

ORDER NO. 00-232

ENTERED MAY 03 2000

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 964

In the Matter of the Application of PORTLAND)
GENERAL ELECTRIC COMPANY for) ORDER
Authorization to Expense All Energy Efficiency)
Expenditures.)

DISPOSITION: AMENDED APPLICATION APPROVED

On December 23, 1999, the Commission received an application from Portland General Electric Company (PGE or the Company), filed pursuant to ORS 757.259 and OAR 860-027-0300, requesting authority to expense energy efficiency expenditures and accelerate the amortization of capitalized energy efficiency investment beginning February 1, 2000. On February 11, 2000, PGE filed an amended application. On February 18, 2000, the Industrial Customers of Northwest Utilities (ICNU) petitioned to intervene. Discussions ensued and subsequently, PGE filed another amended application on March 16, 2000. On April 18, 2000, ICNU filed an amended petition to intervene in which it stated that it supported the March 16 PGE application.

Based on a review of the amended application and the Commission’s records, the Commission finds that the amended application satisfies applicable statutes and administrative rules. At its Public Meeting on April 25, 2000, the Commission adopted Staff’s recommendation to approve the amended application. Staff’s recommendation is attached as Appendix A and is incorporated by reference.

Jurisdiction

ORS 757.005 defines a “public utility” as anyone providing heat, light, water, or power service to the public in Oregon. The Company is a public utility subject to the Commission’s jurisdiction.

ORDER

IT IS ORDERED that Portland General Electric Company's amended request to expense its current energy efficiency costs, as described in Appendix A, is granted.

Made, entered, and effective _____.

BY THE COMMISSION:

Vikie Bailey-Goggins
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to 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 of OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070. A party may appeal this order to a court pursuant to ORS 756.580.

UM964.DOC

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 25, 2000

REGULAR AGENDA X CONSENT AGENDA EFFECTIVE DATE October 1, 2000

DATE: June 1, 2000

TO: Bill Warren through Lee Sparling and Ed Busch

FROM: Ed Krantz

SUBJECT: Portland General Electric's Application for Authorization to Expense All Energy Efficiency Expenditures (UM 964) and Add a New Adjustment Schedule (Advice 99-18)

SUMMARY RECOMMENDATION:

Approve PGE application as filed, and allow tariff sheets in Advice 99-18 to go into effect on October 1, 2000.

DISCUSSION:

By application dated December 23, 1999, and revised February 11, 2000, Portland General Electric (PGE) requested authorization to expense energy efficiency (EE) expenditures, and accelerate the amortization of capitalized energy efficiency investment beginning February 1, 2000. The application was docketed as UM 964. In addition, per the separately filed Advice No. 99-18 (Adjustment Schedule 103), PGE sought an increase in rates to match the proposed change in accounting. Consideration of the application was delayed twice so that PGE could further discuss the proposal with interested parties. Based on those discussions, on March 16, 2000, PGE amended its application to expense EE expenditures beginning October 1, 2000, and withdrew its request to accelerate the amortization of its capitalized EE balance.

The company is now requesting to begin expensing its EE expenditures October 1, 2000 rather than February 1, 2000, as originally filed. The outstanding capitalized EE balance at September 30, 2000 will continue to be amortized over five years as approved by this Commission in Order No. 96-319.

With this amended application, it is staff's understanding that the Industrial Customers of Northwest Utilities (ICNU) does not oppose the proposal to begin expensing EE on October 1, 2000.

.....
Bill Warren
June 1, 2000
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Approval of this request will not change the amount of Commission authorized energy efficiency costs that customers will support; it only changes the timing of the recovery.

PGE estimates that the amount of EE investment to be expensed (versus capitalized) for the 12 month period October 1, 2000 through September 30, 2001, is \$12,070,000. Based on this updated application, PGE seeks a rate increase of \$12,070,000 or 1.2 percent to expense these investments. The company proposes to allocate the increase to rate schedules on an equal percentage basis. Variations between actual costs and authorized rates will be true-up in a balancing account.

Currently, there is a balancing account used in Schedule 101 to true-up the difference between the actual EE related investment costs and the amount included in rates. PGE proposes incorporating the true-up for this rate change (Schedule 103) into the Schedule 101 balancing account. The true-up calculation in Schedule 101 will be adjusted to include the Schedule 103 revenues and the new EE expense in the equation. PGE submitted the revised Schedule 101 to reflect the proposed changes in its tariff filing Advice 99-18.

Staff has reviewed the company's amended accounting application and its revised tariff filing and recommends the Commission approve both as filed.

STAFF RECOMMENDATION:

I recommend the Commission approve Portland General Electric's request to expense its current energy efficiency costs, and allow the tariffs in Advice 99-18 to go into effect October 1, 2000.

UM964

cc: Ed Busch
Lynn Kittilson