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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 971

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

**DISPOSITION: ORDER NO. 00-219 AMENDED;  
DEFERRAL OF ADDITIONAL COSTS APPROVED**

On April 25, 2000, the Commission entered Order No. 00-219 in this docket, allowing deferred accounting treatment of \$125,000 in costs related to the administration of SB 1149 public purpose funds.

On March 9, 2001, PacifiCorp filed a petition for modification of Order No. 00-219. With this petition, PacifiCorp is asking the Commission to amend Order No. 00-219 by allowing deferred accounting treatment of an additional \$250,000 in costs related to the administration of SB 1149 public purpose funds.

At its Public Meeting on March 20, 2001, the Commission considered Staff's recommendation to approve the petition and comments made by Industrial Customers of Northwest Utilities (ICNU) in opposition to the petition. Staff's recommendation is attached as Appendix A and is incorporated by reference. After consideration, the Commission adopted Staff's recommendation.

**Jurisdiction**

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

**Applicable Law**

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

**ORDER**

IT IS ORDERED that:

1. PacifiCorp's request for additional deferred accounting treatment for costs associated with administering SB 1149 public purpose funds, as described in Appendix A, is granted.
2. Order No. 00-219 is amended, consistent with this order.

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.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT**

**PUBLIC MEETING DATE: March 20, 2001**

**REGULAR AGENDA X CONSENT AGENDA    EFFECTIVE DATE March 9, 2001**

**DATE:** March 13, 2001

**TO:** Phil Nyegaard through Lee Sparling and Jack Breen

**FROM:** Lynn Kittilson

**SUBJECT:** UM 971—PacifiCorp Supplemental Application for Accounting Order to Defer Additional Costs Associated with Administering SB 1149 Public Purpose Funds

**SUMMARY RECOMMENDATION:**

Approve PacifiCorp's request to increase the cap on deferred accounting authorization granted in Order No. 00-219 from \$125,000 to \$375,000.

**DISCUSSION:**

On March 9, 2001, PacifiCorp (Pacific or company) submitted a supplemental application in Docket UM 971 for an order authorizing Pacific to defer additional costs associated with establishing a new nonprofit organization to administer the conservation and renewable portions of SB 1149 public purpose funds.

In Docket UM 971, the Commission authorized Pacific in Order No. 00-219 to financially support activities necessary to create a new nonprofit organization before the public purpose charge is implemented beginning in October 2001. The Commission limited Pacific's financial support through deferred accounting authorization to a maximum of \$125,000. Portland General Electric (PGE) was also authorized in Order No. 00-220 (Docket UM 970) to provide financial support up to \$125,000, for a combined total of \$250,000. The funds provided by the two utilities will be repaid, including interest, through the conservation and renewable portions of future public purpose charges collected by Pacific and PGE.

Funding provided by Pacific and PGE has helped facilitate the establishment of the new nonprofit organization, named the Energy Trust of Oregon, Inc. (Energy Trust). On behalf of the Board of Directors, Marc Smiley, Interim Executive Director of the Energy Trust, recently requested the utilities to expand the initial funding level of \$250,000 shared by Pacific and PGE to a shared funding level of \$750,000 to support planning and start-up costs for the Energy Trust. The additional \$500,000 is necessary to cover the budgeted costs of strategic planning, finding and

hiring a full-time executive director, development of financial and other systems, and other steps approved by the board in its current work plan.

Pacific is willing to provide an additional \$250,000 to the Energy Trust, subject to Commission approval under the same deferral recovery mechanism approved by the Commission in Order No. 00-219. Pacific's application seeks an order from the Commission for approval to defer the costs that will be incurred to establish and fund initial operations of the Energy Trust up to a total of \$375,000.

**STAFF RECOMMENDATION:**

Staff believes it is necessary for the Energy Trust to have additional funds available to fund the organization's start-up activities prior to receiving public purpose funding later this year. I recommend that the Commission approve Pacific's request to increase the cap on the deferred accounting authorization granted in Order No. 00-219 from \$125,000 to \$375,000.