

ORDER NO.

12 395

ENTERED

OCT 18 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UF 4272

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Finance Application (\$400M Revolving
Credit).

ORDER

DISPOSITION: ORDER NO. 12-279 MODIFIED

At its July 3, 2012 Public Meeting, the Public Utility Commission of Oregon (Commission) adopted Staff's Recommendations to authorize Portland General Electric Company (PGE) to enter into a revolving credit agreement for a term of up to five years in an amount up to \$400 million and authorized PGE to ask banks to issue letters of credit under the agreement. The order also describes fees that may be paid by PGE to the agent and participating banks under the credit agreement, based on the information in PGE's application. *See Order No. 12-279.*

On October 1, 2012, PGE filed a letter noting that it inadvertently omitted any reference to a fronting (or issuing) fee that is to be paid to a bank for issuing a letter of credit under the credit agreement, and it asks the Commission to acknowledge that the fronting fees are allowed under Order No. 12-279. The fronting fee is intended to cover the administrative cost of issuing and maintaining a letter of credit, and PGE reports that under the credit agreement, it will pay a fronting fee not to exceed 0.20 percent per annum of the amount of each letter of credit issued under the facility.

On October 11, 2012, Staff filed a motion to modify Order No. 12-279. In its motion, Staff agrees with PGE that the fronting fees are appropriately included in the credit agreement and that such fees are reasonable. Staff asks that we amend Order No. 12-279 to address the omission of the fronting fees by appending condition No. 4 as shown in italics:

4. Each participating bank's one-time upfront fee may not exceed 60 bps of that bank's initial commitment amount.

In addition, LC Fronting fees shall not exceed 0.20 percent per annum of the amount of each LC issued and outstanding under the credit facility and shall not exceed \$825,000 in aggregate annually. The Company will demonstrate that the resulting all-in cost of LCs is market competitive.

Staff's motion states that PGE reviewed the above language and agrees it addresses all needed changes. We find that the above described modification to Order No. 12-279 is reasonable and the order should be amended under ORS 756.568.

ORDER


IT IS ORDERED that the above-described changes to Order No. 12-279 and its Appendix A are adopted. The remainder of Order No. 12-279 is unchanged.

Made, entered, and effective OCT 18 2012.


Susan K. Ackerman
Chair




John Savage
Commissioner


Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.