

This is an electronic copy. Format and font may vary from the official version. Attachments may not appear.

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UF 4158

In the Matter of	)	
	)	
PORTLAND GENERAL ELECTRIC	)	
	)	ORDER
Application for Authority to Renew and	)	
Amend its Borrowing Agreement for Tax-	)	
Exempt Bonds.	)	

**DISPOSITION: ORDER NO. 03-207 AMENDED**

On February 27, 2003, Portland General Electric (PGE) filed an application with the Public Utility Commission (Commission), seeking approval of the renewal of and amendment to an outstanding credit authority. At its public meeting on March 31, 2003, the Commission approved the application. On April 7, 2003, the Commission issued Order No. 03-207 memorializing the decision.

On April 11, 2003, PGE filed an amended application and request to amend Order No. 03-207. The reason for the request is due to the inadvertent limitation placed on PGE as a result of language in the Order.

PGE requests the following condition be deleted from Order No. 03-207:

- 1) The Public Utility Commission requires "call provision" if Portland General Electric issues long-term security.

PGE requests that the following condition be inserted into Order No. 03-207:

- 1) The pollution control bonds shall not be remarketed with a Term Interest Rate Period greater than 7 years or at a Term Interest Rate greater than 7.85% without subsequent approval of the Public Utility Commission.

At its public meeting on April 15, 2003, the Commission approved the amended application and request to amend Order No. 03-207. The basis for the current request is detailed in Staff's recommendation memo, attached as Appendix A.

**ORDER**

IT IS ORDERED:

- 1) The pollution control bonds shall not be remarketed with a Term Interest Rate Period greater than 7 years or at a Term Interest Rate greater than 7.85% without subsequent approval of the Public Utility Commission.
- 2) That the application of Portland General Electric to renew and amend the authority granted by Commission Order No. 98-194 is approved with Staff's Conditions, as further specified in Appendix A.

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

BY THE COMMISSION:

---

**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.

APPENDIX A  
PAGE 2 OF 2

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: April 15, 2003**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** \_\_\_\_\_

**DATE:** April 11, 2003

**TO:** John Savage through Marc Hellman and Bryan Conway

**FROM:** Thomas D. Morgan

**SUBJECT:** PORTLAND GENERAL ELECTRIC: (Docket No. UF 4158) Portland General Electric's Application for Revision to Order 03-207

**STAFF RECOMMENDATION:**

The Commission should approve Portland General Electric's (PGE or Company) application to amend the language in the recent Commission Order 03-207.

The current application does not seek additional authority for the Company and actually places greater limits on the Company.

**DISCUSSION:**

On April 11, 2003, PGE filed an application with the Commission to amend the language of Order 03-207 that became effective on April 7, 2003. The reason for the request is due to the inadvertent limitation placed on the Company as a result of language in the Order.

As a result of Staff's concerns relating to the potential interest rates for longer-term maturities, the Order, at subsection 1, stated that "The Public Utility Commission requires "call provision" if Portland General Electric issues long-term security." The Company has indicated that it does not plan to remarket the securities at rates that generated Staff's concern. The language in the Order does not provide clear direction to the Company.

Portland General Electric is currently working to remarket the PCRBS for an interest rate period of six years at an interest rate consistent with that included in the original application for that interest rate period. The Company has been advised by the Remarketing Agent that to successfully remarket the PCRBS at that interest rate a call provision cannot be added to the PCRBS. As such, the Company requests that the Commission amend the Order by deleting the condition in paragraph 1 of the ordering section and inserting the following condition:

“The pollution control bonds shall not be remarketed with a Term Interest Rate Period greater than 7 years or at a Term Interest Rate greater than 7.85% without subsequent approval of the Public Utility Commission.”

Based on Staff's review, approval of PGE's application is recommended.

**PROPOSED COMMISSION MOTION:**

PGE's application to amend Order 03-207 is approved.

UF 4158 – Amendment to PGE Order 03-207