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**Douglas C. Tingey**  
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April 27, 2010

***Via Electronic Filing and U.S. Mail***

Oregon Public Utility Commission  
Attention: Filing Center  
550 Capitol Street NE, #215  
PO Box 2148  
Salem OR 97308-2148

**Re: UM 1147**

Attention Filing Center:

Enclosed for filing in the captioned docket are an original and one copy of:

- **PGE RESPONSE TO STAFF'S MOTION TO MODIFY COMMISSION ORDER NO. 08-263**

This document is being filed by electronic mail with the Filing Center. An extra copy of the cover letter is enclosed. Please date stamp the extra copy and return to me in the envelope provided.

This document is being served upon the UM 1147 service list.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. C. Tingey", is written over the typed name.

**DOUGLAS C. TINGEY**  
Assistant General Counsel

DCT:cbm  
Enclosures  
cc: Service List-UM 1147

BEFORE THE PUBLIC UTILITY COMMISSISON  
OF OREGON

**UM 1147**

In the Matter of PUBLIC UTILITY	)	PGE RESPONSE TO STAFF'S
COMMISSION OF OREGON Staff Request to	)	MOTION TO MODIFY
Open an Investigation Related to Deferred	)	COMMISSION ORDER NO. 08-263
Accounting	)	

Portland General Electric Company (“PGE”) submits this response to Staff’s Motion to Modify Commission Order No. 08-263. Staff’s Motion seeks modification of Commission Order No. 08-263 in two respects. We support both modifications with the following clarifications.

First, Staff proposes to allow utilities to combine residual balances from the under-collection and over-collection associated with deferred accounts. The resulting single residual account will accrue interest at the new rate ordered by the Commission for deferred accounts approved for amortization in that year. Staff proposes that the amount allowed in the residual account be capped at .05% of retail operating revenues.

We support this proposal with a minor caveat. Under- and over-collections of deferred amounts are inevitable. Aggregating both positive and negative amounts into a single residual account reduces the administrative burden of tracking and monitoring deferred accounts. Staff’s proposal makes good regulatory sense given the relatively small balances at issue. Generally the cap Staff suggests for the residual account is reasonable; however, we ask that utilities be allowed to request a waiver of the cap if the circumstances warrant it. For example, if each of the individual deferred accounts contributing to the residual balance have been amortized within a 5% margin of the beginning balances and the residual combined balance exceeds Staff’s proposed cap, we see little reason not to permit the aggregation of these balances in a single

residual account. Moreover, if Staff's cap were triggered, it is unclear exactly how the cap would be applied. Would the utility be allowed to include residual balances up to the cap? If so, how should the utility decide which balances to include in the residual account and which to exclude? Accordingly, we suggest Staff's proposal be clarified to include the opportunity for utilities to seek a waiver of the proposed cap.

Second, Staff proposes that "deferred amounts in balancing accounts subject to annual or bi-annual requests for amortization, and previously-approved for amortization but remaining after the designated amortization period, may be rolled forward and combined with deferred amounts approved for amortization in the next twelve-month or 24-month period." Staff Mot. at 4. We support Staff's proposal for the reasons set forth above; however, we seek further clarification. In particular, we ask for clarification regarding the application of Staff's proposal to other ongoing balancing accounts such as the BPA residential exchange balancing account. This balancing account accrues differences between amounts received from BPA and the BPA credits passed through to customers. Unlike the PGA mechanism Staff describes, the BPA balancing is not subject to an annual or bi-annual request for amortization but rather tracks monthly differences and is amortized through an on-going tariff. Nevertheless, we see no substantive difference between the PGA-type balancing account and the BPA residential exchange balancing account. Accordingly, we request clarification that Staff's proposal applies to PGE's BPA residential exchange balancing account and any other similar balancing account.

Finally, we understand Staff's proposal to be that the cap on residual accounts applies only to the first proposal (residual account) and not to its second proposal (carryover amounts under balancing accounts). Nevertheless, the Motion is not entirely clear on this point. We request that the Commission final order confirm our understanding. If our understanding is not

correct, we believe a higher cap may well be necessary to accommodate residual balances plus carryover amounts from balancing accounts.

PGE appreciates the Commission's consideration of this response. We ask the Commission to grant Staff's Motion with the clarifications set forth above.

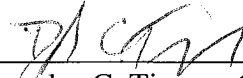
DATED this 27th day of April, 2010.

Respectfully Submitted,



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## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **PGE RESPONSE TO STAFF'S MOTION TO MODIFY COMMISSION ORDER NO. 08-263** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No. UM 1147.

Dated at Portland, Oregon, this 27<sup>th</sup> day of April, 2010.



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