



# Oregon

Kate Brown, Governor

## Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

**Mailing Address:** PO Box 1088

Salem, OR 97308-1088

503-373-7394

December 27, 2022



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 22-38

At the public meeting on December 27, 2022, the Commission adopted Staff's recommendation in this matter docketed as ADV 1459. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 27, 2022**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** January 1, 2023

**DATE:** December 19, 2022

**TO:** Oregon Public Utility Commission

**FROM:** Eric Shierman

**THROUGH:** Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. ADV 1459/Advice No. 22-38)  
Schedule 150 transportation electrification deferral adjustment rate  
change for monthly meter charge recovery under House Bill 2165.

**STAFF RECOMMENDATION:**

Approve Portland General Electric's Advice No. 22-38.

**DISCUSSION:**

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Portland General Electric's (PGE or the Company) proposed changes to the adjustment rates of Schedule 150.

Applicable Rule or Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

A hearing is not required to approve a particular rate change if it is the result of an automatic adjustment clause. ORS 757.210(1)(a).

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. Each energy utility changing existing tariffs or schedules must include in its filing (a) a statement plainly indicating the increase, decrease, or other change made with the filing, (b) the number of customers affected by the proposed change, and (c) the resulting change in annual revenue, and the reasons or grounds relied upon in support of the proposed change. OAR 860-022-0025(2).

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.

When a utility files a tariff or schedule proposing an increased rate, the utility must for each separate schedule:

- a) Identify the total number of customers affected, the total annual revenue derived under the existing schedule, and the amount of estimated revenue which will be derived from applying the proposed schedule,
- b) The average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules, and
- c) The reasons or grounds relied upon in support of the proposed increase.  
OAR 860-022-0030(1).

Electric companies with more than 25,000 customers must collect a monthly meter charge of .25 percent of total revenues collected from all retail electric customers.<sup>1</sup>

## Analysis

### ***Background***

The Commission has approved Schedule 150 for two purposes related to transportation electrification (TE). Those purposes were the recovery of deferred expenses from TE pilots and the collection of HB 2065's monthly meter charge. On December 28, 2021, the Commission approved Schedule 150 adjustment rates to collect the HB 2165 monthly meter charge which went into effect on January 1, 2022.<sup>2</sup> On April 25, 2022,

---

<sup>1</sup> See HB 2065, 81<sup>st</sup> Leg., 2021 Reg. Sess., Section 2(2).

<sup>2</sup> See Docket No. ADV 1325, OPUC, Advice Letter, December 28, 2021, p 1.

the Commission approved Schedule 150 as an adjustment rate to recover TE pilot costs deferred through UM 1938 and UM 2003.<sup>3</sup> Together these adjustment rates impose a cents-per-kilowatt-hour surcharge on retail customer rates.

This filing is the first automatic adjustment of Schedule 150's adjustment rates. The Commission approved adjustment rates for TE deferral amortization and monthly meter charge collection with an automatic adjustment clause, meaning the rates can be changed outside of a general rate case as needed to keep expenditures and revenue in balance.

*Proposed Adjustment Rates*

Table 1 presents the adjustment rates proposed by PGE in Advice No. 22-38.

**Table 1: Advice No. 22-38 Adjustment Rates**

| Schedule                   | Cents per kWh |
|----------------------------|---------------|
| 7                          | .074          |
| 15/515                     | .058          |
| 32/532                     | .070          |
| 47                         | .141          |
| 49/549                     | .112          |
| 75/575 Primary             | .019          |
| 75/575 Secondary           | .038          |
| 75/575 Subtransmission     | .014          |
| 83/583                     | .029          |
| 85/585 Primary             | .021          |
| 85/585 Secondary           | .025          |
| 89/589 Primary             | .019          |
| 89/589 Secondary           | .038          |
| 89/589 Subtransmission     | .014          |
| 90/490/590 Primary         | .018          |
| 90/490/590 Subtransmission | .018          |
| 91/491/591                 | .068          |
| 92/492/592                 | .030          |
| 95/495/595                 | .068          |
| 485 Primary                | .021          |
| 485 Secondary              | .025          |
| 489 Primary                | .019          |
| 489 Secondary              | .038          |

<sup>3</sup> See Docket No. UE 394, OPUC, Order No. 22-129, April 25, 2022, p 61.

| Schedule            | Cents per kWh |
|---------------------|---------------|
| 489 Subtransmission | .014          |
| 689 Primary         | .019          |
| 689 Secondary       | .038          |
| 689 Subtransmission | .014          |

These adjustment rates will impact approximately 931,000 customers, according to the Company's forecast for 2023, representing an increase of \$1.8 million or 0.1 percent increase in average rates. The impact for a typical residential customer consuming 780 kWh per month is estimated to be a twelve-cent increase in that customer's monthly electric bill.

#### *Staff Review*

PGE supplied Staff with the workpapers supporting the calculation of these adjustment rates. Staff has reviewed the calculations to confirm the reasonableness of these rates. Staff has confirmed:

- The UM 1938 and UM 2003 expenses accumulated before UE 394 are fully amortized.
- The rate of return from UM 1938 and UM 2003 deferrals has transitioned from the weighted average cost of capital to a blended treasury rate.
- The rate of return for the monthly meter charge is negative, because the Company is collecting the revenue before making the planned expenditures.
- The amount of revenue collected for the monthly meter charge meets the statutory requirement of 0.25 percent.

Therefore, Staff finds the adjustment rates PGE has proposed to be reasonable.

#### Conclusion

Staff recommends the Commission approve PGE's change to the adjustment rates for Schedule 150.

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

Approve Portland General Electric's Advice No. 22-38.

**SCHEDULE 150  
TRANSPORTATION ELECTRIFICATION COST RECOVERY MECHANISM**

**PURPOSE**

This Schedule recovers the costs to support the statewide decarbonization goals and long-term load growth through transportation electrification not otherwise included in rates. Expenditure of the revenue collected under this schedule will be made pursuant to ORS 757.357. This adjustment schedule is implemented as an automatic adjustment clause as provided for under ORS 757.210.

**AVAILABLE**

In all territory served by the Company.

**APPLICABLE**

To all bills for Electricity Service except Schedules 76R, and 576R.

**ADJUSTMENT RATE**

The Adjustment Rate, applicable for service on and after the effective date of this schedule are:

| <u>Schedule</u> | <u>Adjustment Rate</u> |     |
|-----------------|------------------------|-----|
| 7               | 0.074 ¢ per kWh        | (I) |
| 15/515          | 0.058 ¢ per kWh        | (R) |
| 32/532          | 0.070 ¢ per kWh        | (I) |
| 38/538          | 0.089 ¢ per kWh        |     |
| 47              | 0.141 ¢ per kWh        |     |
| 49/549          | 0.112 ¢ per kWh        |     |
| 75/575          |                        |     |
| Secondary       | 0.038 ¢ per kWh        |     |
| Primary         | 0.019 ¢ per kWh        | (I) |
| Subtransmission | 0.014 ¢ per kWh        | (R) |
| 83/583          | 0.029 ¢ per kWh        | (I) |
| 85/585          |                        |     |
| Secondary       | 0.025 ¢ per kWh        | (I) |
| Primary         | 0.021 ¢ per kWh        | (R) |
| 89/589          |                        |     |
| Secondary       | 0.038 ¢ per kWh        | (I) |
| Primary         | 0.019 ¢ per kWh        | (I) |
| Subtransmission | 0.014 ¢ per kWh        | (R) |

**SCHEDULE 150 (Continued)**

ADJUSTMENT RATE (Continued)

| <u>Schedule</u> | <u>Adjustment Rate</u> |           |     |
|-----------------|------------------------|-----------|-----|
| 90/490/590      |                        |           |     |
| Primary         | 0.018                  | ¢ per kWh | (I) |
| Subtransmission | 0.018                  | ¢ per kWh | (I) |
| 91/491/591      | 0.068                  | ¢ per kWh | (R) |
| 92/492/592      | 0.030                  | ¢ per kWh | (I) |
| 95/495/595      | 0.068                  | ¢ per kWh | (R) |
| 485             |                        |           |     |
| Secondary       | 0.025                  | ¢ per kWh | (I) |
| Primary         | 0.021                  | ¢ per kWh | (R) |
| 489             |                        |           |     |
| Secondary       | 0.038                  | ¢ per kWh | (I) |
| Primary         | 0.019                  | ¢ per kWh | (I) |
| Subtransmission | 0.014                  | ¢ per kWh | (R) |
| 689             |                        |           |     |
| Secondary       | 0.038                  | ¢ per kWh | (I) |
| Primary         | 0.019                  | ¢ per kWh | (I) |
| Subtransmission | 0.014                  | ¢ per kWh | (R) |

Part A collects a charge to support transportation electrification in accordance with Section 2(2) of House Bill 2165.

Part B recovers costs associated with transportation electrification pilots not otherwise included in rates.

**BALANCING ACCOUNT**

The Company will maintain a balancing account to accrue differences between the incremental costs associated with transportation electrification and the revenues collected under this schedule. This balancing account will accrue interest at the Commission-authorized rate for deferred accounts.

**DEFERRAL MECHANISM**

Each year the Company may file a deferral request to defer the incremental costs associated with the implementation and administration of transportation electrification pilots. The rate on this schedule recovers only the incremental costs for implementation and administration of transportation electrification pilots. The deferral will be amortized over one year in this schedule unless otherwise approved by the Oregon Public Utility Commission.