

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 177, UE 178, UG 170 & UG 171

In the Matters of the PUBLIC UTILITY)
COMMISSION OF OREGON STAFF)
directing:)
)
PACIFICORP, dba PACIFIC POWER &)
LIGHT COMPANY, (UE 177))
)
PORTLAND GENERAL ELECTRIC)
COMPANY, (UE 178))
)
NORTHWEST NATURAL GAS COMPANY,)
dba NW NATURAL, (UG 170))
)
and)
)
AVISTA UTILITIES, (UG 171))
)
To file tariffs establishing automatic)
adjustment clauses under the terms of SB 408.)

**MEMORANDUM
AND NOTICE OF TELEPHONE
CONFERENCE**

These four dockets have been held in abeyance pending the Public Utility Commission of Oregon’s (Commission) adoption of rules in docket AR 499. With the recent adoption of such rules in Order No. 06-532, a telephone conference will be held to discuss the future processing of these dockets. For reasons that follow, I propose the utilities withdraw their respective tariff filings that initiated the dockets, but that the dockets remain as ongoing proceedings to facilitate the review and consideration of future utility tax filings.

Background

At the November 22, 2005 Public Meeting, the Commission Staff (Staff) reported that the 2005 tax reports filed by the Pacific Power & Light Company, Portland General Electric Company, Avista Utilities, and Northwest Natural Gas Company each showed that the amount of taxes assumed in rates differed by at least \$100,000 from the amount of taxes paid by the utilities to units of government. Based on that finding, the Commission adopted Staff’s recommendation that each utility make tariff filings for an automatic adjustment clause contemplated by SB 408. *See* ORS 757.268(4).

Subsequently, all four utilities filed automatic adjustment clause tariffs. The Commission found good and sufficient cause to examine the filings and suspended them for investigation. *See* Orders No. 06-104, 06-105, 06-106, and 06-107. All parties agreed,

however, that the consolidated investigation should be held in abeyance pending the Commission's issuance of final rules in docket AR 499. *See* Prehearing Conference Memorandum (Dec. 9, 2005).

On September 15, 2006, the Commission issued Order No. 06-532 adopting rules in docket AR 499. Those rules establish a process under which the Commission will review the utility tax reports and, if necessary, establish automatic adjustment clauses to align taxes collected with taxes paid. First, the rules provide that the Commission will establish an ongoing docket for each utility to facilitate Staff and intervenor review of the annual tax report filings. *See* OAR 860-022-0041(7). Within 180 days of the tax report filings, the Commission will issue an order that determines, among other things, whether the taxes authorized to be collected in rates differs by \$100,000 or more from the "properly attributed" amount of taxes paid to units of government. *See* OAR 860-022-0041(7)(b)(A). Upon a finding that taxes collected and taxes paid differ by more than \$100,000, each affected utility must file amended tariffs, to be effective each June 1, to establish an automatic adjustment clause to recover or refund that difference. *See* OAR 860-022-0041(8).

Discussion and Notice

Given the adoption of rules in AR 499, and because the automatic adjustment clause applies only to taxes collected and paid on or after January 1, 2006, the utilities' initial tariff filings in these dockets have been rendered moot. Accordingly, the utilities should withdraw those tariff filings. These dockets, however, might serve as the on-going dockets to facilitate the review of the utilities' annual tax report filings. Indeed, the protective order issued in these dockets, Order No. 06-033, could continue to govern Staff's and the intervenors' access to future filings containing confidential tax and other commercially sensitive financial information. In addition, the continued use of these existing dockets will eliminate the need of parties to file new petitions seeking intervention and refile signatory pages.

To discuss these proposals, a telephone conference has been scheduled as follows:

DATE: Tuesday, October 17, 2006

TIME: 1:30 p.m.

DIAL-IN: 1-877-322-9654, participant code: 573572

Dated at Salem, Oregon, this 27th day of September, 2006.

Michael Grant
Chief Administrative Law Judge