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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UI 175/UP 156

In the Matter of PORTLAND GENERAL)
ELECTRIC COMPANY's Request to Amend) SUPPLEMENTAL ORDER
Order No. 99-543)

DISPOSITION: SUPPLEMENTAL APPLICATION APPROVED;
ORDER NO. 99-543 AMENDED

On May 4, 2001, the Public Utility Commission (Commission) received a supplemental application from Portland General Electric Company (PGE or the Company), filed pursuant to ORS 756.568, requesting a renewal of its application previously approved in Order No. 99-543. A description of the filings and their procedural history is contained in the Staff Revised Report attached as Appendix A and incorporated by reference.

Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on June 15, 2001, the Commission adopted Staff's Revised recommendation to approve PGE's current request.

OPINION

Jurisdiction

ORS 757.005 defines a public utility as anyone providing heat, light, water, or power service to the public in Oregon. Portland General Electric Company is a public utility subject to the Commission's jurisdiction.

CONCLUSIONS

1. The Company is a public utility subject to the jurisdiction of the Public Utility Commission of Oregon.

2. An affiliated interest relationship exists between Portland General Electric Company and Portland General Transport Corporation.
3. The supplemental application appears to be fair and reasonable and not contrary to the public interest.

ORDER

IT IS ORDERED that the supplemental application, presenting the agreement between Portland General Electric Company and Portland General Transport Corporation, is approved, effective July 1, 2001, with the same conditions as in Order No. 99-543, except for the change in supplemental filing and expiration dates, subject to the conditions stated in Appendix A.

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 party may appeal this order to a court pursuant to ORS 756.580.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: JUNE 15, 2001**

REGULAR AGENDA___ **CONSENT AGENDA** **X** **EFFECTIVE DATE** _____

REVISED STAFF MEMO (filed 6/15/01 – revisions appear in italics)

DATE: June 7, 2001

TO: Phil Nyegaard through Marc Hellman and Mike Myers

FROM: Tom Riordan

SUBJECT: UI175/UP156 – Portland General Electric Company (PGE) Supplemental Application for Approval of the Transfer of Rights to Segmented Pipeline Capacity and Repurchase Thereof from Portland General Transport Corporation (PGT), an Affiliated Interest

SUMMARY RECOMMENDATION:

I recommend approval with conditions.

DISCUSSION:

PGE filed a supplemental application on May 4, 2001. The purpose of the filing was to renew its application previously approved by the Commission in Order No. 99-543 on September 17, 1999. In that order, the Commission approved a stipulation which contained a requirement for the company to file by August 1, 2000, a letter stating its desire to renew the application, effective October 1, 2000, for a period of twelve months. Unfortunately, PGE missed this deadline and now desires to conduct transactions pursuant to the Commission's earlier approval. PGE informed Staff that there has been no activity and there would be no activity during the period October 1, 2000 through May 31, 2001. PGE respectfully requests, pursuant to ORS 756.568, that the Commission amend Order No. 99-543 to extend the deadline for filing the request for renewal until *July* 1, 2001, for transactions conducted until October 1, 2001. This action would then result in PGE timely filing its request for renewal.

As stated above, since there has been no activity from the termination date (9/30/00) to the present, Staff believes that Oregon customers have not been harmed in any way. However, what has occurred is that PGE is technically not in compliance with the requirements of Commission Order No. 99-543. However, PGE's explanation, and information update, appear reasonable to Staff and customers are not harmed by the company's delayed supplemental application. Furthermore, although the FERC has recently, for a limited time period, lifted the cap off natural gas transportation capacity sales in the secondary market, this change will not have a negative impact on customers. For example, if PGT should increase its profits from allowable third-party sales of pipeline capacity not needed by PGE, those profits would inure to customers, as all revenues are accounted for above the line in regulated operations. Staff confirmed this accounting treatment with the company who readily agreed that this would be an appropriate condition for approval by the Commission.

CONCLUSIONS:

Based on an investigation and review of this supplemental application, my conclusions are as follows:

1. Portland General Electric Company is a regulated electric company subject to the jurisdiction of the Public Utility Commission of Oregon.
2. An affiliated interest relationship exists between Portland General Electric Company and Portland General Transport Corporation.
3. The supplemental application appears to be fair and reasonable and not contrary to the public interest.

DETAILED RECOMMENDATION:

Based on the preceding discussion and conclusions, I recommend that the supplemental application presenting the agreement between Portland General Electric Company and Portland General Transport Corporation be approved, effective *July 1, 2001*, with the same conditions in Order No. 99-543, except for the change in supplemental filing and expiration dates. In addition, PGE shall account for all transactions involving its pipeline capacity, including secondary sales by PGT, above the line in its regulated books of accounts.