

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 20, 2003**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ August 21, 2003

DATE: August 6, 2003

TO: John Savage through Lee Sparling and Jack Breen

FROM: Lynn Kittilson

SUBJECT: PACIFIC POWER & LIGHT: (Advice No. 03-008) Consolidates System Benefit Charge Adjustment and DSM Incentive Adjustment.

STAFF RECOMMENDATION:

I recommend the Commission allow the tariff sheets submitted in Pacific Power & Light Company's Advice No. 03-008 to go into effect on August 21, 2003.

DISCUSSION:

On July 18, 2003, Pacific Power & Light Company (Pacific) submitted revisions to Schedule 191, System Benefit Charge Adjustment, and Schedule 192, DSM Incentive Adjustment, in Advice No. 03-008. The purpose of the filing is to make changes to Schedules 191 and 192 that reflect the consolidation of Pacific's remaining Oregon historical DSM balances and recovery rates in accordance with an agreement between Commission staff and the company in UE 116. The filing requests an effective date of August 21, 2003.

Prior to implementation of SB 1149, Pacific recovered its DSM investments, return on investment, DSM and renewables incentives, and lost revenues through base rates and through additional Schedule 191 and Schedule 192 adjustment rates collected under deferred balancing account mechanisms. In UE 116, Pacific and staff agreed the company would consolidate the remaining historical balances in a single deferred account, which would be recovered from customers through collection rates on one tariff schedule. Pacific's filing accomplishes that goal by canceling Schedule 192 and adding the collection rates to the Schedule 191 rates to collect the remaining balance of historical DSM costs and renewable incentives. The balance remaining as of June 30, 2003 was \$19.5 million. Staff has reviewed this balance, which incorporates several adjustments proposed by staff, and believes it is reasonable. Pacific estimates full recovery of the remaining balance by late spring or early summer 2004, at which time

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Schedule 191 will be terminated. The current rates are being consolidated onto one schedule, and there is no effect on overall rates.

PROPOSED COMMISSION MOTION:

The tariff sheets filed in Pacific's Advice No. 03-008 be allowed to go into effect with service on August 21, 2003.

Pacific Advice 03-008