

ORDER NO. 04-330

ENTERED JUN 11 2004

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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1102(1)

In the Matter of	)	
	)	
PACIFICORP	)	ORDER
	)	
Application for Reauthorization of Certain	)	
Deferred Accounts.	)	

**DISPOSITION: REAUTHORIZATION FOR DEFERRAL APPROVED**

On May 6, 2004, Pacific Power & Light Company (PacifiCorp) requested reauthorization to defer costs related to Intervenor Funding Grants for later incorporation in rates. The Public Utility Commission of Oregon (Commission) originally authorized deferral of these costs beginning September 17, 2003. Pursuant to ORS 757.072(4) and ORS 757.259(3), the Commission shall allow a public utility that provides financial assistance to organizations representing broad customer interests to defer inclusion of such amounts in rates, if the public utility elects to do so. A description of the Intervenor Funding Agreement is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting on June 8, 2004, the Commission adopted Staff's Recommendation and approved PacifiCorp's request for reauthorization for deferred costs related to Intervenor Funding Grants.

**ORDER**

**IT IS ORDERED THAT:**

- 1) PacifiCorp's request for reauthorization to defer costs related to Intervenor Funding Grants until June 30, 2005, is approved.

- 2) PacifiCorp is directed to account for the grants using separate subaccounts for each type of grant in order to facilitate recovery of costs from the appropriate customer class.

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.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 8, 2004**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE**  July 1, 2004

**DATE:** May 24, 2004

**TO:** Lee Sparling through Ed Busch and Judy Johnson

**FROM:** Ed Durrenberger

**SUBJECT:** PACIFIC POWER & LIGHT COMPANY: (Docket No. UM 1102(1))  
Request for Reauthorization for Deferral of Intervenor Funding Grants.

**STAFF RECOMMENDATION:**

I recommend the Commission approve Pacific Power & Light Company's request for reauthorization to defer costs related to Intervenor Funding Grants until June 30, 2005. I further recommend that the Commission instruct Pacific Power & Light Company to allocate funds to each customer class to facilitate the recovery of costs from the appropriate customer class.

**DISCUSSION:**

On May 6, 2004, Pacific Power & Light Company (PacifiCorp) requested reauthorization to defer costs related to Intervenor Funding Grants for later incorporation in rates. The Commission originally authorized deferral of these costs beginning September 17, 2003, in Order No. 03-560 (Docket UM 1102).

Pursuant to 757.072(4) and 757.259(3), the Commission shall allow a public utility that provides financial assistance to organizations representing broad customer interests to defer inclusion of such amounts in rates, as provided in ORS 757.259, if the public utility elects to do so. Such grants would be used by these qualifying organizations when participating in certain types of regulatory proceedings before the Commission. Deferred amounts under ORS 757.259(3) are not subject to the percentage of gross revenue limitation or other provisions of subsections (5), (6), (7), and (8) of the amended section.

On July 2, 2003, the Commission issued Order No. 03-388, which, among other things, approved an agreement (Intervenor Funding Agreement) between PacifiCorp,

Portland General Electric Company, Northwest Natural Gas Company, Northwest Industrial Gas Users, Citizens' Utility Board of Oregon (CUB), and Industrial Customers of Northwest Utilities. The Intervenor Funding Agreement sets forth the amount of funding to be contributed by each utility, the procedures for budget submittals by intervenors, Commission approval of budgets, and the payment of grants by utilities. It authorizes three separate funds, with different requirements to be met to qualify for each fund. The funds are as follows:

- 1) CUB Fund;
- 2) Preauthorized Matching Fund; and
- 3) Issue Fund.

The Intervenor Funding Agreement also required the costs of the fund be allocated to the appropriate customer class. CUB funds would be generated from residential rates and industrial customers would fund the amounts for the Preauthorized Matching Fund (Matching Fund). The Commission will allocate amounts from the Issue Fund to align the costs of advocacy with the intended beneficiaries of the advocacy.

In its subsequent Order No. 03-405, entered July 14, 2003, the Commission directed each of the participating utilities to pay the amounts made available for the CUB Fund Grants no later than 30 days after receipt of the order. In the Intervenor Funding Agreement, CUB was designated to receive \$50,000 each (calendar) year<sup>1</sup> from each of the three participating public utilities; PacifiCorp, PGE and Northwest Natural Gas.

In its May 6, 2004 filing, PacifiCorp reported a balance of \$104,000 in the deferred account. A total of \$54,000 was deferred in Calendar Year (CY) 2003, \$50,000 to the CUB Fund and \$4,000 to the Issue Fund. The remaining \$50,000 was deferred in CY 2004 and allocated to the CUB Fund.

#### Proposed Accounting

The proposed deferrals will be recorded in separate subaccounts of account 182.3 (Other Regulatory Assets). Amounts are to be debited to the deferred account only as the utility actually disperses money for intervenor funding. In the absence of deferral approval, the company would record the amounts in the subaccounts of FERC account 930 (Miscellaneous General Expenses).

#### Estimated Deferrals in Authorization Period

PacifiCorp anticipates that the maximum amounts to be deferred during the calendar year are:

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<sup>1</sup> The deferral period for each of the categories of grants shall begin on July 1 of each year and end on June 30. However, in the Intervenor Funding Agreement the payment times are considered on a calendar year basis.

Fund	CY 2004
CUB Fund	\$ 50,000
Preauthorized Matching Fund	\$ 50,000
Issue Fund	\$125,000
Total	\$225,000

**PROPOSED COMMISSION MOTION:**

PacifiCorp's request for reauthorization to defer costs related to Intervenor Funding Grants be approved beginning July 1, 2004 to June 30, 2005. Additionally, PacifiCorp is directed to account for the grants using separate subaccounts for each customer class.

PacifiCorp UM 1102(1)