

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1102(6)

In the Matter of

PACIFICORP, dba PACIFIC POWER

Application for Reauthorization of
Deferred Accounting Regarding Intervenor
Funding Grants.

ORDER

**DISPOSITION: REQUEST FOR REAUTHORIZATION FOR
DEFERRAL APPROVED**

On June 1, 2009, PacifiCorp, dba Pacific Power (Pacific Power), requested reauthorization to defer costs related to Intervenor Funding Grants for later incorporation into rates. The Public Utility Commission of Oregon (Commission), pursuant to ORS 757.259, originally authorized deferral of these costs in Order No. 03-560, and most recently reauthorized deferral in Order No. 08-324. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting on July 28, 2009, the Commission adopted Staff's Recommendation and approved Pacific Power's current request.

ORDER

IT IS ORDERED that:

1. Pacific Power's request regarding reauthorization for deferral of Intervenor Funding Grants for a one-year period, effective August 1, 2009, is approved.

2. Pacific Power shall account for the grants using separate sub-accounts for each type of grant in order to facilitate recovery of costs from the appropriate customer class.

Made, entered and effective AUG 03 2009

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.

ITEM NO. CA1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 28, 2009**

REGULAR _____ CONSENT X EFFECTIVE DATE August 1, 2009

DATE: July 13, 2009

TO: Public Utility Commission

FROM: *LG* Lisa Gorsuch

THROUGH: *LS* Lee Sparling and *EB* Ed Busch

SUBJECT: PACIFIC POWER & LIGHT: (Docket No. UM 1102(6)) Reauthorizes deferral of intervenor funding grants.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Pacific Power & Light's (PP&L or Company) request for reauthorization to defer costs related to Intervenor Funding Grants effective August 1, 2009. Staff further recommends that the Commission require PP&L to use a separate subaccount for each grant.

DISCUSSION:

Pursuant to ORS 757.259 and OAR 860-027-0300, PPL requests reauthorization to record and defer for a 12-month period beginning August 1, 2009, the cost of intervenor funding grants as allowed under ORS 757.072.

Deferral of these costs was originally granted by the Commission in Order No. 03-560 and has been annually reauthorized, most recently in Order No. 08-324.

Summary Background

In its Order No. 03-388, the Commission approved an Intervenor Funding Agreement (IFA) between various utilities including PP&L, and various intervenors including Citizens' Utility Board of Oregon (CUB), and Industrial Customers of Northwest Utilities (ICNU). The IFA sets forth the funding amount 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 funds with different qualification requirements for each. They are the CUB Fund, the Preauthorized Matching Fund, and the Issue Fund.

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The IFA also requires the costs of each fund to be allocated to the appropriate customer class. The CUB fund 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. 07-564, the Commission approved an amended and restated IFA that extends intervenor funding until December 31, 2012.

Proposed Accounting

Accounts are to be debited to deferred accounts only as the utility disperses funding to a qualifying intervenor. The proposed deferrals would be recorded in separate subaccounts of FERC Account 182.3 (Miscellaneous Deferred Debits). The Company would not normally incur the cost of intervenor funding grants without deferral approval. However, if such costs were incurred they would be recorded in subaccounts of FERC Account 930 (Miscellaneous General Expenses).

Estimated Deferrals in Authorization Period

PP&L anticipates that the maximum deferred amounts during the 12-month period beginning August 1, 2009 will be:

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

PROPOSED COMMISSION MOTION:

PP&L's application, as filed on June 1, 2009, be approved with the condition that each grant be recorded in a separate account.

PP&L UM 1102(6) Intervenor Funding 2009