



**Portland General Electric Company**  
121 SW Salmon Street • Portland, Oregon 97204  
PortlandGeneral.com

October 15, 2008

**Messenger/E-Filing**

Oregon Public Utility Commission  
550 Capitol Street, N.E., Ste 218  
Salem OR 97301-2551

**Re: UE 178; October 2008 Tax Report**

Attention Filing Center:

Enclosed you will find the October 2008 Tax Report for Portland General Electric Company (PGE), to be filed in docket UE 178 pursuant to Senate Bill 408 (SB 408) (codified at ORS 757.267 and 757.268 and OAR 860-022-0041). This Tax Report covers the calendar years 2005, 2006, and 2007, and substantially complies with the rules set forth in OAR 860-022-0041. Upon receipt of a final order from the Commission in this docket, PGE will separately file a tariff to implement a price change as of June 1, 2009, reflecting our 2007 results.

It is important to consider that some of the information presented in this Tax Report represents past history of PGE that is unique and unlikely to be repeated. PGE's situation during 2005 and the first quarter of 2006, with a bankrupt parent corporation, is unprecedented in Oregon, and is no longer characteristic of the utility, which is now independent and publicly-traded.

In the table below, we provide the difference between the amount of "taxes paid that are properly attributed to the regulated operations of the utility," and the amount of "taxes authorized to be collected in rates" for each of the years 2005, 2006 and 2007, pursuant to SB 408 and OAR 860-022-0041.

Year	Difference between "taxes paid" and rate case estimates of "taxes authorized to be collected": <i>refund/(surcharge) to customers</i>
2005	111,597,585
2006	37,221,977
2007	(14,632,338)

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PGE uses a balancing account and a dedicated tariff to collect local income taxes. For 2007, the difference between local income taxes paid pursuant to SB 408 and collections of Multnomah County Business Income Taxes (McBIT) will be booked to a balancing account and will be reflected in a future change to the McBIT rate charged to customers through Schedule 106.

The Oregon Legislative Assembly and the Commission have recognized that information contained in the tax report represents commercially sensitive information, the disclosure of which could cause harm to the business producing that information. *See* UE 178, Order No. 06-033 at 2-3 (2006); ORS 757.267(1)(g) (2006).

The location and contact information for the Portland Safe Room is as follows:

Amie Jamieson  
McDowell & Rackner PC  
520 SW Sixth Ave., Suite 830  
Portland, OR 97204  
(503) 595-3927 phone  
(503) 595-3928 fax  
[amie@mcd-law.com](mailto:amie@mcd-law.com)

We understand that the Protective Order issued in Order No. 06-033 will govern the disclosure of confidential tax information and other commercially sensitive financial information included in this Tax Report. Differences in federal and state taxes will be reflected in Schedule 140. PGE proposes to collect the difference over one year.

We have treated our tax report and certain work papers as "highly confidential information" and have marked it accordingly. In accordance with the Memorandum of Understanding proposed by Staff on October 10, 2008, we will provide to Staff an electronic copy of the tax report template for the most recent three years. The templates will be provided on CD and under separate cover.

The following are the name and addresses of the persons authorized to receive notices and communications with respect to this proceeding:

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<p>Patrick G. Hager, Manager Rates and Regulatory Affairs Portland General Electric Company, 1WTC0702 121 SW Salmon Street Portland, OR 97204 (503) 464-7580 (telephone) (503) 464-7651 (fax) <a href="mailto:pge.opuc.filings@pgn.com">pge.opuc.filings@pgn.com</a></p>	<p>Douglas C. Tingey, Assistant General Counsel Portland General Electric Company, 1WTC1301 121 SW Salmon Street Portland, OR 97204 (503) 464-8926 (telephone) (503) 464-2200 (fax) <a href="mailto:doug.tingey@pgn.com">doug.tingey@pgn.com</a></p>
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Sincerely,



Randall J. Dahlgren  
Director, Regulatory Policy & Affairs

Enclosure

cc: UE 178 Service List – Cover Letter only  
McDowell & Rackner (Portland Safe Room)

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day caused the foregoing **UE 178 OCTOBER TAX REPORT** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No. UE 178.

Dated at Portland, Oregon, this 15th day of October 2008.

  
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RANDALL J. DAHLGREN

**eDockets**

**Docket Summary**

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**Docket No:** UE 178

**Docket Name:** AUTOMATIC ADJUSTMENT CLAUSE FILING UNDER SB 408

[Print Summary](#)

**Subject Company:** [PORTLAND GENERAL ELECTRIC](#)

**See also:** 07-24

In the Matter of OREGON PUBLIC UTILITY STAFF Requesting the Commission direct PORTLAND GENERAL ELECTRIC C to file tariffs establishing automatic adjustment clauses under the terms of SB 408. (AR 499/UE 177/UE 178/UG 170/ -- Staff report...

**Filing Date:** 11/22/2005

**Final Order:** [08-204](#)

**Order Signed:** 4/11/2008

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<u>ACTIONS</u>	<u>SERVICE LIST (Parties)</u>	<u>SCHEDULE</u>
<b>W=Waive Paper service</b>	<b>C=Confidential HC=Highly Confidential</b>	<b>Sort by Last Name    Sort by Company Name</b>
	PORTLAND GENERAL ELECTRIC COMPANY RATES & REGULATORY AFFAIRS	121 SW SALMON ST 1WTC0702 PORTLAND OR 97204 pge.opuc.filings@pgn.com
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	<b>DEPARTMENT OF JUSTICE</b>	

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