. Staff notes that while Option B is new to these schedules, it is a current option for other Street and Area Lighting schedules, including Schedule 91 and its Direct Access equivalents.

In the proposed Option B, the Company will at no time assume ownership over the luminaires and related equipment. If a Customer elects service under Option B, the Company will provide electricity and maintenance only service at the monthly Option B rate, applicable to the particular type of luminaire.

By selecting Option B, the Customer accepts that the Company will only perform emergency maintenance on luminaires listed in the applicable schedule. Option B states that the Company will repair or replace inoperable luminaires as soon as reasonably possible, following notification to PGE's Customer Service or PGE's Outdoor Lighting

Services department, and subject to the Company's operating schedule, without obligation or notice to the Customer. If an inoperable luminaire can be restored to operable status by repair or replacement of the photoelectric controller, the Company will repair the inoperable luminaire at no additional cost to the Customer. However, if repair efforts do not result in an operable luminaire, the Company will designate the luminaire as non-repairable. The Company will replace non-repairable Option B luminaires, and bill the Customer directly for the replacement costs, in addition to the applicable monthly rate under Option B. Replacement costs include installation labor, removal labor, and material costs and loading. The Company will provide the Customer a cost itemization of amounts to be paid by the Customer, and additional information specifying luminaire location, age, repair history, replacement luminaire type, and reason for designation as a non-repairable luminaire.

In conversation with the Company, PGE remarked that the option is being expanded to these schedules due to customer interest. While Staff has no way to verify alleged customer interest in Option B, Staff notes the proposed option does not force any customers currently electing service under Option A or Option C to switch their service selection. It merely grants customers another choice. Staff believes providing customers with an additional option, so long as it does not negatively impact other customers, is generally favorable. In this case, Staff concludes the addition of Option B rates to the applicable Schedules will not harm customers.

It should also be stated that the monthly rates under Option B are less than those under Option A. For example, for a Schedule 95 customer with an 85 Watt Flood LED luminaire, the Option B monthly rate is \$0.41, while the Option A monthly rate for the same luminaire is \$6.36. Staff finds that allowing the Customer to decide between a higher monthly rate with no additional maintenance charges, and a lower monthly rate with the potential for additional maintenance charges is reasonable in this instance.

Staff asked for and received the Company's workbooks underlying the assumptions and calculations for the proposed Option B monthly rates. Staff reviewed the work papers and proposed Option B rates, and finds the calculations and methodology to be reasonable and accurate.

Other Affected Schedules

This filing also adds additional standard and decorative LED fixture options and poles to Schedule 15, Schedule 91, and Schedule 95. Revisions are also made to Schedule 491, Schedule 495, Schedule 515, and Schedule 595, the Direct Access equivalents of the above schedules.

Staff has reviewed all affected tariff schedules for accuracy and finds the revisions to all sheets to be accurate, and further finds the tariffs are fair, just and reasonable.

Effects of Filing

The effects of this filing are currently unknown. The Company is not proposing an increase in rates, but new service options. As such, it is not known how many customers will elect to choose Street and Area Lighting service under Option B or choose to switch to a new fixture. Therefore, the effect on the Company's revenue is also unknown at the time of filing.

Conclusion

Based on Staff's analysis of PGE's application, the workpapers associated with the filing, and phone conversations with the Company, Staff finds that the expansion of Option B and modifications to associated tariffs are accurate and consistent with past Commission Orders, and result in rates that are fair, just and reasonable. Staff recommends the Commission approve PGE's application on less than statutory notice.

PROPOSED COMMISSION MOTION:

Approve PGE's application to update Street and Lighting Area Service Options subject to service on or after April 10, 2019, on less than statutory notice.