

ITEM NO. CA9

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 19, 2002**

REGULAR _____ CONSENT X EFFECTIVE DATE March 1, 2002

DATE: February 8, 2002

TO: John Savage through Lee Sparling

FROM: Jack Breen III

SUBJECT: PACIFIC POWER & LIGHT: (Advice No. 02-004) Requests tariff changes associated with SB 1149 implementation.

STAFF RECOMMENDATION:

I recommend that the Commission allow Pacific Power & Light's Advice No. 02-004 to go into effect, with less than statutory notice, on March 1, 2002.

DISCUSSION:

Pacific Power & Light (Pacific or company) filed Advice No. 02-004 on January 22, 2002, requesting that the Commission approve tariff changes related to the implementation of SB 1149. After discussions with staff, Pacific filed a revised sheet on February 7, 2002, with an application to waive the statutory notice requirement. The filing requests five changes.

Portfolio Habitat Restoration Supply Service: Pacific's Schedule 213, Portfolio Habitat Restoration Supply Service, is an optional service that allows customers to pay an additional fee per kilowatt-hour to support the development of renewable power sources plus a fixed monthly contribution to support restoration of fish habitat. The current tariff allows a consumer to elect multiple habitat contribution "blocks" of \$2.50 per month. PacifiCorp has determined that the tariff as filed cannot be billed by the Company's customer billing system if a consumer chooses more than one contribution block. PacifiCorp proposes to modify the tariff to allow consumers to purchase only one block. Pacific will also provide instructions to customers, if requested, regarding the process for making direct contributions to habitat restoration.

Blue Sky program for large nonresidential consumers: Schedule 270, New Wind, Geothermal and Solar Power Rider – Optional, presently implements the Company's Blue Sky Program. This program allows consumers to make monthly payments toward

the development of new renewable resources in increments (blocks) of \$2.95 per month. Schedule 270 presently expires on March 1, 2002. On that date, Schedule 212, Portfolio – Renewable Block Supply Service, goes into effect and provides the option to residential and small nonresidential consumers. PacifiCorp presently has significant large nonresidential consumer participation in its Blue Sky program in Oregon. Pacific proposes to remove the expiration date on Schedule 270 and make it applicable to large nonresidential consumers. Participation in the program is optional and does not depend on the consumer's choice of energy supplier. Staff supports the continuation of the program in this manner and also received supporting comments from an Oregon Office of Energy representative.

Disposition of credit balances: Section II.G of Rule 10, Billing, is entitled "Net Credit for Company Services." This section specifies the disposition of credit balances in situations based on whether a direct access consumer has selected utility billing, split billing, or ESS billing. PacifiCorp has not identified any practical system for implementing a system to modify the treatment specified in the tariff and override it based on the customer's directions. PacifiCorp proposes to remove such an option. Given the complexities that have been raised with the advent of these billing options, staff believes Pacific's proposed change is reasonable.

Name of Schedule 210: The name is being changed from "Portfolio – Time of Day Limited Rollout Supply Service" to "Portfolio – Time of Use Limited Rollout Supply Service," to make it more consistent with the labeling and marketing information.

Interval Meter Charge: Small nonresidential customers (<30 kW) that choose direct access or standard offer service are responsible for the cost of installing the meter necessary to provide the requested service. Pacific initially requested that the Commission adopt a rate of \$33.49 per month for 60 months. Staff had discussions with Pacific and provided information regarding Portland General Electric's meter cost and other information. Pacific agrees the matter needs further exploration and agrees to expeditiously review its small nonresidential meter program and propose a new rate or the use of profiles. In the interim, staff believes it is reasonable to set the rate at "actual cost" while the meter program and costs are being reviewed.

PROPOSED COMMISSION MOTION:

Pacific Power & Light's Advice No. 02-004 be allowed to go into effect on March 1, 2002, with less than statutory notice.