

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1103(3)

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

DISPOSITION: REAUTHORIZATION FOR DEFERRAL APPROVED

On June 7, 2006, Portland General Electric Company (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, in Order No. 03-561. 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 July 11, 2006, 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, 2007, is approved.
- 2) Portland General Electric is directed to account for the grants by customer class.

Made, entered and effective JUL 17 2006



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 request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 11, 2006

REGULAR _____ CONSENT X EFFECTIVE DATE July 1, 2006

DATE: June 29, 2006

TO: Public Utility Commission

FROM: Carla Owings *CO*

THROUGH: *li* Lee Sparling, *EB* Ed Busch and *JD* Judy Johnson

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1103(3)) 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, 2006 to June 30, 2007.

DISCUSSION:

On June 7, 2006, Portland General Electric Company (PGE) filed a request for reauthorization to defer Intervenor Funding Costs. Current authorization for this deferral extends through June 30, 2006, pursuant to Order No. 05-816.

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

PGE-UM 1103(3)
 June 29, 2006
 Page 2

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 required the costs of the fund be allocated to the appropriate customer class. CUB funds are generated from residential rates and industrial customers fund the amounts for the Preauthorized Matching Fund (Matching Fund). The Commission allocates requested 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 June 7, 2006, filing, PGE reports the following balances and accruals in its intervenor funding accounts:

Fund Description	June 2006 Available	2006/2007 Accrual	June 2007 Available
CUB Fund	\$ 234,268	\$ 50,000	\$ 284,000 ¹
Matching Fund	\$ 118,296	\$ 50,000	\$ 168,000 ²
Issue Fund	\$ 259,961	\$125,000	\$ 385,000 ³
Balance	\$ 612,525	\$ 225,000	\$ 837,000

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

¹ Approximate balance not considering interest accruals and exact payout dates.

² Approximate balance not considering interest accruals and exact payout dates.

³ Approximate balance not considering interest accruals and exact payout dates.

PGE-UM 1103(3)
June 29, 2006
Page 3

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 2006
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, 2006 to June 30, 2007.

PGE UM 1103(3) Intervenor Funding