

ORDER NO. 11 388

ENTERED SEP 30 2011

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1102(8)

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 July 1, 2011, PacifiCorp, dba Pacific Power (Pacific Power), requested reauthorization to defer costs related to intervenor funding grants for later incorporation into rates. A supplemental filing was made on August 22, 2011, to provide information required by OAR 860-027-0300. The Public Utility Commission of Oregon (Commission) originally authorized deferral of these costs in Order No. 03-560 and the deferral has been annually reauthorized, most recently in Order No. 10-323. 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 September 20, 2011, the Commission adopted Staff's recommendation.

ORDER

IT IS ORDERED that:

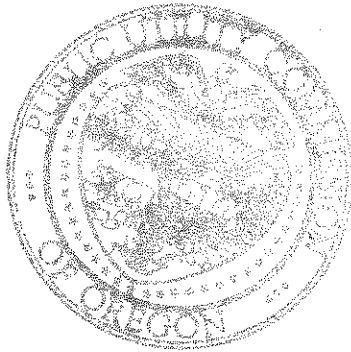
1. PacifiCorp, dba Pacific Power's, request regarding reauthorization for deferral of intervenor funding grants for a one-year period, effective August 1, 2011, is approved.
2. PacifiCorp, dba Pacific Power must account for the grants using separate sub-accounts for each type of grant in order to facilitate recovery of costs from the appropriate customer class.

Made, entered, and effective SEP 30 2011

BY THE COMMISSION:



Becky L. Beier
Commission Secretary



A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. CA5

PUBLIC UTILITY COMMISSION OF OREGON
 STAFF REPORT
 PUBLIC MEETING DATE: September 20, 2011

REGULAR _____ CONSENT X EFFECTIVE DATE August 1, 2011

DATE: September 13, 2011

TO: Public Utility Commission

FROM: Deborah Garcia *DG*

THROUGH: *W* Lee Sparling, *MG* Maury Galbraith and *JJ* Judy Johnson

SUBJECT: PACIFIC POWER: (Docket No. UM 1102(8)) Requests reauthorization to defer costs related to intervenor funding grants.

STAFF RECOMMENDATION:

I recommend the Commission approve Pacific Power's (Pacific or Company) request for reauthorization to defer costs related to Intervenor Funding Grants effective August 1, 2011. I further recommend that the Commission require Pacific to use a separate subaccount for each grant.

DISCUSSION:

On July 1, 2011, Pacific filed an application for reauthorization of deferral of Intervenor funding grants. After a discussion with Staff, the Company made a supplemental filing to provide information required by OAR 860-027-0300, on August 23, 2011.

Pursuant to ORS 757.259 and OAR 860-027-0300, Pacific requests reauthorization to record and defer for a 12-month period beginning August 1, 2011, 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. 10-323.

Summary Background

In its Order No. 03-388, the Commission approved an Intervenor Funding Agreement (IFA) between various utilities including Pacific, 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

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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.

The IFA also requires the costs of each fund to be allocated to the appropriate customer class. The CUB fund is generated from residential rates, and industrial customers' rates include an increment to support the Preauthorized Matching Fund (Matching Fund). The Commission allocates amounts related to 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.

Reason for Deferral

In accordance with OAR 860-027-0300(4)(b), the Company requests continuation of deferred accounting to recover amounts approved pursuant to Order No. 07-564.

Proposed Accounting

Amounts are to be debited to deferred accounts only as the utility disburses 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 FERC Account 928 (Regulatory Commission Expenses).

Current Deferral Activity

In accordance with OAR 860-027-0300(4)(a) Pacific provided the following information regarding the deferral activity to the date of this application. Initially, in its supplemental workpapers, the Company included a payment of \$2,847.71 to CUB that was later discovered to be incorrect. The Company will provide Staff with the corrected workpaper for the file.

| New CUB Funding Grants Paid | Date | Amount | Docket/Commission Order |
|------------------------------------|-------------|---------------|--------------------------------|
| CUB Issue Fund | 10/11/10 | 15,740 | UE 219/10-251 |
| CUB Issue Fund | 12/16/10 | 12,191 | UE 217/10-468 |
| CUB Issue Fund | 1/24/11 | 57,500 | UM 1357(26)/11-010 |
| CUB Issue Fund | 7/7/11 | 15,330 | UM 1050/11-198 |
| Total CUB | | \$100,761 | |

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| New ICNU Funding Grants Paid | Date | Amount | Docket/Commission Order |
|------------------------------|---------|--------------|-------------------------|
| ICNU Issue Fund | 9/16/10 | 19,003.14 | UE 219/ |
| ICNU Matching Fund | 1/26/11 | 57,500.00 | UM 1357(27)/11-035 |
| ICNU Issue Fund | 1/26/11 | 80,45.24 | UE 216/11-033 |
| ICNU Issue Fund | 4/19/11 | 33,960.00 | UE 177(4)/11-175 |
| ICNU Issue Fund | 5/12/11 | 37,724.71 | UM 1050/11-169 |
| Total ICNU | | \$156,233.09 | |

Estimated Deferrals in Authorization Period

Pacific anticipates that the maximum deferred amounts during the 12-month period beginning August 1, 2011 will be:

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

Staff Analysis

As the Company's application, including supplemental pages filed August 22, 2011, meets the requirements of ORS 757.259 and 860-027-0300, and the reason for the deferral is still valid, I recommend the Commission approve Pacific's application.

PROPOSED COMMISSION MOTION:

Pacific's application to defer the costs associated with intervenor funding grants for the 12-month period beginning August 1, 2011, be approved.

Pacific UM 1102(8) Intervenor Funding