



**Portland General Electric Company**  
121 SW Salmon Street • Portland, Oregon 97204

June 7, 2006

**via US Mail**

Public Utility Commission of Oregon  
550 Capitol St., NE, No. 215  
P.O. Box 2148  
Salem, OR 97308-2148

Attention: **Commission Filing Center:**

Re: **UM 1103**

PGE's Application for Reauthorization to Defer Intervenor Funding Costs

Ms. Bailey-Goggins:

Enclosed for filing is the original and one copy of Portland General Electric Company's Application for Reauthorization to Defer Intervenor Funding Costs. We have provided copies of a Notice of Application to the UE-115 service list.

If you have any questions or require further information, please call me at (503) 464-7580, or Launa Harmon (503)-464-7251. Please direct all formal correspondence, questions, or requests to the following e-mail address [pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com).

Sincerely,

/s/ Patrick G. Hager

Patrick G. Hager  
Manager, Regulatory Affairs

Encls.  
cc: UE-115 service list

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

**UM 1103**

In the Matter of the Application of	)	Application For
PORTLAND GENERAL ELECTRIC COMPANY	)	Reauthorization To
For an Accounting Order Approving Deferral of Costs	)	Defer Intervenor
Related to Intervenor Funding	)	Funding Costs

Pursuant to OAR 860-027-0300, ORS 757.259 (3), ORS 757.072, and Oregon Public Utility Commission (the “Commission”) Order Nos. 03-388 and 03-405, as well as Order No. 05-816, Portland General Electric Company (“PGE”) requests reauthorization to defer for later ratemaking treatment certain intervenor funding costs related to intervenor funding. PGE seeks reauthorization to defer intervenor funding costs as described below from July 1, 2006 through June 30, 2007.

I. Introduction and Background:

On June 6, 2003, the Governor of Oregon signed into law SB205 authorizing the Commission to approve written agreements for intervenor funding grants between electric and natural gas companies and organizations representing broad customer interests. ORS 757.072. The purpose of such an agreement is to make funds available in a pilot program to qualified parties to enable them to advocate on behalf of broad customer interests in proceedings before the Commission.

On July 2, 2003 the Commission issued Order No. 03-388 approving temporary rules specifying the qualifications for certifying intervenor as eligible for funding under SB205 and the conditions terminating their certification. Order No. 03-388 also approved an agreement between Pacific Power and Light (dba PacifiCorp), PGE, Northwest Natural Gas Company,

Northwest Industrial Gas Users, Citizens' Utility Board of Oregon ("CUB"), and Industrial Customers of Northwest Utilities (the "Intervenor Funding Agreement"). The Intervenor Funding Agreement specifies the terms and conditions for intervenor funding grants, which include the CUB Fund, the Pre-authorized Matching Fund, and the Issue Fund.

On July 14, 2003 the Commission issued Order No. 03-405 authorizing payment of \$50,000 by each of the three participating utilities to the CUB Fund. PGE was required to make payment no later than 30 days after receipt of the order.

On August 11, 2003 PGE filed an application with the Public Utility Commission for an accounting order requesting authorization to defer costs related to Intervenor Funding Grants through June 30, 2004. Staff's recommendation was approved and adopted by the Commission on September 11, 2003, Order No. 03-561.

On May 20, 2004, the Commission adopted Staff's recommendation and approved PGE's report of reauthorization for deferred costs related to intervenor funding costs through June 30, 2005. The Commission adopted Staff's recommendation at its Public Meeting on June 24, 2004. The reauthorization was approved on June 28, 2004, by Commission Order No. 04-363.

On May 13, 2005, the Commission adopted Staff's recommendation and approved PGE's report of reauthorization of deferred costs related to intervenor funding costs through June 30, 2006. The Commission adopted Staff's recommendation at its Public Meeting on June 29, 2005. The reauthorization was approved on June 29, 2005, by Commission Order No. 05-816.

On May 12, 2006, PGE filed its reauthorization report to the Commission. On or about May 13, 2006, PGE was advised this report was to be published on the Commission Website. PGE has filed a reauthorization report with Staff for several years that included detailed

information on more than just intervenor funding costs. PGE subsequently withdrew its reauthorization report and agreed to file a reauthorization application.

Pursuant to Commission Orders 03-388, 03-405, and subsequent orders 03-561, 04-363, and 05-816, PGE respectfully requests an Order reauthorizing the deferral, for later rate-making treatment, of all payments between July 1, 2006 and June 30, 2007 to intervenors under the three intervenor funds established under the Intervenor Funding Agreement.

II. OAR 860-027-0030 Requirements:

The following is provided pursuant to ORS 860-027-0300(3):

a. Description

For the 12-month period of July 1, 2006 through June 30, 2007, PGE seeks to reauthorize and continue to record in a deferred account all amounts it is required to pay to the CUB Fund, the Pre-authorized Matching Fund, and the Issue Fund.

b. Reasons for Deferral

OPUC Order No. 03-561 authorized PGE's accounting process for the grant funds and the last deferral reauthorization order issued was OPUC Order No. 05-816, as of June 29, 2005.

PGE will continue to incur Intervenor Funding expenses until December 31, 2007, or upon termination of the Intervenor Funding Agreement in OPUC Order No. 03-388. PGE will continue to use the deferral as long as the balance remains unamortized. Without reauthorization, this deferral will expire on June 30, 2006.

c. Proposed Accounting

PGE proposes to record all deferred costs in FERC Account 182.3 (Other Regulatory Assets).

d. Estimate of Amounts

It is difficult to estimate the amount that will be deferred during the period from July 1, 2006 through June 30, 2007. The Intervenor Funding Agreement permits intervenors to request grants from the various funds at any time during the calendar year while the deferral periods have generally run from July 1 to June 30. Amounts will be debited to the deferral account only as funds are actually disbursed, OPUC Order No. 03-561, Appendix A, Page 3. Adding to the complexity, balances in each fund may rollover into the following year if intervenors do not use the entire amount available and some funds (the CUB and Matching Funds) permit intervenors to request advances from future year funds.

The maximum amount of additions to the deferred account during the period July 1, 2006, to June 30, 2007, is \$400,000 (\$50,000 from the CUB fund, \$100,000 from the Matching Fund<sup>1</sup>, and \$250,000 from the Issue Fund), without including increases in the deferred account due to interest. This application assumes that the entire fund account balances available under the Intervenor Funding Agreement for 2006 and 2007 are disbursed from PGE to intervenors before June 30, 2007.

PGE estimates the entries in the deferred accounts as of June 30, 2006, as \$793,566.89, (includes interest on accruals). If the entire fund account balances available under the Intervenor Funding Agreement for 2006 and 2007 are disbursed from PGE to intervenors before June 30, 2007, then the balances for the three deferred accounts as of June 30, 2007, would be approximately \$1.2 million. However timing of additions from the three funds will affect the estimated balances, and for the purposes of this application, the timing of such additions is purely speculative. The below table summarizes this information.

	<b>Balance June 2006</b>	<b>Maximum Remaining Additions (2006-2007)</b>	<b>Estimated Balance June 2007 *</b>
<b>CUB FUND</b>	\$ 234,268.04	\$50,000	\$ 284,268.04
<b>MATCHING FUND</b>	170,022.39	100,000	270,022.39
<b>ISSUE FUND</b>	389,276.46	250,000	639,276.46
	<b>\$793,566.89</b>	<b>\$400,000</b>	<b>\$1,193,566.89</b>

\*excludes interest from July 1 through June 30

Individual fund costs will be allocated to the appropriate customer class: the CUB fund will be charged to residential customers; the Pre-authorized Matching Fund (ICNU) will be charged to industrial customers, and the Issue Fund costs will be aligned with the intended beneficiaries of advocacy.

e. Notice

A copy of the Notice of Application for Reauthorization to Defer Intervenor Funding Costs and a list of persons served with the Notice are attached to the Application as Attachment A.

III. The following is provided pursuant to OAR 860-027-0300(4):

a. Description of Deferred Account Entries

Please see section (II)(d) above.

b. The reason for continuing deferred accounting

PGE is seeking approval to continue the Intervenor Funding Deferral pursuant to the approved Commission Order No. 05-816 as described in Section (II)(b) above.

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<sup>1</sup> ICNU has not spent the 2006 Matching Fund allowance, but is eligible to spend \$50,000 or roll it into the 2007 calendar year.

IV. Contacts:

The authorized address to receive notices and communications in respect of this Application is:

PGE-OPUC Filings  
Rates & Regulatory Affairs  
Portland General Electric Company  
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Portland, OR 97204  
(503) 464-7857 (telephone)  
(503) 464-7651 (facsimile)  
[pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

The names and addresses to receive notices and communications via the e-mail service list are:

Barbara Halle, Assistant General  
E-Mail: [Barbara.Halle@pgn.com](mailto:Barbara.Halle@pgn.com), and

Patrick G. Hager, Manager Regulatory Affairs  
E-Mail: [Patrick.Hager@pgn.com](mailto:Patrick.Hager@pgn.com),

V. Conclusion

For the reasons stated above, PGE requests permission to defer Intervenor Funding costs from July 1, 2006, to June 30, 2007.

DATED this 7th day of June, 2006.

Respectfully Submitted,

/s/ Patrick G. Hager

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Patrick G. Hager,  
Manager, Regulatory Affairs  
On Behalf of  
Portland General Electric Company

**Attachment A**

**Notice of Application for Reauthorization  
to Defer Information Technology Costs**



**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1103**

In the Matter of the Application of Portland  
General Electric Company for an Order to  
Reauthorize the Deferral of Intervenor  
Funding Costs

Notice of Application  
For Reauthorization  
To Defer Intervenor  
Funding Costs

On June 7, 2006, Portland General Electric Company ("PGE") filed an Application with the Oregon Public Utility Commission (the "Commission") for an Order reauthorizing deferral of intervenor funding costs. Approval of PGE's Application will not authorize a change in PGE's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding. Persons who wish to obtain a copy of PGE's Application should contact either of the following:

Barbara Halle  
Assistant General Counsel  
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Any person who wishes to submit written comments to the Commission on PGE's Application must do so not later than July 11, 2006.

Dated this 7<sup>th</sup> day of June, 2006.

/s/ Patrick G. Hager

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Patrick G. Hager  
Manager, Regulatory Affairs  
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UE-115 Service List

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