

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1102(4)

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER & LIGHT COMPANY)	ORDER
)	
Application for Reauthorization of Deferred Accounting Regarding Intervenor Funding Grants.)	

**DISPOSITION: REQUEST FOR REAUTHORIZATION FOR
DEFERRAL APPROVED**

On May 3, 2007, PacifiCorp, dba Pacific Power & Light Company (PacifiCorp), requested reauthorization to defer costs related to Intervenor Funding Grants for later incorporation into rates. The Public Utility Commission of Oregon (Commission), pursuant to ORS 757.259, originally authorized deferral of these costs beginning September 17, 2003, in Order No. 03-560 (Docket No. UM 1102). A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting on June 5, 2007, the Commission adopted Staff's Recommendation and approved PacifiCorp's current request.

ORDER

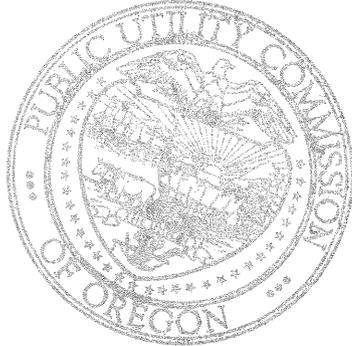
IT IS ORDERED that:

1. PacifiCorp's request regarding reauthorization for deferral of Intervenor Funding Grants for a one-year period, effective July 1, 2007, is approved.

2. PacifiCorp shall account for the grants using separate sub-accounts for each type of grant in order to facilitate recovery of costs from the appropriate customer class.

Made, entered and effective JUN 11 2007.

BY THE COMMISSION:



Becky L. Beier
Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 5, 2007**

REGULAR _____ CONSENT X EFFECTIVE DATE July 1, 2007

DATE: May 22, 2007

TO: Public Utility Commission

FROM: Ed Durrenberger *E*

THROUGH: *MS for LS* Lee Sparling, *MS for* Ed Busch, and *JD* Judy Johnson

SUBJECT: PACIFIC POWER & LIGHT COMPANY: (Docket No. UM 1102(4))
Request for reauthorization for deferral of Intervenor Funding Grants.

STAFF RECOMMENDATION:

I recommend the Commission approve Pacific Power & Light Company's (PacifiCorp or company) request for reauthorization, under ORS 757.259, to defer costs related to Intervenor Funding Grants effective July 1, 2007. I further recommend that the Commission instruct the company to account for the grants using separate sub-accounts for each type of grant in order to facilitate recovery of costs from the appropriate customer class.

DISCUSSION:

On May 3, 2007, PacifiCorp requested reauthorization to defer costs related to Intervenor Funding Grants for later incorporation in rates. The Commission originally authorized deferral of these costs beginning September 17, 2003, under ORS 757.259, in Order No. 03-560 (Docket UM 1102).

Pursuant to 757.072(4) and 757.259(3), the Commission shall allow a public utility that provides financial assistance to organizations representing broad customer interests to defer inclusion of such amounts in rates, if the public utility elects to do so. Such grants would be used by these qualifying organizations when participating in certain types of regulatory proceedings before the Commission. Deferred amounts under ORS 757.259(3) are not subject to the percentage of gross revenue limitation or other provisions of subsections (5), (6), (7), and (8) of the amended section. On July 2, 2003, the Commission issued Order No. 03-388, which, among other things, approved an agreement (Intervenor Funding Agreement) between PacifiCorp,

PacifiCorp UM 1102(4) Intervenor Funding
 May 22, 2007
 Page 2

Portland General Electric Company (PGE), Northwest Natural Gas Company, Northwest Industrial Gas Users, Citizens' Utility Board of Oregon (CUB), and Industrial Customers of Northwest Utilities (ICNU). The Intervenor Funding Agreement sets forth the amount of funding to be contributed by each utility, the procedures for budget submittals by intervenors, Commission approval of budgets, and the payment of grants by utilities. It authorizes three separate funds, with different requirements to be met to qualify for each fund. The funds are as follows:

1. CUB Fund;
2. Preauthorized Matching Fund; and
3. Issue Fund.

The Intervenor Funding Agreement also required the costs of the fund be allocated to the appropriate customer class. CUB funds would be generated from residential rates and industrial customers would fund the amounts for the Preauthorized Matching Fund (Matching Fund). The Commission will allocate amounts from the Issue Fund to align the costs of advocacy with the intended beneficiaries of the advocacy.

In its subsequent Order No. 03-405, entered July 14, 2003, the Commission directed each of the participating utilities to pay the amounts made available for the CUB Fund Grants no later than 30 days after receipt of the order. In the Intervenor Funding Agreement, CUB was designated to receive \$50,000 each (calendar) year (CY)¹ from each of the three participating public utilities: PacifiCorp, PGE, and Northwest Natural Gas. Accounts will be debited to deferred accounts only as the utility disperses funding to a qualifying intervenor. A breakdown of the various grants and the amount funded by the company each year is as follows:

Fund	CY 2003	CY 2004	CY 2005	CY 2006	CY 2007
CUB Fund	\$ 50,000	\$50,000	\$50,000	\$50,000	\$50,000
ICNU Preauthorized Matching Fund	\$ 50,000		\$48,935	\$51,000	
Issue Fund CUB	\$3,788	\$8,888	\$29,757	\$74,243	
Issue Fund ICNU		\$111,800	\$147,175	\$100,000	
Issue Fund KWUA				\$8,000	
Total	\$103,788	\$170,688	\$275,867	\$283,243	\$50,000

¹ The deferral period for each of the categories of grants shall begin on July 1 of each year and end on June 30. However, in the Intervenor Funding Agreement the payment times are considered on a calendar year basis.

PacifiCorp UM 1102(4) Intervenor Funding
 May 22, 2007
 Page 3

The current accumulated balance is \$883,586, without interest. Effective June 1, 2007, this amount plus carrying costs, a total of \$1,024,492, will be amortized through a tariff increase to the appropriate customer classes for a one-year period.

Proposed Accounting

The proposed deferrals would be recorded in separate subaccounts of account 182.3 (Other Regulatory Assets). In the absence of deferral approval, the company would record the amounts in the subaccounts of FERC account 930 (Miscellaneous General Expenses).

Estimated Deferrals in Authorization Period

PacifiCorp anticipates that the maximum amounts to be deferred during the deferral period are²:

Fund	CY 2006
CUB Fund	\$ 50,000
Preauthorized Matching Fund	\$ 50,000
Issue Fund	\$125,000
Total	\$225,000

PROPOSED COMMISSION MOTION:

PacifiCorp's request for authorization, under ORS 757.259, to defer costs related to Intervenor Funding Grants for a one-year period, starting July 1, 2007, be approved. PacifiCorp is directed to account for the grants using separate sub-accounts for each type of grant in order to facilitate recovery of costs from the appropriate customer class.

PacifiCorp UM 1102(4)

² The Intervenor Funding Agreement expires December 31, 2007. These amounts assume extension if the agreement under its current terms.