

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1233

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	AMENDING ORDER
COMPANY)	
)	
Detailed depreciation study of the electric)	
properties of the Company.)	

DISPOSITION: MOTION TO AMEND ORDER
NO. 06-581 GRANTED

In Order No. 06-581, the Public Utility Commission of Oregon (Commission) adopted a new depreciation study for Portland General Electric Company (PGE). Among other things, the order approved the depreciation of PGE’s Port Westward generating facility, then under construction, over a 35-year life span. The order granted PGE approval of specific depreciation parameters for five individual Port Westward production Federal Energy Regulatory Commission (FERC) accounts – 34100, 34200, 34400, 34500 and 34600.

In Order No. 07-015, the Commission subsequently established PGE’s revenue requirement, including depreciation expense for Port Westward. The approved test year depreciation expense for Port Westward included the \$10,677,000 amount included in PGE’s original filing, reduced by \$1,988,000 following PGE’s agreement to use a 35-year depreciation life, as approved in Order No. 06-581.

PGE has discovered an inconsistency between Order Nos. 06-581 and 07-015. When PGE incorporated the Port Westward depreciation parameters contained in Order No. 06-581 into its actual depreciation expense calculations, PGE found that the depreciation rates derived for several of the individual FERC accounts were inconsistent with the intent to depreciate Port Westward production accounts over a 35-year life span.

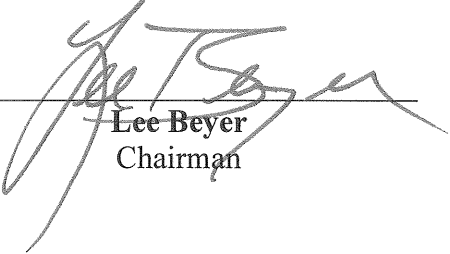
To address this inconsistency, PGE filed a motion to amend Order No. 06-581 to make it consistent with Order No. 07-015. Specifically, PGE requests the Commission modify its approved Iowa curves for FERC Accounts 34100, 34400, 34500, and 34600, such that an S3-38 curve and a 35-year life are used for all five Port Westward depreciation accounts. PGE contends such changes are required to align its book depreciation expense with the revenue requirement approved by the Commission in Order No. 07-015. PGE adds that the Commission Staff, which was the only other party to actively participate in this docket, supports the motion.

PGE's motion is reasonable and should be granted. Pursuant to our authority in ORS 756.568, Order No. 06-581 is amended, and an S3-38 depreciation Iowa Curve is approved for FERC Accounts 34100, 34400, 34500, and 34600. The remainder of the order is unchanged.

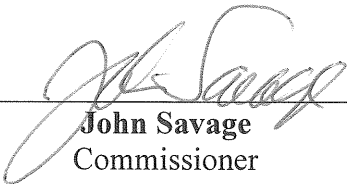
ORDER

IT IS ORDERED that the motion to amend Order No. 06-581, filed by Portland General Electric Company, is granted.

Made, entered, and effective OCT 11 2007



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



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.