

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1623

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	COMMENTS IN OPPOSITION OF THE
)	INDUSTRIAL CUSTOMERS OF
Application for Deferral Accounting of Excess))	NORTHWEST UTILITIES
Pension Costs and Carrying Costs on Cash)	
Contributions)	
_____)	

I. INTRODUCTION

The Industrial Customers of Northwest Utilities (“ICNU”) submits the following comments regarding Portland General Electric Company’s (“PGE”) application for authorization and/or reauthorization of deferred accounting of pension costs (“Application”) in Oregon Public Utility Commission (“OPUC” or the “Commission”) Docket No. UM 1623. ICNU continues to oppose PGE’s efforts to defer and obtain dollar for dollar cost recovery (plus interest) of any deviations between its pension costs included in rates and its alleged actual pension costs. While ICNU understands that pension related issues are being addressed in a generic pension investigation (Docket No. UM 1633), ICNU recommends that the Commission reject both of PGE’s pension deferral requests now because they violate the deferred accounting statute, are contrary to Commission precedent, and their consideration in UM 1633 will simply confuse the record in that separate investigation. Therefore, the Commission should reject the Application, as well as PGE’s earlier pension deferral request previously filed in this proceeding.

II. BACKGROUND

On August 22, 2012, PGE filed an application to defer its excess pension costs and carrying costs. On October 31, 2012, ICNU, the Citizens' Utility Board ("CUB") and the Commission Staff all filed comments, with ICNU and CUB urging the Commission to reject PGE's efforts to defer any alleged excess pension costs. Commission Staff identified concerns with the filing, but recommended that further investigation was warranted and recommended that the Commission hold PGE's request in abeyance until the completion of the Commission's separate investigation into generic pension issues in Docket No. UM 1633. PGE filed reply comments on November 13, 2012 urging the Commission to abandon its traditional approach to deferred accounting, but supporting Staff's recommendation to hold this proceeding in abeyance. The Commission has taken no action on PGE's original pension deferral request.

On August 22, 2013, PGE filed its Application, which essentially reasserts the substantive arguments in its original deferral request, but requests that the deferral be "authorized or reauthorized" for another year, which would be from August 22, 2013 to August 21, 2014. PGE continues to request that 100% of any alleged pension costs plus interest be subject to recovery, and that there be no earnings test. Application at 5-6.

III. COMMENTS

PGE's Application does not raise new substantive issues; therefore, ICNU will not repeat its earlier comments filed in this same docket but will incorporate them by reference into these comments. ICNU continues to oppose PGE's deferral of any pension costs because they are inappropriate single-issue ratemaking, would violate the deferred accounting statute, are inconsistent with agreements in PGE's general rate cases, and would violate the Commission's

deferred accounting standards. ICNU also supports the arguments made in the CUB comments filed earlier in this proceeding on October 31, 2012.

ICNU, however, opposes further delay of this proceeding pending the outcome of the Commission's generic investigation into pension costs. PGE's deferral requests should be judged on current Commission policy and existing law regarding deferred accounting. The Commission investigation in UM 1633 should resolve pension issues on a going-forward basis, and the primary issue in that case is whether pension costs should be treated as an expense or a rate base asset that allows the utilities to earn a return on their supposed investment in pensions. The pension investigation should not retroactively change deferred accounting policy or resolve issues regarding PGE's specific pension deferrals. In addition, consideration of PGE's specific pension deferral in a generic Commission investigation into pension policies will muddy the record and confuse the issues in the generic investigation. Therefore, ICNU urges the Commission to simply apply existing policy and law to reject this Application and PGE's earlier pension deferral request.

IV. CONCLUSION

PGE's Application suffers from the same legal, policy and factual flaws as its earlier request to defer its alleged excess pension costs, and should be rejected for the same reasons. There is no need to hold this Application or the earlier request in abeyance pending the outcome of the generic pension investigation since the heart of the issue in this proceeding is whether PGE's request to defer pension costs is consistent with the deferred accounting standards and not whether to adopt a new method for pension cost recovery.

Dated this 20th day of September, 2013.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Irion A. Sanger

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September 20, 2013

Via Electronic Mail and Federal Express

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Attn: Filing Center
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Salem OR 97308

Re: In the Matter of PORTLAND GENERAL ELECTRIC Application for
Deferral Accounting of Excess Pension Costs and Carrying Costs on Cash
Contributions
Docket No. UM 1623

Dear Filing Center:

Enclosed for filing in the above-referenced docket, please find the original and five (5) copies of the Comments in Opposition of the Industrial Customers of Northwest Utilities.

Thank you for your assistance, and please don't hesitate to contact our office with any questions.

Sincerely,

/s/ Jesse Gorsuch
Jesse Gorsuch

Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the Comments in Opposition of the Industrial Customers of Northwest Utilities upon all parties in this proceeding, as shown below, by causing a copy thereof to be sent via electronic mail, as all parties have waived paper service.

Dated at Portland, Oregon, this 20th day of September, 2013.

Sincerely,

/s/ Jesse Gorsuch
Jesse Gorsuch

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