



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

November 25, 2014

Email / US Mail

puc.filingcenter@state.or.us

Public Utility Commission of Oregon
Attn: OPUC Filing Center
3930 Fairview Industrial Drive SE
P. O. Box 1088
Salem, OR 97308-1088

Re: **UM _____ PGE's Application for Deferral of Expenses Associated with Tucannon River Wind Farm**

Enclosed for filing are the original and five copies of Portland General Electric Company's Application for Deferral of Expenses Associated with Tucannon River Wind Farm.

A Notice of Application regarding the filing of this application has been mailed to those parties who have not waived paper service on the UE 288 service list.

If you have any questions or require further information, please call me at (503) 464-7580 or Rebecca Brown at (503) 464-8545. Please direct all formal correspondence, questions, or requests to the following e-mail address pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in blue ink that reads "Patrick G. Hager".

Patrick G. Hager
Manager, Regulatory Affairs

PGH/kr

encls.

cc: Service Lists: UE 288

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of Portland
General Electric Company for an Order
Approving the Deferral of Costs Associated
with PGE's Tucannon River Wind Farm

**Application for Deferral of Costs Associated
with Tucannon River Wind Farm**

Pursuant to ORS 469A.120(1) & (3), OAR 860-027-0300¹, and Public Utility Commission of Oregon (Commission) Order No. 07-572, Portland General Electric Company (PGE) hereby requests authorization to defer for later rate-making treatment certain costs associated with the Tucannon River Wind Farm (Tucannon) incurred between the in-service date² of the plant through December 31, 2014. PGE estimates that these costs will be approximately \$2.0 million. PGE proposes to amortize the deferred amount no earlier than July 1, 2015. In support of this application (Application), PGE states:

1. PGE is a public utility in the state of Oregon and its rates, services and accounting practices are subject to the regulation of the Commission.
2. This Application is filed pursuant to ORS 469A.120(3) and Order No. 07-572, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation in rates.
3. Communications regarding this Application should be addressed to:

¹ PGE is seeking deferral pursuant to the rules and guidelines of ORS 469A.120 and Order No. 07-572. We are using a format similar to that provided in OAR 860-027-0300 for general deferrals.

² For this filing we have assumed that Tucannon may be in-service as early as December 15, 2014.

Jay Tinker
Portland General Electric,
Rates & Regulatory Affairs, 1WTC0702
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.7857
E-mail: pge.opuc.filings@pgn.com

Doug Tingey
Portland General Electric
1WTC1301
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.8926
E-mail: doug.tingey@pgn.com

In addition to the names and addresses above, the following should receive notices and communications via the e-mail service list:

Rebecca Brown, Analyst, Regulatory Affairs
E-mail: rebecca.brown@pgn.com

I. OAR 860-027-0300(3) Requirements

The following is provided pursuant to OAR 860-027-0300(3).

A. Background

On June 6, 2007, Senate Bill 838 (SB 838) was enacted, creating a Renewable Portfolio Standard which requires large, Oregon electric utilities to meet 25 percent of their Oregon load with electricity generated by renewable resources by 2025. PGE and other large Oregon electric utilities met the first interim goal of 5 percent by 2011, and will meet the next interim goals of 15 percent by 2015 and 20 percent by 2020.

In OPUC Docket No. UM 1330, Order No. 07-572, the Commission approved a stipulation regarding the Renewable Adjustment Clause (RAC) supporting the use of deferred accounting to allow for the recovery of prudently incurred costs of an eligible resource for the period of time between the in-service date and when the resource is included in rates.

On March 31, 2014, PGE submitted a RAC filing (UE 288) seeking to include in rates the interim revenue requirement from Tucannon's estimated in-service date through December 31, 2014.

PGE filed its 2015 test year general rate case (UE 283) on February 13, 2014, which in addition to base rates, also included the incremental annualized revenue requirement associated with Tucannon. A stipulation has been reached in UE 283 and, if approved by the Commission, base rates will increase on January 1, 2015. The annualized revenue requirement associated with Tucannon will be effective the later of January 1, 2015 or its in-service date.

B. Reasons for Deferral

In this request for deferral of costs, PGE is seeking recovery for the period (deferral period) prior to January 1, 2015 if Tucannon is in-service during December 2014. Order No. 07-572 allows for the recovery of prudently incurred costs for eligible renewable resources, that PGE may request a deferral of costs prior to inclusion in rates, and that the deferral is exempt from an earnings test.

Consistent with PGE's Schedule 122, these costs include the fixed and variable costs of the renewable resource such as the return on and of associated capital costs, operation and maintenance costs, income taxes, property taxes, and other fees and costs that are applicable to the renewable resource or associated transmission.

If Tucannon becomes operational in December 2014, PGE will provide the final actual deferred revenue requirement associated with the deferral period for Tucannon in February 2015. This will provide the Commission and interested parties' ample time for review of PGE's proposed revenue requirement. PGE believes this process can be completed by July 1, 2015, PGE's proposed amortization date.

The granting of this Application will appropriately match the costs borne by and benefits received by customers.

C. Proposed Accounting

PGE proposes to record the deferred amount as a regulatory asset in FERC account 182.3, Other Regulatory Assets, with a credit to FERC account 456, Other Electric Revenue. In the absence of a deferred accounting order from the Commission, PGE would record costs to several different FERC accounts, including FERC account 921, Office Supplies and Expenses, FERC account 403.1, Depreciation Expense, etc.

D. Estimate of Amounts

PGE estimates the amount subject to the deferral would be approximately \$2 million (see work papers filed in UE 288). Customers will benefit from the addition of renewable generation capacity. As a renewable resource, Tucannon will generate Renewable Energy Credits (RECs), to which PGE has rights and will be used to meet Oregon's Renewable Energy Standard or to lower customer prices³.

E. Conclusion

PGE is requesting the deferral of and later amortization of the revenue requirement related to Tucannon for the period from the in-service date to December 31, 2014. PGE expects to provide the actual deferred amount and associated work papers in February 2015, allowing for amortization to begin on July 1, 2015.


For the reason stated above, PGE requests permission to defer incremental costs associated with Tucannon as described herein.

³ Should PGE choose to sell the RECs, PGE would act in a manner consistent with OPUC Order No. 07-083 (UP 236), where net proceeds from the sale are recorded in the property sale deferred account. Net proceeds from a sale would result in either lower customer electric bills and/or acquisition of additional renewable resources.

F. Notice

A copy of the notice of application for deferred accounting treatment and a list of persons served with the notice are attached to the Application as Attachment A.

DATED this day of November 25, 2014.



Patrick G. Hager
Manager, Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC-0702
Portland, OR 97204
503-464-7580 (telephone)
503-464-7651 (fax)
patrick.hager@pgn.com

Attachment A

**Notice Of Application For Deferred Accounting Of
Costs Associated with Tucannon River Wind Farm**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM _____**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Costs Associated with PGE's Tucannon River Wind Farm

Notice of Application for Deferral of Costs Associated with the Tucannon River Wind Farm

On November 25, 2014, Portland General Electric Company (PGE) filed an application with the Oregon Public Utility Commission (the Commission) for an Order authorizing deferral of costs associated with PGE's Tucannon River Wind Farm.

Approval of PGE's Application will not authorize a change in PGE's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than DATE, 2014. Persons who wish to obtain a copy of PGE's application should contact the following:

PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC0702
Portland, OR 97204
(503) 464.7857 (telephone)
(503) 464.7651 (fax)
pge.opuc.filings@pgn.com

Dated: November 25, 2014

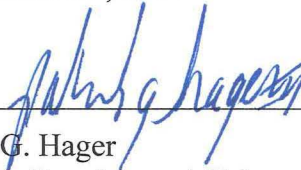


Patrick G. Hager
Manager, Regulatory Affairs
Portland General Electric Company
Telephone: 503.464.7580
Fax: 503.464.7651
E-Mail: patrick.hager@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice of Application for Deferral of Incremental Costs Associated with PGE's Tucannon River Wind Farm and Notice of Application** to be served by Electronic Mail to those parties whose e-mail addresses appear on the attached service list from Commission Docket No. UE 288.

Dated at Portland, Oregon, this November 25 , 2014



Patrick G. Hager
Manager, Regulatory Affairs
Portland General Electric Company
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Fax: 503.464.7651
E-Mail: patrick.hager@pgn.com

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SERVICE LIST
OPUC DOCKET # UE 288

Stephanie S. Andrus (W) PUC – DEPARTMENT OF JUSTICE stephanie.andrus@state.or.us	John Crider (W) PUBLIC UTILITY COMMISSION OF OREGON john.crider@state.or.us
Christopher Liddle (W) PORTLAND GENERAL ELECTRIC COMPANY christopher.liddle@pgn.com	Jay Tinker (W) PORTLAND GENERAL ELECTRIC COMPANY pge.opuc.filings@pgn.com
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