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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UE 116/UE 135/UM 958

In the Matter of )  
 )  
 PacifiCorp's )  
 )  
 Proposal to Restructure and Reprice Its )  
 Services in Accordance With the )  
 Provisions of SB 1149 (**UE 116**) )  
 )  
 Requesting Approval for Recovery of )  
 SB 1149 Implementation Costs Deferred )  
 between April 2001 and December 2001 )  
 (**UE 135**) )  
 )  
 Application for an Accounting Order )  
 Approving Deferral of Costs Per Senate )  
 Bill 1149. (**UM 958**) )

ORDER

**DISPOSITION: SUBJECT TO REFUND PROVISION REMOVED**

In UE 116, Order No. 01-787, the Public Utility Commission of Oregon (Commission) authorized PacifiCorp's recovery of \$5.4 million in SB 1149 costs incurred prior to March 31, 2001. On March 5, 2002, the Commission allowed PacifiCorp to begin recovering in rates \$12.9 million of SB 1149 implementation costs which had been deferred between April 2001 and December 2001. This recovery was approved, subject to refund, pending a Staff audit in Summer 2002. PacifiCorp is recovering these SB 1149 costs through Schedules 291, 292 and 293.

The Staff audit was completed on August 26, 2002. On August 28, 2002, all parties on the UE 116 and UE 135 service lists were informed that the audit was completed, that they could request a copy of the audit, and that they had until September 30, 2002 to object to the audit. No objections were received.

Based upon the results of the audit, Staff recommended, and PacifiCorp accepted, an adjustment to remove \$1.5 million plus associated interest. The adjustment changed the total SB 1149 deferral to \$16.0 million. With this adjustment, Staff believes the balance in the deferred account is fairly and accurately stated and that the "subject to

refund" provision related to PacifiCorp Schedules 291, 292, and 293 should be lifted. Details of the Staff's recommendations and audit are attached as Appendix A.

At its public meeting on November 5, 2002, the Commission adopted Staff's recommendations.

**ORDER**

IT IS ORDERED that the "Subject to Refund" provision related to recovery of PacifiCorp's SB 1149 Implementation Costs is removed.

Made, entered, and effective \_\_\_\_\_.

BY THE COMMISSION:

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**Becky L. Beier**  
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.

ITEM NO. CA3

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 5, 2002**

<b>REGULAR</b>	<b>CONSENT</b>	<b>X</b>	<b>EFFECTIVE</b>	<b>N/A</b>
			<b>DATE</b>	

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**DATE:** October 9, 2002

**TO:** John Savage through Lee Sparling and Ed Busch

**FROM:** Judy Johnson

**SUBJECT:** PACIFIC POWER & LIGHT: (Docket Nos. UE 116, UE 135 and UM 958) Staff requests removal of "Subject to Refund" provision related to recovery of SB 1149 Implementation Costs

**STAFF RECOMMENDATION:**

I recommend the Commission remove the "Subject to Refund" provision related to recovery of Pacific Power & Light Company's SB 1149 Implementation Costs.

**DISCUSSION:**

The Commission's order in UE 116, Order No. 01-787, authorized PacifiCorp to recover \$5.4 million in SB 1149 costs incurred prior to March 31, 2001<sup>1</sup>. On March 5, 2002, the Commission allowed the company to begin recovering in rates the amortization of \$12.9 million of SB 1149 implementation costs, which were deferred between April 2001 and December 2001. Staff recommended and the Commission approved the collection of the amortization be subject to refund pending a Staff audit scheduled for summer 2002. PacifiCorp is recovering these SB 1149 costs through Schedules 291, 292, and 293. Staff stated that the audit would cover all PacifiCorp's deferred SB 1149 implementation costs.

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<sup>1</sup> Order No. 01-787 at page 45. The Commission granted PacifiCorp authority to defer SB 1149 implementation costs in Docket No. UM 958 (Order Nos. 00-039 and 00-165).

<sup>1</sup> A copy of the audit is attached.

In a letter dated March 14, 2002, Administrative Law Judge (ALJ) Kathryn Logan indicated that Staff would notify parties when the audit was completed<sup>2</sup> and parties should request a copy of the audit if they were interested. On August 27, 2002, ALJ Logan was notified that the audit was completed. On August 28, 2002, ALJ Logan issued a letter to all parties on the UE 116 and UE 135 service lists asking that objections to Staff's audit to be submitted by September 30, 2002. Five parties requested copies of the audit. No parties issued objections.

Based on the results of the audit, Staff recommended, and PacifiCorp accepted, an adjustment to remove \$1.5 million plus associated interest. This adjustment changes the total SB 1149 deferral at December 31, 2001, from \$17.5 million to \$16.0 million. With this adjustment, Staff believes the balance in the deferred account is fairly and accurately stated and the "subject to refund" provision related to PacifiCorp Schedules 291, 292, and 293 can be lifted.

**PROPOSED COMMISSION MOTION:**

Staff's recommendation to remove the "Subject to Refund" provision related to recovery of Pacific Power & Light Company's SB 1149 Implementation Costs be approved.

Attachment