



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

December 12, 2007

Email / US Mail

Vikie Bailey-Goggins
Administrator
Oregon Public Utility Commission
550 Capitol Street NE, Ste 218
Salem, OR 97301

Re: **UM ____ PGE's Application for Deferral of 2008 Annual Direct Access Open Enrollment Costs/Benefits**

Ms. Bailey-Goggins:

Enclosed for filing are the original and five copies of Portland General Electric Company's Application for Deferral of 2008 Annual Direct Access Open Enrollment Costs/Benefits. We have provided notification of this application to the UE 180 service list.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at 503-464-7580.

Sincerely,

A handwritten signature in black ink that reads "R. P. Hager" with "for" written below it.

Patrick G. Hager
Manager, Regulatory Affairs

cc: UE 180 Service List

**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 2008 Annual Direct
Access Open Enrollment Costs/Benefits

Application for Deferral of 2008 Annual Direct
Access Open Enrollment Costs/Benefits

Pursuant to ORS 757.259 and OAR 860-027-0300 and Schedule 128 of its tariff, Portland General Electric Company ("PGE") hereby requests authorization to defer for later ratemaking treatment certain costs or benefits associated with implementation of the 2008 annual direct access open enrollment window ("Deferred Amount"). PGE will seek amortization of any Deferred Amount in a later proceeding. Tariff Schedule 128 provides for an annual direct access window. That schedule also provides for a load shift true-up as follows:

For the November election window, the Company may file for a deferral after the close of the window if the deviation in costs associated with acquiring or disposing of power is greater than \$240,000 base on the difference between actual market prices experienced and market prices used to set the Annual Short-Term Transition Adjustment.

PGE seeks authorization to defer the deviation in 2008 power costs associated with acquiring or disposing of power as a result of customer elections during the annual direct access window.

In support of this 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 757.259, 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:

Rates and Regulatory Affairs
Portland General Electric, 1WTC0702
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503-464-7857
E-mail: pge.opuc.filings@pgn.com

Douglas C. Tingey
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I. OAR 860-027-0300 Requirements

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

a. Description

On September 14, 2006, the Commission adopted the Direct Access Stipulation in Order No. 06-528 in consolidated OPUC Dockets UE 180 (Request for General Rate Revision), UE 181 (Annual Adjustments to Schedule 125 (2007 RVM Filing)), and UE 184 (Request for a General Rate Revision related to the Port Westward Plant). PGE and parties entered into, and the Commission approved, a stipulation by which PGE will offer an annual direct access enrollment window, and implement the load-shift true-up. The stipulation was made a part of Order No. 07-015 and PGE filed tariff Schedule 128 in compliance with that Order. Under Schedule 128 the annual window will provide eligible customers on a cost-of-service rate schedule the opportunity to move to direct access service or an applicable non-cost of service pricing option. An election by an eligible customer will apply for the following calendar year. The Annual Transition Adjustment rates will be posted on PGE's website and filed with the OPUC on November 15th, or the next business day.

For those customers electing to move from the cost-of-service option, PGE will defer the difference between the value of the energy based on (1) the forward curves used to establish the

Annual Transition Adjustment rates and (2) the actual sale of power for 2008 by PGE's Power Operations Group.

Amounts calculated pursuant to the description above will only be deferred if the difference exceeds \$240,000, as specified in Schedule 128.

b. Reasons for Deferral

The deferral provides a mechanism for PGE to track the cost or benefit of open enrollment options and defer those costs or benefits for later rate-making treatment. Pursuant to Order No. 07-015, PGE expects any Deferred Amount to be recovered or refunded in a manner approved by the Commission. As indicated in Schedule 128, PGE may file for a deferral after the close of the annual window if the Deferral Amount is expected to exceed the \$240,000 threshold.

PGE files this deferral application pursuant to 757.259(2)(e). The deferral will minimize the frequency of rate changes or fluctuations in rate levels or match appropriately the costs borne by and benefits received by customers.

c. Proposed Accounting

The Deferred Amount could be a credit or a charge to customers depending on actual wholesale power prices at the time PGE disposes of surplus power as a result of customer elections. If the Deferred Amount is a credit to customers, PGE proposes to record the deferral in FERC Account 254 (Other Regulatory Liabilities), debiting FERC Account 447 as a regulatory liability (Sales for Resale). If the Deferred Amount is a charge to customers, PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Regulatory Asset), crediting FERC Account 447 (Sales for Resale). In the absence of a deferred accounting order, PGE would record the revenues associated with the Deferred Amount in FERC Account 447

(Sales for Resale).

d. Estimate of Amounts

The Deferred Amount is a function of: changes in wholesale market prices between the posting of the quarterly open enrollment prices, the sale of power by PGE after the open enrollment period ends, and the amount of customer load that moves. The precise amount of the Deferred Amount is not known at this time but is estimated to be about \$3 million. The deferred account will accrue interest at PGE's authorized cost of capital, currently 8.29%.

e. Notice

A copy of the Notice of Application for Deferral of 2008 Annual Direct Access Open Enrollment Costs/Benefits and a list of persons served with the Notice are attached to the Application as Attachment A.

II. Conclusion

For the reasons stated above, PGE requests permission to defer certain 2008 Annual Direct Access Open Enrollment Costs/Benefits described above for the recently concluded annual direct access window.

DATED this 12th day of December, 2007.

Respectfully Submitted,

Handwritten signature of Patrick G. Hager in cursive, with the word "for" written below it.

Patrick G. Hager
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company

**UM _____
Attachment A**

**Notice of Application for Deferral of 2008 Annual Direct Access Open
Enrollment Costs/Benefits**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of Portland
General Electric Company for an Accounting
Order Authorizing Deferral of 2008 Annual
Direct Access Open Enrollment Costs/Benefits

Application for Deferral of 2008 Quarterly
Direct Access Open Enrollment Costs/Benefits

On December 12, 2007, Portland General Electric Company ("PGE") filed an application with the Oregon Public Utility Commission (the "Commission") for an Order authorizing deferral of 2008 annual direct access open enrollment costs/benefits pursuant to Order 07-015 and PGE tariff Schedule 128.

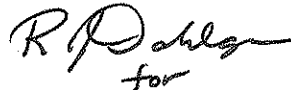
Approval of PGE's Application will not authorize a change in PGE's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

PGE's application will be posted on the OPUC website for persons who wish to obtain a copy or they may contact the following:

Patrick G. Hager
Manager, Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1 WTC 0702
Portland, Oregon 97204
Phone: 503-464-7580
Facsimile: 503-464-7651
patrick.hager@pgn.com

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than January 14, 2007.

Dated: December 12, 2007.



for

PATRICK G. HAGER
Portland General Electric Company
121 SW Salmon Street, 1WTC0702
Portland, OR 97204
Telephone: 503-464-7580
E-Mail: patrick.hager@pgn.com

CERTIFICATE OF SERVICE

I certify that this day I have served notification of the foregoing **APPLICATION FOR DEFERRAL OF 2008 ANNUAL DIRECT ACCESS OPEN ENROLLMENT COSTS/BENEFITS** on the persons shown on the attached UE 180 Service List by mailing a copy by First Class U.S. Mail, postage prepaid, properly addressed to each.

Dated this 12th day of December, 2007.



Handwritten signature of Patrick G. Hager, with the word "for" written below it.

Patrick G. Hager
Manager, Regulatory Affairs

UE-180/UE-181/UE-184 Service List

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UE-180/UE-181/UE-184 Service List

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UE-180/UE-181/UE-184 Service List

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UE-180/UE-181/UE-184 Service List

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