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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 784

In the Matter of the Reauthorization of Deferred)	
Accounting for Costs Associated)	ORDER
with PORTLAND GENERAL ELECTRIC)	
COMPANY's Conservation Programs.)	

DISPOSITION: REAUTHORIZATION APPROVED

At its public meeting on June 20, 2000, the Commission adopted Staff's recommendation to approve reauthorization of deferred accounting for costs associated with Portland General Electric Company's conservation programs. Staff's recommendation is attached as Appendix A and is incorporated by reference.

ORDER

IT IS ORDERED THAT reauthorization of deferred accounting for amounts related to Portland General Electric Company's conservation program costs for a 12-month period beginning July 1, 2000, 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 party may appeal this order to a court pursuant to ORS 756.580.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 26, 2001**

REGULAR AGENDA ___ **CONSENT AGENDA** **X** **EFFECTIVE DATE** **July 1, 2001**

DATE: June 6, 2001
TO: Phil Nyegaard through Lee Sparling and Ed Busch
FROM: Ed Krantz
SUBJECT: UM 784 - Deferred accounting for costs associated with PGE's conservation programs

SUMMARY RECOMMENDATION:

Approve reauthorization for up to a twelve month period beginning July 1, 2001.

DISCUSSION:

This request covers the deferral of costs related to PGE's energy efficiency activities. The company defers the difference between the actual revenue requirement and lost revenue associated with these activities and that revenue requirement and lost revenue forecast included in the company's last general rate case, Docket No. UE 88. Current reauthorization extends through June 30, 2001.

The account is subject to ORS 757.259 and OAR 860-27-0300, and the Commission may authorize deferred accounts for periods of twelve months or less. As a result, the deferrals will cease on June 30, 2001, unless the Commission reauthorizes the process. It should be noted that the three percent public purpose charge is currently scheduled to begin October 1, 2001, under the provision of Senate Bill 1149. At that date, or in the event of a delay, the date that implementation of the charge occurs, PGE will cease its energy efficiency activities and associated deferrals. Therefore, Staff recommends the Commission allow PGE to continue the previously authorized deferred accounting beginning July 1, 2001, for up to twelve months, depending on the implementation date of the three percent public purpose charge.

These amounts would be subject to recovery through the company's annual Schedule 101 rate filing. The company estimates that for the twelve month period beginning July 1, 2001, the net deferrals of its conservation programs, including funding for the Northwest Energy Efficiency Alliance, will be approximately \$5.3 million.

The company began expensing versus capitalizing DSM costs on October 1, 2000, but the deferred account remains open to record true-ups between actual costs and authorized rates.

The company proposes to record the conservation cost deferrals in FERC Account 182.3, Other Regulatory Assets.

STAFF RECOMMENDATION:

I recommend the Commission allow PGE to continue deferred accounting for amounts related to the company's energy efficiency programs for up to twelve months beginning July 1, 2001, depending on when the SB 1149 public purpose charge goes into effect.