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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1147

In the Matter of PUBLIC UTILITY
COMMISSION OF OREGON Staff Request
to Open an Investigation Related to Deferred
Accounting.

STAFF REPLY RE: STAFF'S MOTION TO
MODIFY COMMISSION ORDER

Staff of the Public Utility Commission of Oregon (Staff) replies to the PGE Response to Staff's Motion to Modify Commission Order No. 08-263 in order to clarify Staff's motion. PGE supports Staff's motion to modify the Commission's order regarding amortization of amounts deferred under ORS 757.259 with one caveat – that utilities be allowed to seek waiver of a .05 % cap on the residual account if the need arises. Staff does not propose a cap for the residual account. Accordingly, PGE's request for authority to waive the cap is not necessary.

The .05 % discussed in Staff's motion is to delineate deferred accounts that may be rolled into the residual account. Under Staff's proposal, when deferred accounts are equal to or less than .05 % of a utility's retail operating revenues in the previous calendar year, the utility may roll the deferred account to the residual account. Staff does not propose to otherwise cap the amount of money that may be placed in the residual account.

PGE also asks the Commission to clarify that Staff's proposal applies to the Bonneville Power Administration (BPA) Residential Exchange Program balancing account and any other similar balancing accounts. Staff notes that in Order No. 08-263 the Commission specifically addressed the treatment of balancing accounts established under the Northwest Power Act. The Commission concluded that the modified Blended Treasury Rate ("BTR") would apply to the BPA residential exchange accounts, but noted that it would consider any requests for exceptions filed by a utility. *See* Order No. 08-263 at 16. Staff's motion encompasses balancing accounts for which amortization is authorized annually or bi-annually. The Residential Exchange Benefit


1 balancing accounts do not fall within the category, and thus, were not encompassed in Staff's
2 motion.

3 Assuming that PGE's request is sufficient to put UM 1147 parties on notice of a potential
4 Commission decision expanding the treatment suggested by Staff to the Residential Exchange
5 Program balancing accounts, Staff supports PGE's request. The Residential Exchange Benefits
6 balancing accounts have ongoing "first in - first out" activity resulting from the difference
7 between BPA payments and the dollars paid by PGE to its customers. The application of the
8 annual BTR to this account furthers the Commission's intent in Order No. 08-263 to more
9 closely match interest related to deferral amortization to current economic conditions.

10
11 DATED this 4th day of May 2010.

12 Respectfully submitted,

13 JOHN R. KROGER
14 Attorney General

15 

16 Stephanie S. Andrus, #92512
17 Senior Assistant Attorney General
18 Of Attorneys for the Public Utility Commission
19 of Oregon
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1 **CERTIFICATE OF SERVICE**

2 I certify that on May 4, 2010, I served the foregoing Reply upon the parties in this
3 proceeding by electronic mail and by sending a true, exact and full copy by regular mail, postage
4 prepaid, or by hand-delivery/shuttle, to the parties accepting paper service.

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