

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1103(2)

| | | |
|--|---|-------|
| In the Matter of |) | |
| |) | |
| PORTLAND GENERAL ELECTRIC |) | ORDER |
| |) | |
| Request to Reauthorize Deferral of Costs |) | |
| Associated with Intervenor Funding Grants. |) | |

DISPOSITION: REAUTHORIZATION FOR DEFERRAL APPROVED

On May 13, 2005, Portland General Electric (PGE) 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 29, 2005, the Commission adopted Staff's Recommendation and approved PGE's request for reauthorization for deferred costs related to Intervenor Funding Grants.

ORDER

IT IS ORDERED that:

- 1) Portland General Electric's request for reauthorization to defer costs related to Intervenor Funding Grants until June 30, 2006, is approved.

- 2) Portland General Electric is directed to account for the grants by customer class.

Made, entered and effective JUN 29 2005.

BY THE COMMISSION:



Becky L. Beier
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 29, 2005

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** July 1, 2005

DATE: June 1, 2005

TO: Public Utility Commission

FROM: Carla Owings

THROUGH: Lee Sparling, Ed Busch and Judy Johnson

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1103(2)) Request to reauthorize deferral of costs associated with Intervenor Funding Grants.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's request to defer costs related to Intervenor Funding Grants beginning July 1, 2005 to June 30, 2006.

DISCUSSION:

On July 2, 2003, the Commission issued Order No. 03-388, which, among other things, approved the Intervenor Funding Agreement among PacifiCorp, Portland General Electric Company (PGE), Northwest Natural Gas Company, Northwest Industrial Gas Users, Citizens' Utility Board of Oregon (CUB), and Industrial Customers of Northwest Utilities, dated February 5, 2003 (the Intervenor Funding Agreement). Pursuant to 757.072(2) "...any agreement entered into... must be approved by the Commission before any financial assistance is provided..." and (3) "...in administering an agreement...the Commission by rule or by order may determine...(c) the manner in which the financial assistance will be recovered in rates."

The Intervenor Funding Agreement in Order No. 03-388 sets forth the amounts to be contributed by each utility, the procedures for budget submittals by intervenors, and the payment of grants by each utility. The agreement authorizes the utility to account for the grants in three separate funds:

- 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.

Pursuant to Order 03-388, the maximum rollover amount for the Preauthorized Matching Fund is \$50,000. Amounts will be debited to the deferral account only as funds are actually dispersed.

In its May 13, 2005, filing, PGE reports the following balances and accruals in its intervenor funding accounts:

| Fund Description | July 04 Balance | CY 2005 Accrual | CY 2005 Interest | Balance |
|-------------------------|------------------------|------------------------|-------------------------|-------------------|
| CUB Fund | \$ 103,499 | \$ 50,000 | \$ 10,754 | \$ 164,253 |
| Matching Fund | \$ 50,692 | \$ 50,000 | \$ 5,748 | \$ 106,440 |
| Issue Fund | \$ 92,089 | \$125,000 | \$ 3,023 | \$ 220,112 |
| Balance | \$ 246,280 | \$ 225,000 | \$ 19,525 | \$ 490,805 |

Proposed Accounting

The proposed deferrals would be recorded in separate subaccounts of account 182.3 (Miscellaneous Deferred Debits). 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

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

| Fund | CY 2005 |
|------------------------------------|------------------|
| CUB Fund | \$ 50,000 |
| Preauthorized Matching Fund | \$ 50,000 |
| Issue Fund | \$125,000 |
| Total | \$225,000 |

PROPOSED COMMISSION MOTION:

The Commission approve Portland General Electric's request to defer costs related to Intervenor Funding Grants beginning July 1, 2005 to June 30, 2006.

PGE UM 1103(2) Intervenor Funding