

ORDER NO. 00-220

ENTERED APR 25 2000

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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 970

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

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS**

On March 17, 2000, the Commission received an application from Portland General Electric Company (PGE), 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.

At its Public Meeting on April 11, 2000, the Commission considered Staff's recommendation to approve the application and comments made by Industrial Customers of Northwest Utilities (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. PGE’s application for deferral is consistent with the law.

**ORDER**

IT IS ORDERED that Portland General Electric Company’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:

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**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.

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UMENERGY.DOC

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

**REGULAR AGENDA** **X** **CONSENT AGENDA**        **EFFECTIVE DATE** **March 15, 2000**

**DATE:** April 3, 2000

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

**FROM:** Lynn Kittilson

**SUBJECT:** UM 970—Portland General Electric Application for Deferred Accounting for Costs Associated with Administering SB 1149 Public Purpose Funds

**SUMMARY RECOMMENDATION:**

Approve Portland General Electric Company's application as filed.

**DISCUSSION:**

On March 17, 2000, Portland General Electric Company (PGE or company) submitted an application for an order authorizing PGE's use of deferred accounting for costs incurred prior to implementation of the public purpose charge pursuant to SB 1149. The application was docketed as UM 970.

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. PGE's deferred accounting application was submitted consistent with the Commission's decisions at the February 22 public meeting. By Order No. 00-165 dated March 17, 2000, the Commission determined that SB 1149 provides the authority for deferral of costs related to implementing the bill.

PGE's application specifically requests an order under the authority of SB 1149 that authorizes (1) deferred accounting for funds spent at the direction of a Commission staff liaison on startup activities related to establishing the new nonprofit organization beginning March 15, 2000 through October 1, 2001 or the date that new rates become effective pursuant to SB 1149; (2) interest on the deferred account at a rate equal to PGE's authorized cost of capital; and (3) recovery of all Commission-directed public

Bill Warren  
April 3, 2000  
Page 2

purpose expenditures incurred by PGE without a prudence review either as a cost of administration to be paid out of funds collected through public purpose charges pursuant to Section 3(3)(c) of SB 1149, or as costs incurred in the development of procedures necessary to comply with Sections 1 to 20 of SB 1149 pursuant to Section 18(4)(a) or 45 of SB 1149.

Appendix A  
Page 1 of 2

On March 28, 2000, the Industrial Customers of Northwest Utilities (ICNU) petitioned to intervene as a party in UM 970. 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 PGE'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 PGE already has the authority granted by Order Nos. 00-038 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. PGE'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 PGE's request for authorization to defer SB 1149 implementation costs associated with public purposes as filed.