

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 24, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE February 1, 2017

DATE: January 6, 2016

TO: Public Utility Commission

FROM: Rose Anderson *RA*

THROUGH: *J* Jason Eisdorfer and *MH* Marc Hellman

SUBJECT: PACIFIC POWER: (Docket No. ADV 471/Advice No. 16-019) Requests approval of an adjustment to set Schedule 97 rates to zero.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) authorize Pacific Power's (Pacific or Company) Schedule 97 tariff revision as described in Advice No. 16-019, effective with service rendered on and after February 1, 2017.

DISCUSSION:

Issue

Whether the Commission should allow Pacific to reduce to zero the rates in Schedule 97 - Intervenor Funding Adjustment.

Applicable Law

Pacific filed Advice No. 16-019 pursuant to ORS 757.205 and OAR 860-022-0025. Filings that make any change in rates, tolls, or charges must be filed with the Commission at least 30 days before the effective date of the changes.

Discussion and Analysis

Background

Deferral of intervenor funding costs was originally approved by the Commission in Order No. 03-560 and has been reauthorized annually, most recently in Order No. 15-268 in Docket No. UM 1102.

The current rates in Schedule 97 - Intervenor Funding Adjustment were proposed by Pacific in Advice No. 15-016 to amortize deferred amounts for intervenor funding grants reflecting actual deferred expense through September 30, 2015. The current rates were approved by the Commission on December 15, 2015.

On December 13, 2016, Pacific filed Advice No. 16-019 requesting to change all rates in Schedule 97 to zero based on forecasts that the deferred balance would be fully amortized by February 1, 2017. The Company calculated the requested end date for Schedule 97 amortization based on historical Schedule 97 collections and provided workpapers showing the forecasted collections by customer type. Pacific's analysis estimates that the balance of the account will reach zero in February of 2017.

Effect on Customers

The proposed change will affect approximately 499,000 residential, agricultural pumping, partial requirements service, and large general service customers. The resulting rate decrease will be approximately \$1.34 million or 0.1 percent of annual revenue.

Staff Considerations

Staff submitted two information requests regarding Advice No. 16-019. Staff's analysis focused on reviewing historic and projected amortization amounts in Schedule 97. Staff also inquired about the method used to predict future load and revenue. Staff supports Pacific's prediction that the balance of Schedule 97 can be expected to reach zero by February 1, 2017.

Conclusion

Staff supports Pacific's request to set the rates in Schedule 97 to zero. The change of all rates to zero is accurately updated in the filed revised tariff sheet for Schedule 97.

Pacific has reviewed this memo and did not express any issues or concerns.

PROPOSED COMMISSION MOTION:

Approve Pacific's application to change the rates in Schedule 97 to zero, as described in Advice 16-019, effective for service rendered on and after February 1, 2017.