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BEFORE THE PUBLIC UTILITY COMMISSION**

OF OREGON

UE 115

In the Matter of Portland General Electric)
Company's Proposal to Restructure and)
Reprice Its Services in Accordance With the)
Provisions of SB 1149.) ORDER

DISPOSITION: STIPULATION ADOPTED

On October 2, 2000, Portland General Electric (PGE) filed Advice No. 00-14 to restructure and reprice its services in accordance with Senate Bill 1149, an electric industry restructuring bill passed by the 1999 Oregon Legislative Assembly. At its October 20, 2000 Public Meeting, the Commission found good cause to investigate the filing and suspended Advice No. 00-14 pursuant to ORS 757.215.

On October 24, 2000, PGE filed a motion to expedite Commission approval of its proposed transmission plant reclassification. PGE states that the company and its direct access customers need an expedited decision to assure that the Federal Energy Regulatory Commission (FERC) will timely approve new transmission rates, terms, and conditions suitable for Electricity Service Suppliers to offer direct access by October 1, 2001. An Administrative Law Judge granted PGE's request and established a separate procedural schedule.

Stipulation

On March 14, 2001, Portland General Electric (PGE), the Oregon Office of Energy (OOE), and Commission Staff (Staff) filed a Stipulation Regarding Asset Reclassification. The stipulation, which is also signed by Fred Meyer Stores, is intended to resolve all issues related to reclassification of transmission assets and related operations and maintenance expense as proposed by PGE in this docket.¹ The stipulation, attached as Appendix A, is supported by joint testimony of Bernard Somdah of Staff, Phillip Carver of OOE, and Jim Barnes of PGE.

The Stipulation and supporting testimony were entered into the record of this proceeding as evidence pursuant to OAR 860-014-0085(1). The Commission served notice of the stipulation and explained that any party may file written objections to the stipulation or request a hearing within 20 days of the filing of the stipulation. See OAR 860-014-0085(5). No party filed an objection or request for hearing, and the time for doing so has expired.

¹ This item was identified as issue S-54 in Staff's January 12, 2001 Settlement Proposal.

DISCUSSION

In the stipulation, the parties ask the Commission to approve PGE’s two-part process for reclassifying its Transmission assets. Under that process, PGE first reclassified Transmission assets to Generation that are wholly dedicated to a generating facility. Second, PGE unbundled certain Transmission costs to Distribution by applying the seven indicators of local distribution facilities identified by FERC in its Order No. 888.

The parties state that, upon this Commission’s approval of the reclassification, PGE will file a transmission rate case with FERC based on that reclassification. In addition, the parties explain that this reclassification will be used as the basis for separating FERC jurisdictional Transmission assets and their related costs from Oregon jurisdictional Distribution assets and their related costs if and when these Transmission assets are transferred to an independent transmission company (ITC) or a regional transmission operator (RTO).

We have reviewed the stipulation and find that the proposed resolution of the identified issues to be reasonable. Accordingly, the stipulation should be adopted.

ORDER

IT IS ORDERED that the joint stipulation, attached as Appendix A and intended to resolve all issues related to reclassification of Transmission assets and related operations and maintenance expense, as proposed by PGE in this docket, is adopted.

Made, entered, and effective _____.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

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 in 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(2). A party may appeal this order to a court pursuant to applicable law.