ORDER NO. 25-290

ENTERED Aug. 6, 2025

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 435

In the Matter of

PORTLAND GENERAL ELECTRIC COMPANY,

Request for a General Rate Revision.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on August 5, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:

Alison Lackey
Chief Administrative Law Judge

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 Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 5, 2025

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** ______**August 6, 2025**______

DATE: July 25, 2025

TO: Public Utility Commission

FROM: Curtis Dlouhy

THROUGH: Scott Gibbens **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UE 435/Advice No. 24-39)
Errata Filing of Advice No. 24-39 in compliance with Order No. 24-454.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric Company's (PGE or Company) corrections to Advice No. 24-39.

DISCUSSION:

Issue

Whether the Commission should approve PGE's corrections to Advice No. 24-39.

Applicable Law

OAR 860-022-0025 requires that filings revising tariffs include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

Energy utilities must file tariffs for services provided to retail customers pursuant to ORS 757.205 and 757.210. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

Analysis

Background

In Commission Order No. 24-454 following UE 435, the Commission approved an increase to PGE's revenue requirement of 3.3 percent. Following this order, PGE submitted a compliance filing in Advice No. 24-39 demonstrating that the rates effective on January 1, 2025, are in compliance with the Commission's decisions in Order No. 24-454. In an internal memo filed to the UE 435 docket page on December 31, 2024, Staff reviewed the Company's compliance filing, found that the rates were in line with the Commission's decisions in Order No. 24-454, and recommended that rates go into effect on January 1, 2025.[1]

In June of this year, PGE reached out to Staff that it found an error in its workpapers used to set rates in UE 435 that went unnoticed by Staff, the Company, and intervenors throughout the entirety of UE 435. The error is the result of a formula in the Company's rate spread and rate design model excluding a billing determinant related to the transmission demand charge. PGE also noted that the Company agreed to a change to the customer marginal cost study proposed by an intervenor during UE 435, but this change was not incorporated into the pricing models as the case evolved.

In order to remedy these two errors, the Company submitted an errata filing to Advice No. 24-39. Because these changes affect only the billing determinants rather than any costs, the corrections do not result in any change to the Company's approved revenue requirement, but rather to the rate spread. This correction primarily affects large industrial schedules but also results in a 0.010-0.015 cents/kWh increase to small commercial customers taking service under Schedule 32 and Schedule 532.

In total, 14 schedules representing approximately 110,000 customers are impacted by this correction, with all schedules except for Schedules 32 and 532 having some elements of their bills increasing with others decreasing. In general, the affected industrial schedules saw reductions to their basic charges and demand charges and increases to their volumetric rates. As previously stated, the overall effect of these corrections is cost neutral.

In conversations with Staff, PGE states that it does not believe that there is a need to reimburse customers for the billing error because the rates were previously approved by the Commission following the conclusion of UE 435.

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1 *See* Staff Memo to file recommending acknowledgment letter be sent filed by Curtis Dlouhy et al, filed on December 21, 2024, in Docket No. UE 435.

Analysis
Staff would first like to express gratitude to PGE for highlighting these errors from UE 435 and making expedient moves to correct it. Given the large number of issues considered in UE 435, Staff understands why all stakeholders—including Staff—collectively failed to identify an Excel programming error affecting only schedules that serve relatively few customers. Staff's review of the Company's corrected workpapers revealed that the error was due to omitting the transmission demand coming from Schedule 90 customers in excess of 250 MWa when allocating large industrial schedules' revenue requirement to basic, transmission demand, and volumetric charges. Again, this error resulted in a revenue neutral shift by creating an improperly high transmission demand and basic charge but an improperly low volumetric rate for these customers while leaving revenue requirement unaffected.

Staff further agrees that these circumstances do not warrant reimbursing or surcharging customers. As PGE stated, the published rates were filed with the Commission as part of the compliance filing for the Commission's order regarding PGE's request for a general rate request revision. Accordingly, PGE charged customers in accordance with its tariff. Staff notes that all affected customers except small commercial customers on Schedule 32 and direct access small commercial customers had offsetting rate increases and decreases, meaning that the reimbursements are likely to be small. Staff also notes that any reimbursement to a particular affected customer would be offset with added collection from an affected customer who was undercharged due to the net rate error.

Staff notes that small commercial customers are the only affected group that will not experience offsetting rate impacts, which is due to small commercial customers being affected only by the correction of the customer marginal cost study rather than the incorrectly calculated transmission charge. Staff highlights that this change is very small compared to the customer's overall bill. On average, a Schedule 32 customer is forecasted to use 1315 kWh per bill and would be charged $265.10 under the corrected tariff, which would constitute an increase of 13 cents per bill. In percentage terms, this is a bill increase of 0.05 percent.

<u>Conclusion</u>

Staff finds that the Company's errata filing corrects previously unidentified errors contained in approved rates and recommends that the Commission approve the Company's requested correction.

PROPOSED COMMISSION MOTION:

Approve PGE’s corrections to Advice No. 24-39.

CA1 - PGE UE 435/Advice No. 24-39