



Portland General Electric Company
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Douglas C. Tingey
Assistant General Counsel

March 6, 2006

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
PO Box 2148
Salem OR 97308-2148

Re: Application for Deferred Accounting of Savings from the 2005 Oregon Corporate Tax
Kicker
OPUC Docket No. UM _____

Attention Filing Center:

Enclosed for filing with the Commission are the following documents:

- Application of Portland General Electric Company for Deferred Accounting of Savings from the 2005 Oregon Corporate Tax Kicker; and
- Notice of Application of Portland General Electric Company for Deferred Accounting of Savings from the 2005 Oregon Corporate Tax Kicker.

The Notice of Application is being served to the UE 115 Service List.

An extra copy of this cover letter is enclosed. Please date stamp the extra copy and return it to me in the envelope provided.

Thank you in advance for your assistance.

Sincerely,

/s/ DOUGLAS C. TINGEY

DCT:am

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of Portland
General Electric Company for an Accounting
Order Approving Deferral of Tax Savings as a
result of the 2005 Oregon Corporate Tax
Kicker

Application for Deferred Accounting of
Savings from the 2005 Oregon Corporate Tax
Kicker

At the request of Staff of the Public Utility Commission, Portland General Electric Company (“PGE”) hereby requests an accounting order authorizing PGE to defer an amount from reduced Oregon tax liability as a result of ORS 291.349. PGE seeks authorization for this deferral effective as of the date of filing. In support of this Application PGE states:

1. PGE is a public utility in the state of Oregon and its rates, service and accounting practices are subject to the regulation of the Oregon Public Utility Commission (“Commission”).
2. This application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation in rates.
3. Communications regarding this Application should be addressed to:

PGE-OPUC Filings
Rates and Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street
1WTC0702
Portland, Oregon 97204
(503) 464-7857 (telephone)
(503) 464-7651 (facsimile)
pge.opuc.filings@pgn.com

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In addition, the names and addresses to receive notices and communications via the email service list are:

Patrick G. Hager, Manager Regulatory Affairs
E-mail: Patrick.Hager@pgn.com

Jay Tinker, Project Manager
E-mail: Jay.Tinker@pgn.com

Pursuant to ORS 757.259(2), PGE requests a hearing on this Application and further requests that a prehearing conference be scheduled promptly to determine the nature and timing of events prior to such hearing.

I. OAR 860-027-0300 Requirements

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

a. Description

This deferral is filed at the request of Staff to authorize PGE to account for 2005 Oregon corporate tax savings realized as a result of ORS 291.349 (“Oregon corporate tax kicker”). ORS 291.349 establishes procedures under which Oregon taxpayers can receive refunds or credits of income or excise taxes. Refunds or credits occur when tax receipts exceed by more than two percent those estimated for a biennium.

Because of the provisions in ORS 291.349, Oregon corporate taxpayers are due refunds or credits of a portion of their 2005 income or excise taxes otherwise payable. PGE estimates its tax reduction to be approximately \$4.0 million.

b. Reasons for Deferral

This application asks the Commission to issue an order establishing a deferral account for PGE’s corporate tax savings as a result of ORS 291.349. It is unclear at this time how this amount will be treated under the recently enacted Senate Bill 408 (“SB 408”), and PGE seeks deferral only of

amounts, if any, not otherwise accounted for under SB 408. Amortization of any amounts deferred will also be subject to an earnings test pursuant to ORS 757.259(5).

c. Proposed Accounting

PGE proposes to record the Deferred Amount in FERC Account 449.1 (Provision for Rate Refunds) crediting FERC Account 229 (Accumulated Provision for Rate Refund). In the absence of a deferred accounting order from the Commission, PGE would record costs associated with the Deferred Amount to FERC 236 (Taxes Accrued) and FERC 409.1 (Income Taxes-Utility Operating Income).

d. Estimate of Amounts

The Deferred Amount is estimated to be approximately \$4.0 million.

e. Notice

A copy of the Notice of Application for Deferred Accounting of Savings from the Oregon corporate tax kicker and a list of persons served with the Notice are attached to the Application as Attachment A.

II. Conclusion

For the reasons stated above, PGE requests permission to defer tax savings as a result of ORS 291.349 as described above, commencing as of the date of this filing. In addition, PGE requests a prehearing conference be scheduled to determine the nature and timing of events prior to a hearing on this Application.

DATED this 6th day of March, 2006.

Respectfully submitted,

/s/ PATRICK G. HAGER

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

Attachment A

**Notice of Application for
Deferred Accounting of Savings
from the 2005 Oregon Corporate Tax Kicker**