

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 100

In the Matter of an Investigation)
into the Rates of PORTLAND GENERAL) ORDER
ELECTRIC COMPANY.)
)

DISPOSITION: ORDER OPENS AN INVESTIGATION AND ADOPTS A
STIPULATION ESTABLISHING NEW RATES

This order is entered under ORS 756.515 to open an investigation to determine the appropriate rates for all classes of service for Portland General Electric Company (PGE or the Company). This order also adopts a stipulation between staff, PGE, the Citizens' Utility Board (CUB) and the Oregon Committee for Equitable Utility Rates (OCEUR).

FINDINGS OF FACT

Commission Order No. 95-1216 in Docket UE 93, issued November 20, 1995, authorized PGE to increase revenues by making general tariff revisions. Although several matters were decided in the case, the primary causes of the overall \$19.9 million (2.1 percent) increase were the costs of the new Coyote Springs generating facility and removal of a power cost surcharge. The capital and most other costs of providing service underlying rate levels were those found reasonable in the recent general rate case in Docket UE 88, Order No. 95-322, issued March 29, 1995.

In January 1996, CUB asked the Commission to reconsider its decisions in Docket UE 93. Order No. 96-053 denying reconsideration noted:

We will not permit the company to indefinitely continue to receive a windfall from lower natural gas prices. Eventually, such reductions, if they continue, must accrue to the benefit of ratepayers.

In addition the order stated:

We . . . expect PGE, staff and other interested parties to take up this issue during 1996 and to work toward a plan for dealing with the issue prior to the expiration of PGE's decoupling procedure at the end of 1996.

Staff, PGE, CUB and OCEUR, as well as the Industrial Customers of Northwest Utilities (ICNU) discussed these matters at considerable length. The negotiations led to agreement on a plan between the Company and staff on November 14, 1996. Staff, PGE, CUB and OCEUR have signed a stipulation, and ICNU is considering whether to sign it.

The stipulation, which is appended and is incorporated by reference, contains three key features:

On December 1, 1996, PGE will reduce rates by \$30 million or three percent (3%) on an equal percentage basis to all classes.

Beginning December 1, 1996, PGE will defer revenues equivalent to forecast reductions associated with certain pilot or experimental programs and tariff revisions until the programs or tariff changes are in effect. The Commission will determine disposition of these deferrals.

PGE agrees to make a rate filing under ORS 757.210, within four months of a Commission order requesting that a filing be made. This agreement covers orders issued between October 1, 1997 and December 31, 1998.

The stipulation also contemplates that the rate reductions take effect on December 1, 1996. It, therefore, requires that PGE file compliance tariffs before December 1, 1996, so that those tariffs can be in effect for service on and after December 1, 1996.

OPINION

ORS 756.515 allows the Commission to open an investigation whenever it believes that any rate may be unreasonable. A staff memorandum of November 26, 1996, which is attached and incorporated by reference, suggests grounds for investigating whether the rates the Commission set for PGE in Docket UE 93 are now too high.

ORS 756.515(3) allows the Commission to conduct proceedings into the matters under investigation. Proceedings are unnecessary, however, if the parties stipulate to a resolution of the matters under investigation and if the Commission approves that stipulation.

In this case, the Commission finds that the stipulation is reasonable, and therefore, it does not believe hearings are necessary. It notes that ICNU has not signed the stipulation. If ICNU or any other person wishes to have a hearing, then it is entitled to one.

If any person chooses to proceed to hearing, that person will have both the burden of persuasion and the burden of going forward with evidence. That is so because the tariffs which the Commission is ordering the company to file are compliance tariffs submitted to complete this investigation. Compliance tariffs are not submitted under ORS 757.210, the "file and suspend" statute.

ORDER

IT IS ORDERED that:

An investigation shall be opened, under ORS 756.515, into the rates which the Commission authorized for PGE in Docket No. UE 93.

The stipulation regarding PGE's rates and earnings dated November 22, 1996, is adopted.

PGE shall file tariffs in compliance with the stipulation adopted by this order. The company must make its filing on or before November 29, 1996, so that new rates can be in effect for service on or after December 1, 1996.

Made, entered and effective November 26, 1996.

Roger Hamilton

Chairman

Ron Eachus

Commissioner

Joan H. Smith

Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order pursuant to ORS 756.580.