

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 22, 2005**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** April 1, 2005

DATE: March 11, 2005

TO: Public Utility Commission

FROM: Jack Breen III

THROUGH: Lee Sparling and Ed Busch

SUBJECT: PORTLAND GENERAL ELECTRIC: (Advice No. 05-2) Reduces low-income assistance collection rate to meet the requirements of ORS 757.612.

PACIFIC POWER & LIGHT: (Advice No. 05-003) Reduces low-income assistance collection rate to meet the requirements of ORS 757.612.

STAFF RECOMMENDATION:

I recommend the Commission allow the tariff revisions proposed in Portland General Electric's Advice No. 05-02 and PacifiCorp's Advice No. 05-003 to go into effect on April 1, 2005.

DISCUSSION:

Portland General Electric Company (PGE) filed Advice No. 05-02 on February 11, 2005, to decrease the collection rates in its Schedule 115, Low-Income Assistance. On February 16, 2005, PacifiCorp (Pacific or PPL) filed tariff revisions in Advice 05-003 to similarly decrease the collection rates in its Schedule 91, Low Income Bill Payment Assistance Fund. Both filings were submitted pursuant to ORS 757.205 and are proposed to go into effect on April 1, 2005.

ORS 757.612(7) requires PGE and Pacific to collect a total of \$10 million per year for low-income bill payment assistance (LIBPA) available to the two utilities' Oregon customers. The law requires the Commission to determine each utility's proportionate share of the total amount and the amounts to be collected from customers. The law designates the Oregon Housing and Community Services Department (OHCS) as the administrator of the funds.

The rates were last changed effective January 1, 2003. The rates are the same for both companies. The current residential rate is 38 cents per month and the current nonresidential rate is 0.038 cents per kWh, with a maximum low-income assistance charge of \$500 per site per month. The current rates have resulted in an overcollection of approximately \$0.7 million, and absent a change would result in annual collections of approximately \$11.1 million. To work off the prior overcollection and allow for future customer and load growth, the rates are being set to collect an estimated \$9.7 million in the first year.

The filings propose to decrease the residential rate to 33 cents per month and the nonresidential rate to 0.033 cents per kWh. The rates were determined based on the utilities' updated load forecasts.

Staff believes the decrease in rates proposed in the two filings is reasonable and necessary to collect the low-income bill payment assistance funds required by ORS 757.612(7). OHCS has been conducting monthly monitoring of the collections and will notify the Commission as needed if the collections substantially vary from the level necessary to collect \$10 million per year. I recommend the filings be allowed to go into effect on April 1, 2005.

PROPOSED COMMISSION MOTION:

Tariff revisions proposed in Portland General Electric's Advice No. 05-02 and PacifiCorp's Advice No. 05-003 be allowed to go into effect on April 1, 2005.