



Portland General Electric Company
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Douglas C. Tingey
Assistant General Counsel

March 13, 2008

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
550 Capitol Street NE, #215
PO Box 2148
Salem OR 97308-2148

Re: Application of PGE for Waiver of a Part of OAR 860-038-0200(5)

Attention Filing Center:

Enclosed for filing in the captioned docket are an original and one copy of :

- **APPLICATION OF PGE FOR WAIVER OF A PART OF OAR 860-038-0200(5).**

This document is being filed by electronic mail with the Filing Center.

An extra copy of the cover letter is enclosed. Please date stamp the extra copy and return to me in the envelope provided.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. C. Tingey", written in a cursive style.

Douglas C. Tingey

DCT:jbf
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Application for Waiver of OAR 860-038-
0200(5)

APPLICATION OF PGE FOR WAIVER OF
A PART OF OAR 860-038-0200(5)

Pursuant to OAR 860-038-0001(4), Portland General Electric Company (“PGE”) requests that the Commission waive the filing of functionally unbundled costs in its results of operations reports that are filed with the Commission as required under OAR 860-038-0200(5).

OAR 860-038-0001(4) provides that for good cause shown, the Commission may relieve PGE of requirements under its Division 038 rules. As set forth below, good cause exists for waiver of that portion of OAR 860-038-0200(5) that requires the filing of functionally unbundled costs with results of operations reports filed with the Commission.

A. Discussion

OAR 860-038-0200(5) states:

Each electric company must file its functionally unbundled costs with its general rate filings and results of operations reports filed with the Commission. The electric company filing must clearly identify the allocation factor(s) used to functionalize each rate base, expense, and revenue item. All allocation and functionalization procedures adopted by the Commission for an electric company must be used in subsequent filings until expressly modified by the Commission.

PGE has complied with this rule since its adoption in 2002 in both its general rate case filings and its results of operations reports. In each rate case PGE has filed functionally unbundled costs, and identified the allocation factors used to functionalize the rate base, expense, and revenue items. PGE has also provided this information in its annual Results of Operation Reports. However, after discussions with Staff, PGE understands that the unbundled portion of its Results of Operations Reports is not used by Staff. In addition, PGE does not use these unbundled results for any business purpose. Preparing the unbundled portion of the report requires significant time and resources for PGE, which would be saved if it is eliminated from the results of operations report. PGE understands that at least one other energy utility does not provide unbundled costs with its results of operations reports.

PGE will continue to provide unbundled costs, and the allocation factors used, with its general rate filings. PGE uses that information as a basis for establishing rates and the Commission, Staff, and other parties may also use that information in those ratemaking proceedings.

B. The Rules Allow Waiver

The Division 038 Direct Access Rules were adopted by the Commission in the fall of 2000. OAR 860-038-0001(4) provides, in pertinent part: “Upon application by an entity subject to these rules and for good cause shown, the Commission may relieve it of any obligations under these rules.”

To a large extent the ratemaking and regulatory expectations that existed when the Division 38 rules were adopted no longer exist. It was anticipated that utility costs and revenues would be substantially unbundled. The OAR itself contemplates “allocation and functionalization procedures adopted by the Commission.” That, however, has not yet happened.

If it does happen in the future, and the Commission determines that results of operations reports that are functionally unbundled would be helpful, the waiver sought here could be rescinded and PGE would begin filing such reports again.

C. Communications

Communications regarding this Application should be addressed to the undersigned counsel and:

Patrick Hager
Rates and Regulatory Affairs
121 SW Salmon Street
Portland, OR 97204
Telephone: 503-464-7580
E-mail: pge.opuc.filings@pgn.com

D. Conclusion

To comply with OAR 860-038-0200(5), PGE currently expends significant time and resources in preparing and filing a portion of its annual results of operations report that is not used by PGE, Staff, or to PGE's knowledge any other party. For that reason PGE requests that the Commission issue an order waiving that portion of OAR 860-038-0200(5) with respect to unbundled costs and results of operations reports.

DATED this 13th day of March, 2008.

Respectfully submitted,

/s/ DOUGLAS C. TINGEY

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