

ORDER NO. 00-219

ENTERED APR 25 2000

This is an electronic copy. Attachments may not appear.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 971

In the Matter of the Application of PACIFICORP)	
for Authority to Use Deferred Accounting for)	ORDER
Costs Associated with Administering SB 1149)	
Public Purpose Funds.)	
)	

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On March 20, 2000, the Commission received an application from PacifiCorp, filed pursuant to Section 18, chapter 865, Oregon Laws 1999 (SB 1149) requesting authority for deferred accounting treatment of costs related to administering the SB 1149 public purpose funds.

On March 17, 2000, the Commission entered Order No. 00-165, which held that SB 1149 provides authority for deferral of costs related to implementing the bill. Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable law.

On March 28, 2000, the Industrial Customers of Northwest Utilities (ICNU) petitioned to intervene. No objections to the petition were received.

At its Public Meeting on April 11, 2000, the Commission considered Staff's recommendation to approve the application and comments made by ICNU. Staff's recommendation is attached as Appendix A and is incorporated by reference. After consideration, the Commission adopted Staff's recommendation with the condition that a \$125,000 cap be placed on the costs eligible for deferred accounting treatment.

Jurisdiction

ORS 757.005 defines a "public utility" as anyone providing heat, light, water, or power service to the public in Oregon. The Company is a public utility subject to the Commission's jurisdiction.

Applicable law

Sections 18 and 45, chapter 865, Oregon Laws 1999 (SB 1149) permit deferral of costs related to the implementation of SB 1149. PacifiCorp's application for deferral is consistent with the law.

ORDER

IT IS ORDERED that:

1. The Industrial Customers of Northwest Utilities' Petition to Intervene is granted.
2. PacifiCorp's request for deferred accounting treatment for costs associated with administering the SB 1149 public purpose funds as described in Appendix A is granted, subject to a \$125,000 cap.

Made, entered, and effective _____.

BY THE COMMISSION:

Vikie Bailey-Goggins
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 of 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. A party may appeal this order to a court pursuant to ORS 756.580.

UMENERGY.DOC

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 11, 2000

REGULAR AGENDA X CONSENT AGENDA EFFECTIVE DATE March 20, 2000

DATE: April 3, 2000

TO: Bill Warren through Lee Sparling, Jack Breen, and Ed Busch

FROM: Lynn Kittilson

SUBJECT: UM 971—PacifiCorp Application for Deferred Accounting for Costs Associated with SB 1149 Public Purpose Funds

SUMMARY RECOMMENDATION:

Approve PacifiCorp's application as filed.

DISCUSSION:

On March 20, 2000, PacifiCorp (Pacific or company) submitted an application for an order authorizing Pacific's use of deferred accounting treatment for costs incurred prior to implementation of the public purpose charge pursuant to SB 1149. The application was docketed as UM 971.

At the February 22, 2000 public meeting, the Commission approved staff's recommendation to "begin the process of establishing a new nonprofit organization to administer the conservation and renewable resources portions of the SB 1149 public purpose funds." The Commission also agreed that funds advanced by PGE and Pacific for startup activities related to establishing the new nonprofit organization prior to October 1, 2001 can be recovered from future public purpose funds pursuant to Section 3(3)(c) of SB 1149. Pacific's deferred accounting application was submitted consistent with the Commission's decisions at the February 22 public meeting. By Order No. 00-165, the Commission determined that SB 1149 provides the authority for deferral of costs related to implementing the bill.

Pacific's application specifically requests an order that (1) authorizes the company to defer SB 1149 implementation costs associated with the bill's public purposes prior to the contemplated October 1, 2001 implementation date of the public purpose charge; (2) finds that the Commission will consider incorporating into rates the authorized, prudently incurred deferred costs at a later time; (3) authorizes recovery of all Commission-directed public purpose expenditures incurred by Pacific and of any other prudently incurred costs from public purpose charge revenues collected after effectuation of the public purpose charge; (4) authorizes recovery of the deferred costs through non-public purpose charge Oregon retail rates, if the company is not able to recover the prudently incurred deferred costs from collection of public purpose charges; and (5) finds that approved deferred expenses may be incorporated into rates through a filing that may or may not constitute a general rate case application.

Bill Warren
April 3, 2000
Page 2

On March 28, 2000, the Industrial Customers of Northwest Utilities (ICNU) petitioned to intervene as a party in UM 971. ICNU's petition states that it opposes any effort to impose any new charges related to public purpose charges prior to the implementation of customer choice in October 2001. ICNU requests that the Commission either deny Pacific's deferred accounting request on the basis that it is inconsistent with SB 1149 or find that the costs related to the establishment of the nonprofit organization not be charged to customers if SB 1149 is not implemented.

STAFF RECOMMENDATION:

Staff believes that Pacific already has the authority granted by Order Nos. 00-039 and 00-165 to defer costs related to implementing Section 3 of SB 1149. In addition, the Commission agreed at the February 22, 2000 public meeting that funds advanced by PGE and Pacific for startup activities related to establishing the new nonprofit organization can be recovered from future public purpose funds pursuant to Section 3(3)(c) of SB 1149. Pacific's deferred accounting application is the mechanism for implementing the Commission's prior approval on recovery of SB 1149 costs related to setting up the new nonprofit organization. I recommend that the Commission approve Pacific's request for authorization to defer SB 1149 implementation costs associated with public purposes as filed.