

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1103(5)

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	ORDER
COMPANY)	
)	
Application for Reauthorization to Defer)	
Intervenor Funding Costs.)	

DISPOSITION: REAUTHORIZATION FOR DEFERRAL APPROVED

On June 5, 2008, Portland General Electric Company (PGE) requested reauthorization to defer costs related to Intervenor Funding Grants for later incorporation in rates. Current authorization for deferral extends through June 30, 2008, pursuant to Order No. 07-324.

On July 2, 2003, the Public Utility Commission of Oregon (Commission) issued Order No. 03-388, which approved the Intervenor Funding Agreement among PacifiCorp, PGE, Northwest Natural Gas Company, Northwest Industrial Gas Users, Citizens' Utility Board of Oregon and Industrial Customers of Northwest Utilities, pursuant to ORS 757.072. 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 August 26, 2008, the Commission adopted Staff's Recommendation and approved PGE's request for reauthorization for deferred costs related to Intervenor Funding Grants.

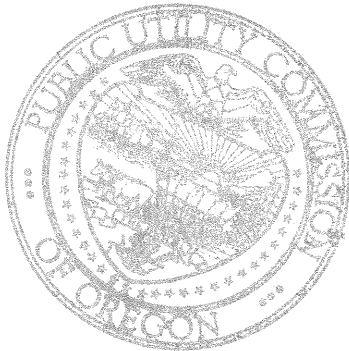
ORDER

IT IS ORDERED that:

1. Portland General Electric's request for reauthorization to defer costs related to Intervenor Funding Grants until June 30, 2009, is approved.
2. Portland General Electric is directed to account for the grants by customer class.

Made, entered and effective AUG 28 2008 .

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: August 26, 2008

REGULAR _____ CONSENT X EFFECTIVE DATE July 1, 2008

DATE: August 12, 2008

TO: Public Utility Commission

FROM: Carla Owings *CO*

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

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1103(5)) 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, 2008 to June 30, 2009.

DISCUSSION:

On June 5, 2008, Portland General Electric Company (PGE) filed a request for reauthorization to defer Intervenor Funding Costs. Current authorization for this deferral extends through June 30, 2008, pursuant to Order No. 07-324.

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."

On December 19, 2007, the Commission approved the First Amended and Restated Intervenor Funding Agreement (IFA) which extended intervenor funding through December 12, 2012 (Commission Order No. 07-564). The IFA amends and clarifies the use of funds for dockets that extend two or more calendar years, modifies some of the

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original terms and conditions, adds new reporting requirements and changes the funding amounts to be contributed by each utility. Additionally, the IFA adds new accounts for additional participating utilities.¹

The IFA sets forth the amounts to be contributed by each utility, the procedures for budget submittals by Intervenor, and the payment of grants by each utility. For PGE the agreement authorizes the utility to account for the grants in three separate funds:

- 1) CUB Fund of \$57,500;
- 2) Preauthorized Matching Fund of \$57,500; and
- 3) Issue Fund of \$125,000.

The Intervenor Funding Agreement required the costs of each 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.

In its June 5, 2008, filing, PGE reports the following balances and accruals in its intervenor funding accounts:

Fund Description	June 2008	2008/2009 Accrual	June 2009²
CUB Fund	\$ 236,970	\$ 57,500	\$ 294,470
Matching Fund	\$ 186,997	\$ 57,500	\$ 244,497
Issue Fund	\$ 303,995	\$125,000	\$ 428,995
Balance	\$ 727,962	\$ 240,000	\$ 967,962

¹ The Order adds new accounts for Cascade Natural Gas and Avista Gas Corporation.

² Approximate balance does not consider interest accruals and exact payout dates.

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Proposed Accounting

The proposed deferrals would be recorded in separate subaccounts of FERC 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

The IFA permits intervenors to request grants from the various funds at any time during the calendar year, though the deferral period generally runs from July 1 to June 30 of each year. Amounts will be debited to the deferral account as funds are actually disbursed and balances in the funds may rollover into the following year if intervenors do not use the entire amount available. In recent years, the CUB and Matching Funds have permitted intervenors to request advances from future-year accruals.

PGE anticipates that the maximum amounts to be deferred during the deferral period are:

Fund	
CUB Fund	\$ 57,500
Preauthorized Matching Fund	\$ 57,500
Issue Fund	\$125,000
Total	\$240,000

PROPOSED COMMISSION MOTION:

Portland General Electric's request to defer costs related to Intervenor Funding Grants beginning July 1, 2008 to June 30, 2009, be approved.

PGE UM 1103(5) Defer Intervenor Funding