

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1103(6)

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

Application for Reauthorization to Defer  
Intervenor Funding Costs.

ORDER

**DISPOSITION: REAUTHORIZATION FOR DEFERRAL APPROVED**

On June 2, 2009, 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, 2009, pursuant to Order No. 08-442.

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 June 30, 2009, 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 Company's request for reauthorization to defer costs related to Intervenor Funding Grants until June 30, 2010, is approved.
- 2. Portland General Electric Company is directed to account for the grants by customer class.

Made, entered and effective JUL 13 2009.



BY THE COMMISSION:

Becky L. Beier  
**Becky L. Beier**  
Commission Secretary

ITEM NO. CA7

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 30, 2009

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE July 1, 2009

DATE: June 16, 2009

TO: Public Utility Commission

FROM: Carla Owings *CO*

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

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1103(6))  
Reauthorizes 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, 2009 to June 30, 2010.

**DISCUSSION:**

On June 2, 2009, Portland General Electric Company (PGE) filed a request for reauthorization to defer Intervenor Funding Costs. Current authorization for this deferral extends through June 30, 2009, pursuant to Order No. 08-442.

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<sup>1</sup>.

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 2, 2009, filing, PGE reports the following balances and accruals in its intervenor funding accounts:

| <b>Fund Description</b> | <b>Balance as of June 2009</b> | <b>Estimated 2009 Accrual</b> | <b>Estimated balance June 2010<sup>2</sup></b> |
|-------------------------|--------------------------------|-------------------------------|--|
| <b>CUB Fund</b>         | \$ 125,538                     | \$ 57,500                     | \$ 186,038                                     |
| <b>Matching Fund</b>    | \$ 121,623                     | \$ 57,500                     | \$ 179,123                                     |
| <b>Issue Fund</b>       | \$ 269,222                     | \$125,000                     | \$ 394,222                                     |
| <b>Balance</b>          | <b>\$ 519,383</b>              | <b>\$ 240,000</b>             | <b>\$ 759,383</b>                              |

<sup>1</sup> The Order adds new accounts for Cascade Natural Gas and Avista Utilities.

<sup>2</sup> 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 dispersed 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.

**PROPOSED COMMISSION MOTION:**

Portland General Electric's request to defer costs related to Intervenor Funding Grants beginning July 1, 2009, to June 30, 2010, be approved.

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