

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UE 394**

In the Matter of:)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	PREHEARING BRIEF OF SMALL BUSINESS UTILITY ADVOCATES
)	
Request for General Rate Revision)	

I. INTRODUCTION

Marked characteristics of this Rate Request are the timing that is different from most rate cases for this utility, the very dynamic regulatory environment, and the process of the Oregon Public Utility Commission (“Commission”) seeking a rate spread rate design scenario. Timing is different where the utility generally files early in the calendar year with rates taking effect the following year. The dynamic regulatory environment includes recent legislative mandates of differential rates and carbon-free generation and ratepayers and utilities are still grappling with the response of the COVID-19 pandemic on the State of Oregon, its utilities and utility customers.

SBUA participated in and supports the Stipulation regarding rate spread and rate design, and fee free bank card payments by small commercial customers, and other issues resolved in negotiations and proposed this week, a.k.a. “Fourth Partial Stipulation”, as reasonable at this stage in Oregon’s evolving energy landscape. SBUA also agrees with treatment of deferrals associated with COVID-19 as falling outside this general rate case.

II. STANDARD OF REVIEW

In a General Rate Case the utility bears the burden to show that its rates are fair, just and

1 reasonable. ORS 756.040(1), ORS 757.210(1)(a).¹

2 **III. BACKGROUND**

3 Very shortly before the Company filed this General Rate Request to increase utility rates,
4 the Oregon Legislature enacted HB 2021 and HB 2475, along with other energy bills.² Around
5 March 2021, the Company also filed an “Application for Reauthorization to Defer Costs Associ-
6 ated with the COVID-19 Emergency”.³ In this context above, SBUA focused its attention in this
7 docket on issues concerning deferral of costs pertaining to COVID-19 pandemic, rate spread
8 with regard to small nonresidential customers, that is, Schedule 32, and fee free bank card pay-
9 ment for small commercial customers.⁴ Rate spread and fee free bank card are among the
10 resolved issues of the Fourth Partial Stipulation which SBUA supports. Other issues, including
11 major deferrals remain to litigate in the docket.

12 **IV. ARGUMENT**

13 The Commission shall make use of the jurisdiction and powers of the office to protect
14 utility customers, and the public generally, from unjust and unreasonable exactions and practices
15 and to obtain for them adequate service at fair and reasonable rates.⁵ The Commission should

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17 ¹ *Pacific Northwest Bell Tel. Co. v. Sabin*, 21 Or App 200, 213-214 (1975).

18 ² See <https://www.oregon.gov/puc/Pages/Legislative-Activities.aspx> (Last accessed 2/7/22)(To identify these numer-
ous activities and allocate resources to manage them, the Commission has developed implementation game plans for
the key bills impacting the agency.)

19 ³ See UM 2064 PGE Deferral of Costs Associated with COVID-19 Emergency. At the same time, the Commission
processes were continuing and was subjected to public health, and social and economic problems caused by the
COVID-19 virus (“COVID”), a highly contagious and a lethal virus. Small business is greatly impacted by COVID
and while the impact is not fully known, testimony notes that a ten percent loss of urban small business and 30 per-
cent loss of rural businesses is expected. The current state of the labor market in Oregon is about as bad as it was at
the worst of the Great Recession. The impact has devastated small businesses and the small commercial customer.
20 UE 374 SBUA/200 White 4; SBUA/100 White.

21 ⁴ UE 394 SBUA/100 Steele/14-15.

22 ⁵ ORS 756.040(1).

1 accept the Fourth Partial Stipulation which is a compromise settlement and the result of the arms
2 length discussion among the signatories. COVID-19 deferrals are correctly not included among
3 the major deferrals that remain among the issues to be litigated.
4

5 A. Stipulations.

6 SBUA took no position regarding the resolutions reached by the parties in the September
7 30, 2021 Partial Stipulation, the November 5, 2021 Partial Stipulation, and SBUA supported the
8 Third Partial Stipulation filed on January 18, 2022.

9 A Fourth Partial Stipulation was negotiated and resolved several, but not all of the re-
10 maining issues. Issues resolved by the Fourth Partial Stipulation included i) fee free bank card,
11 ii) Trojan Nuclear Decommissioning Trust, iii) rate spread and customer impact offset, iv)
12 Schedule 7 Residential Basic Charge including bifurcation of the basic charge into Single and
13 Multi-Family Basic Charge the the latter at a lesser amount, v) Temporary service changes, vi)
14 Generation demand charges for Schedules 83 and 85, vii) habitat restoration, viii) non bypass
15 ability of Schedule 137 and removal of Schedule 135 bypassibility, and ix) Schedule 138 Energy
16 storage cost recovery language.

17 Issues remaining in litigation include i) Level III outage mechanism, ii) Faraday repower-
18 ing cost recovery treatment, iii) wildfire mitigation and vegetation management, iv) Major defer-
19 rals, v) Non-bypassibility of Schedule 150, and vi) Schedule 90 sub-transmission rate.

20 B. Deferrals correctly do not include COVID-19.

21 While the issue of deferral of COVID-19 costs not explicitly at issue at this stage in these
22 proceedings, so long as the issue of “Major deferrals” is considered, SBUA maintains that any
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24

1 determination impacting deferral of COVID-19 related costs is not appropriate in this rate case.⁶

2 With regard to deferral of COVID-19 costs, SBUA also agrees with the cost causation principle
3 where one rate payer class should not subsidize another rate payer class.⁷

4 **V, CONCLUSION**

5 SBUA recommends the Commission approve the Fourth Partial Stipulation to be filed by
6 the Company in this docket. While it is unlikely the issue of COVID-19 is broached in any way
7 going forward in this docket, if it is, SBUA supports applying cost causation principle to such
8 deferral.

9 Respectfully Submitted:

10 February 7, 2022

s/ Diane Henkels

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22 ⁶ UE 394 SBUA/100 Steele/12.

23 ⁷ See application of this principle expressed with regard to rate design in the Company's Surrebuttal UE 394 PGE /
24 3000 Macfarlane-Tang/17.