

ITEM NO. CA7

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

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE April 19, 2017

DATE: April 7, 2017

TO: Public Utility Commission

FROM: Rose Anderson

THROUGH: Jason Eisdorfer and Marc Hellman

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1422) Request for a Code of Conduct audit report filing date extension.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Portland General Electric's (PGE or Company) request to waive the requirement that PGE file its Code of Conduct audit report on June 1, 2017, and extend the due date of the report from June 1, 2017 to October 16, 2017.

**DISCUSSION:**

Issue

Whether PGE has shown there is good cause to waive the OAR 860-038-0640 requirement to file an audit report regarding its compliance with Code of Conduct rules in OAR 860-038-0500 to 860-038-0630 no later than June 1, 2017.

Applicable Rule or Law

OAR 860-038-0640 states that by June 1 of each odd numbered year, electric companies must file an independent third-party report on its compliance with the Code of Conduct rules (OAR 860-038-0500 through 860-038-0620).

OAR 860-038-0001(4) provides the Commission with the authority to waive any of the Division 038 rules for good cause shown.

## Analysis

### *Background*

According to OAR 860-038-500, the purpose of the Code of Conduct rules is to govern the interactions and transactions among the electric company, its Oregon affiliates, and its competitive operations. OAR 860-038-005(8) defines competitive operations as "... any electric company's activities involving the sale or marketing of electricity services or directly related products in an Oregon retail market. Competitive operations include, but are not limited to, the following: (a) Energy efficiency audits and programs; (b) Sales, installations, management, and maintenance of electrical equipment that is used to provide generation, transmission, and distribution related services or enhances the reliability of such services; and (c) Energy management service, including those services related to electricity metering or billing." Services or products provided by the electric company as part of its electric service to its non-direct access customers within its allocated service territory, or transmission and distribution services to its direct access customers are not competitive operations.

Under OAR 860-038-0640, an electric company must file by June 1 of each odd-number year a verified report prepared by an independent third-party regarding the electric company's compliance with the Code of Conduct Rules in OAR 860-038-0500 through 860-038-0620 for the prior two calendar years.

### *Application*

On February 24, 2017, PGE filed its request for a waiver of the June 1, 2017, due date to file its Code of Conduct audit report and asked for an extension of the filing date until October 16, 2017.<sup>1</sup>

PGE states that it is in the process of hiring an independent evaluator to perform the Code of Conduct audit. PGE explains that multiple regulatory priorities and staff turnover have resulted in the need for additional time to file the 2017 Code of Conduct audit report and that neither the Commission nor customers should be prejudiced by the delay.<sup>2</sup> PGE states that it proactively works to maintain an environment of awareness of the Code of Conduct rules and has a strong history of compliance with the Code of Conduct.<sup>3</sup> PGE also notes that it has few affiliates and an immaterial level of competitive operations and that granting an extension would not affect the Commission's ability to request information or investigate concerns regarding PGE's Code of Conduct compliance.<sup>4</sup>

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<sup>1</sup> Application of Portland General Electric Company at 1.

<sup>2</sup> Application of Portland General Electric Company at 1-2.

<sup>3</sup> Application of Portland General Electric Company at 1-2.

<sup>4</sup> Application of Portland General Electric Company at 2.

Docket No. UM 1422  
April 7, 2017  
Page 3

Staff agrees with PGE that there is little harm that would be associated with granting the extension and that PGE has a considerable amount of regulatory matters pending. Staff recommends that the Commission conclude that PGE has shown good cause for the Commission to waive the June 1, 2017, deadline for filing the Code of Conduct audit report required under OAR 860-038-0640 and allow PGE until October 16, 2017, to file the audit report.

The Company has reviewed this memo and expressed no concerns.

#### Conclusion

PGE has shown good cause for a filing date extension of its OAR-038-0640 Code of Conduct Audit reporting requirement. The Company's request will not harm ratepayers and should be approved.

#### **PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's (PGE or Company) request to waive the requirement that PGE file its Code of Conduct audit report on June 1, 2017, and extend the due date of the report from June 1, 2017 to October 16, 2017.

PGE UM 1422, Request for a Code of Conduct audit report filing date extension.