

ORDER NO. 03-724

ENTERED DEC 12 2003

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BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1020

In The Matter of	)	
	)	
PORTFOLIO ADVISORY COMMITTEE	)	ORDER
	)	
Recommendation for Portfolio Options	)	
pursuant to ORS 757.603(2) and	)	
OAR 860-038-0220.	)	

**DISPOSITION: PORTFOLIO COMMITTEE  
RECOMMENDATION APPROVED**

On November 21, 2000, the Commission appointed members to a Portfolio Advisory Committee (Committee) to develop portfolio options in accordance with ORS 757.603(2) and OAR 860-038-0220. Since that time, the Committee met on numerous occasions and established three subcommittees that held additional meetings to address market-based rate proposals, branding, and bid processes.

On November 18, 2003, the Committee submitted to the Commission its recommendation that the Commission extend until March 31, 2005, the deadline for PacifiCorp to submit estimates of benefits and costs associated with its time-of-use option in order to allow an analysis of the company's new rate design. Staff's recommendation is attached as Appendix A and is incorporated by reference.

At its public meeting on December 4, 2003, the Commission adopted Staff's recommendation.

**ORDER**

IT IS ORDERED that the deadline for PacifiCorp to submit estimates of benefits and costs associated with its time-of-use option is extended until March 31, 2005, in order to allow an analysis of PacifiCorp's new rate design.

Made, entered and effective \_\_\_\_\_.

BY THE COMMISSION

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**BECKY L. BEIER**  
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561.  
A party may appeal this order to a court pursuant to ORS 756.580.

ITEM NO.

CA5

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 4, 2003**

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE \_\_\_\_\_

DATE: November 21, 2003

TO: Lee Sparling through Ed Busch and Jack Breen

FROM: Lisa Schwartz

SUBJECT: PORTFOLIO ADVISORY COMMITTEE: Recommendation to extend deadline for PacifiCorp to submit estimates of time-of-use benefits and costs.

**STAFF RECOMMENDATION:**

The Portfolio Advisory Committee recommends that the Commission extend until March 31, 2005, the deadline for PacifiCorp to submit estimates of benefits and costs associated with its time-of-use option in order to allow an analysis of the company's new rate design.

**DISCUSSION:**

The Commission's July 1, 2003, order on market-based portfolio options for 2004 (*Order No. 03-393*) included the following requirement to assist in determining if any changes should be made to the time-of-use (TOU) program in the future:

By March 30, 2004, PGE and PacifiCorp will each submit estimates of current and projected benefits and costs associated with their TOU offerings. The estimates of benefits should include, but not be limited to, system cost savings for energy and capacity achieved through load shifting. The utilities also will address benefits that are difficult to quantify, including customer education, improvements in the companies' ability to gather usage data, potential system cost

savings from distribution and transmission if the program were more widespread, and the potential to increase savings by adding direct load control and critical peak pricing.

Order No. 03-393 also changed PacifiCorp's time-of-use rate design for 2004 so it works with the company's inclining block rates for residential cost-of-service. Because the changes are substantial, the committee recommends that PacifiCorp wait until it has a year of results based on the new program design before preparing this analysis for the Commission. Any estimates of the benefits that the company could provide by March 2004 would not be indicative of the revised program.

The only change that Order No. 03-393 made to PGE's time-of-use program for 2004 was reducing the meter charge for residential single-phase participants from \$2 to \$1 per month. In fact, the reduced meter charge was one of the reasons the committee recommended an analysis of estimated benefits and costs of the time-of-use option. Therefore, the committee recommends no change to the Commission's requirement for the benefit/cost analysis as it applies to PGE.

The Portfolio Advisory Committee formalized its recommendation at the November 18, 2003, meeting:

*The Committee recommends that the Commission extend until March 31, 2005, the deadline for PacifiCorp to submit estimates of benefits and costs associated with its time-of-use option in order to allow an analysis of the company's new rate design.*

The motion passed 6-0-1, with Doug Kuns of PGE abstaining.

**PROPOSED COMMISSION MOTION:**

The deadline for PacifiCorp to submit estimates of benefits and costs associated with its time-of-use option be extended until March 31, 2005, in order to allow an analysis of the company's new rate design.