

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 15, 2003**

REGULAR **CONSENT** **EFFECTIVE DATE** _____

DATE: April 11, 2003

TO: John Savage through Marc Hellman and Bryan Conway

FROM: Thomas D. Morgan

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UF 4158) Portland
General Electric's Application for Revision to Order 03-207

STAFF RECOMMENDATION:

The Commission should approve Portland General Electric's (PGE or Company) application to amend the language in the recent Commission Order 03-207.

The current application does not seek additional authority for the Company and actually places greater limits on the Company.

DISCUSSION:

On April 11, 2003, PGE filed an application with the Commission to amend the language of Order 03-207 that became effective on April 7, 2003. The reason for the request is due to the inadvertent limitation placed on the Company as a result of language in the Order.

As a result of Staff's concerns relating to the potential interest rates for longer-term maturities, the Order, at subsection 1, stated that "The Public Utility Commission requires "call provision" if Portland General Electric issues long-term security." The Company has indicated that it does not plan to remarket the securities at rates that generated Staff's concern. The language in the Order does not provide clear direction to the Company.

Portland General Electric is currently working to remarket the PCRB's for an interest rate period of six years at an interest rate consistent with that included in the original application for that interest rate period. The Company has been advised by the Remarketing Agent that to successfully remarket the PCRB's at that interest rate a call provision cannot be added to the PCRB's. As such, the Company requests that the Commission amend the Order by deleting the condition in paragraph 1 of the ordering

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section and inserting the following condition:

“The pollution control bonds shall not be remarketed with a Term Interest Rate Period greater than 7 years or at a Term Interest Rate greater than 7.85% without subsequent approval of the Public Utility Commission.”

Based on Staff's review, approval of PGE's application is recommended.

PROPOSED COMMISSION MOTION:

PGE's application to amend Order 03-207 is approved.

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