

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 306

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

2017 Decoupling Adjustment, Schedule 123.

ORDER

DISPOSITION: STIPULATION ADOPTED

**I. SUMMARY**

In this order, we adopt the stipulation between Portland General Electric Company (PGE), the Citizens' Utility Board of Oregon, the Northwest Energy Coalition, and our Staff that provides for renewal of PGE's Schedule 123 Decoupling Adjustment for three years beginning January 1, 2017.

**II. BACKGROUND**

In Order No. 09-020, we approved a decoupling mechanism for PGE.<sup>1</sup> PGE performs many actions to promote energy efficiency for its customers. These include supporting energy efficiency funding requests from the Energy Trust of Oregon, promoting energy efficiency through its website, bill inserts, and customer newsletters, and conducting commercial and residential marketing campaigns. The decoupling mechanism is intended to remove the relationship between sales and profits, mitigate PGE's disincentives to promote energy efficiency, and improve PGE's ability to recover its fixed costs.

PGE implements the decoupling mechanism through its Schedule 123. This schedule comprises a Sales Normalization Adjustment (SNA) balancing account for residential and small non-residential customers and a Lost Revenue Recovery Adjustment (LRRRA) mechanism for large nonresidential customers whose annual consumption is below one average megawatt.

In Order No. 09-020, we approved the decoupling mechanism for two years and ordered that PGE submit, prior to the scheduled expiration date, an assessment of the SNA and

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<sup>1</sup> *In the Matter of Portland General Electric Company, Request for a General Rate Revision*, Docket No. UE 197, Order No. 09-020 at 26-30 (Jan 22, 2009).

LRRRA mechanisms. Prior to the expiration date, PGE requested in its 2010 general rate case that we extend the decoupling mechanism indefinitely. We ultimately adopted a stipulation among the parties to extend the mechanism for three years and to require PGE to hire a consultant to evaluate the mechanism during the fifth year.<sup>2</sup> The evaluation was conducted by Christensen Associates Energy Consulting and filed with the Commission in dockets UM 1644 and UE 215 in June, 2013. In its 2013 general rate case, PGE again asked that the mechanism be made permanent. Again, we adopted a stipulation among the parties to extend the mechanism, with certain changes, through 2016.<sup>3</sup> We also closed docket UM 1644, which had earlier been opened to investigate PGE's decoupling mechanism, due to the parties' stipulation in PGE's 2013 rate case.

On March 1, 2016, PGE filed Advice No. 16-02, docketed as UE 306, seeking to renew the decoupling mechanism, with a modification, for an additional three-year period. PGE proposed to continue the SNA for Schedules 7 and 32, but replace the LRRRA with a revenue-per-customer form of decoupling for Schedules 83/583 (31-200 kW).

### III. STIPULATION

Following a settlement conference, the parties to these proceedings entered into a stipulation providing that the SNA and LRRRA mechanisms should continue, unchanged, for an additional three years, beginning January 1, 2017. In their joint testimony in support of the stipulation, the parties explain that they agreed to extend the mechanisms because they generally agree with the broad policy goals of decoupling. The stipulation is attached to this order as Appendix A.

The parties further agree that, during this three-year renewal period, minor changes to the LRRRA may be made through advice filings, while significant changes should occur in a general rate proceeding or other major docket. They allow that, after the second year of the renewal period, if there are legislative or other changes that significantly alter the manner in which energy efficiency is accounted for, then changes to the LRRRA may be proposed outside of a rate proceeding or other major docket.

The parties agree that the stipulation settles all issues in this docket.

### IV. DISCUSSION

We have reviewed the record in this docket and the proposed continuation of the SNA and LRRRA mechanisms in Schedule 123. We find the settlement reasonable and in the public interest. The stipulation should be adopted.

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<sup>2</sup> *In the Matter of Portland General Electric Company, Request for a General Rate Revision*, Docket No. UE 215, Order No. 10-478 at 10 (Dec 17, 2010).

<sup>3</sup> *In the Matter of Portland General Electric Company, Request for a General Rate Revision*, Docket No. UE 262, Order No. 13-459 at 10-11 (Dec 9, 2013).

V. ORDER

IT IS ORDERED THAT:

1. The stipulation between Portland General Electric Company, the Staff of the Public Utility Commission of Oregon, the Citizens' Utility Board of Oregon, and the Northwest Energy Coalition, attached as Appendix A, is adopted.
2. Portland General Electric Company's Schedule 123 will be renewed for three years beginning January 1, 2017.
3. Advice No. 16-02 is permanently suspended.
4. Portland General Electric Company is directed to file an updated tariff schedule, consistent with the terms of the stipulation, to be effective January 1, 2017.

Made, entered, and effective SEP 26 2016.

*Lisa D. Hardie*

**Lisa D. Hardie**  
Chair

*John Savage*

**John Savage**  
Commissioner



*Stephen M. Bloom*

**Stephen M. Bloom**  
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 306**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

2017 Decoupling Adjustment, Schedule 123

**STIPULATION**

This Stipulation (“Stipulation”) is among Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon, the Citizens’ Utility Board of Oregon, and the Northwest Energy Coalition (collectively, the “Parties”). There are no other parties in this docket.

**I. INTRODUCTION**

In Order 13-459 in Docket UE 262, PGE’s Schedule 123 Decoupling Adjustment was renewed for three years, through 2016. On March 1, 2016, PGE filed Advice Filing No. 16-02, seeking to renew the Schedule 123 Decoupling Adjustment for another three years beginning January 1, 2017. Schedule 123 is comprised of the Sales Normalization Adjustment (“SNA”) applicable to Schedules 7 and 32, and the Lost Revenue Recovery Adjustment (“LRR”) applicable to non-residential customers, with the exceptions of Schedules 32, 532 and customers exceeding one aMW at the point of delivery. PGE proposed continuation of the SNA and replacement of the LRR with a revenue-per-customer form of decoupling for Schedules 83/583

(31-200 kW). PGE's filing included testimony in support of its filing, and work papers. The Parties subsequently served data requests on PGE, and PGE provided responses.

The Parties reviewed PGE's filing, work papers, and data responses, and held a workshop/settlement conference on June 30, 2016. As a result of those discussions, the Parties have reached agreement settling this docket as set forth below. The Parties request that the Commission issue an order adopting this Stipulation.

## II. TERMS OF STIPULATION

1. This Stipulation settles all issues in this docket.
2. The Parties agree that the SNA and LRRRA should be continued for three years, beginning January 1, 2017.
3. The Parties further agree that during this three year renewal period minor changes to the LRRRA mechanism can be made through advice filings with the Commission. Significant changes to the LRRRA should occur in a general rate proceeding or other major docket. Changes to the LRRRA may be proposed after the second year of the renewal period outside of a rate proceeding or other major docket if there are legislative or other changes that significantly alter the manner in which energy efficiency is accounted for.
4. The Stipulating Parties recommend and request that the Commission approve this Stipulation as an appropriate and reasonable resolution of the issues in this docket.
5. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable and will meet the standard in ORS 756.040.
6. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. Without the written consent of all Parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement

conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.


7. The Stipulating Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Party reserves its right: (i) to withdraw from the Stipulation, upon written notice to the Commission and the other Parties within five (5) business days of service of the final order that rejects this Stipulation, in whole or material part, or adds such material condition; (ii) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (iii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission order. Nothing in this paragraph provides any Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

8. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no

Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

9. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 16<sup>th</sup> day of August, 2016.

  
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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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CITIZENS' UTILITY BOARD  
OF OREGON

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NORTHWEST ENERGY COALITION

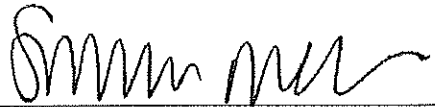
Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

9. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 10<sup>th</sup> day of August, 2016.

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PORTLAND GENERAL ELECTRIC  
COMPANY



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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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CITIZENS' UTILITY BOARD  
OF OREGON

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NORTHWEST ENERGY COALITION



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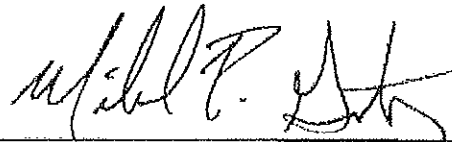
DATED this 10<sup>th</sup> day of August, 2016.

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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON



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CITIZENS' UTILITY BOARD  
OF OREGON

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NORTHWEST ENERGY COALITION

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9. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 11 day of August, 2016.

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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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CITIZENS' UTILITY BOARD  
OF OREGON



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NORTHWEST ENERGY COALITION