



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

October 1, 2007

Via Electronic Filing and U.S. Mail

Public Utility Commission of Oregon
550 Capitol St NE #215
Salem OR 97301-2551

Re: OPUC Docket No. UM 1277
In the Matter of the Application of Portland General Electric Company for an Order
Approving Reauthorization to Defer Certain Expenses Associated with the
Bonneville Power Administration's Conservation Rate Credit

Attention Filing Center:

Enclosed for filing is the original and one copy of Portland General Electric Company's (PGE) Application for Reauthorization to Defer Certain Expenses Associated with the Bonneville Power Administration's Conservation Rate Credit, and Notice of Application.

We have provided copies of a Notice of Application to the UE-180 service list. PGE waives paper service of documents in this proceeding and has E-filed a copy on this date.

If you have any questions or require further information, please call me at (503) 464.7580, or Jay Tinker at (503) 464.7002. Please direct all formal correspondence, questions, or requests to the following e-mail address pge.opuc.filings@pgn.com.

Sincerely,

Patrick G. Hager
Manager, Regulatory Affairs

cc: UE 180 Service List

Encls.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1277

In the Matter of the Application of Portland
General Electric Company for an Order
Approving the Deferral of Certain Expenses
Associated with the Bonneville Power
Administration's Conservation Rate Credit

Application for Reauthorization of Deferred
Accounting Treatment of Certain Expenditures
Associated with the Bonneville Power
Administration's Conservation Rate Credit

Pursuant to ORS 757.259 and OAR 860-027-0300, and OPUC Order No. 06-584, Portland General Electric Company ("PGE") requests reauthorization to defer Certain Expenditures associated with the Bonneville Power Administration's Conservation Rate Credit described below, for a 12-month period commencing October 1, 2007.

I. Deferral History

On August 28, 2006, PGE filed an application with the Oregon Public Utility Commission ("OPUC"), requesting authorization for a deferred account to track revenues and expenses associated with the Bonneville Power Administration's ("BPA's") Conservation Rate Credit ("CRC"). The OPUC issued an Order, authorizing the deferral on October 17, 2006, Commission Order No. 06-584. The approval was conditioned upon PGE providing a detailed plan for use of the Bonneville Power Administration Conservation Rate Credit monies that result in a reduction of PGE's operational costs. PGE provides a semi-annual report regarding its investments associated with CRC funds. The latest report is Attachment "A".

On May 21, 2007, the BPA suspended the Residential Exchange Program ("REP"), including the CRC. PGE then suspended CRC-related payments to the ETO pending resolution of the REP.

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

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

a. Description

While the REP is currently suspended, PGE expects the program to be reinstated within the next 12 months. PGE intends to qualify for CRC reimbursement through the qualified activities of PGE and, reinstatement of funds sent to the ETO. In the absence of this reauthorization, if PGE is required to refund to BPA amounts granted through the CRC, or if PGE is unable to receive CRC reimbursement for amounts spent on its own activities. There is a possibility that PGE might not have the ability to recover the expenses from customers.

b. Reasons for Deferral

PGE seeks deferred accounting treatment of certain expenditures funded by the Conservation Rate Credit and received from BPA. PGE would seek amortization of these expenses in the event that PGE is required to return them to BPA. This deferral is necessary to appropriately match the costs borne by and benefits received by customers. ORS 757.259(2)(e). The funds that PGE sends to the ETO will be used for conservation and energy efficiency projects that benefit all PGE customers by reducing load, thereby minimizing the need for new supply-side resources and providing greater long-term rate stability. PGE would only request amortization of expenses associated with projects that directly benefit PGE customers, and would expect to provide specific details about those programs when and if PGE requests amortization.

c. Proposed Accounting

PGE proposes to record deferred amounts related to CRC expenditures to FERC Account 182.3 (Regulatory Assets), and will credit FERC Account 232 (Accounts Payable), a current

liability account to BPA. In the absence of deferred accounting, expenditures not funded by the CRC would be debited to the appropriate O&M account based on the type of expenditure.

d. Estimate of Amounts

PGE expects to receive the CRC funding from BPA and thus does not expect a balance in the deferred account. Since the CRC is currently suspended, PGE cannot provide an estimate of the deferral amounts. However, the deferral amounts could be up to \$2.5 million annually if the BPA reinstates the CRC to the same level as existed previously.

e. Notice

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

III. The following is provided pursuant to OAR 860-027-0300(4):

a. Description of the Deferred Account Entries.

Please see section II (a) above.

b. The reason for continuing deferred accounting.

PGE is seeking approval to continue the approved deferral pursuant to Commission Order No. 06-584 as described in Section II (b) above.

IV. PGE Contacts

The authorized address to receive notices and communications in respect of this reauthorization application is:

Randy Dahlgren
Rates and Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street
1WTC0702
Portland, Oregon 97204
(503) 464.7857 (telephone)
(503) 464.7651 (facsimile)
pge.opuc.filings@pgn.com

Doug Tingey
Assistant General Counsel
Portland General Electric Company
121 SW Salmon Street
1 WTC1301
Portland, Oregon 97204
(503) 464.8926 (telephone)
(503) 464.2200 (facsimile)
doug.tingey@pgn.com

PGE waives paper service in this proceeding. In addition to the names and addresses above, the following are to receive notices and communications via the e-mail service list:

Doug Tingey, Assistant General Counsel
E-Mail: doug.tingey@pgn.com and

Patrick G. Hager, Manager, Regulatory Policy & Affairs
E-Mail: patrick.hager@pgn.com

Jay Tinker
E-Mail: jay.tinker@pgn.com

V. Conclusion:

For the reasons stated above, PGE requests permission to continue the deferral from October 1, 2007, until September 30, 2008.

DATED this 1st day of October, 2007.

Patrick G. Hager
Manager, Regulatory Affairs
On Behalf of Portland General Electric
patrick.hager@pgn.com

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UM 1277
Attachment A

PGE Semi-Annual Conservation Rate Credit Report
Filed with Oregon Public Utility Commission
October 1, 2007

UM 1277
Attachment B

Notice of Application
for Reauthorization of Deferred Accounting Treatment of Certain
Expenditures Associated with the Bonneville Power
Administration's Conservation Rate Credit

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1277

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Certain Expenses Associated with the Bonneville Power Administration's Conservation Rate Credit	Notice of Application for Reauthorization of Deferred Accounting Treatment of Certain Expenditures Associated with the Bonneville Power Administration's Conservation Rate Credit
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On October 1, 2007, Portland General Electric Company (PGE) filed an Application with the Oregon Public Utility Commission (the Commission) for an Order reauthorizing deferral of certain expenditures associated with the Bonneville Power Administration's Conservation Rate Credit. This 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.

Persons who wish to obtain a copy of PGE's Application should contact the following:

Portland General Electric Company
Attn: Patrick G. Hager, Manager
Regulatory Affairs
121 SW Salmon Street, 1 WTC 0702
Portland, Oregon 97204
Phone: (503) 464.7857
Facsimile: (503) 464.7651
pge.opuc.filings@pgn.com

Any person who wishes to submit written comments to the Commission on PGE's Application must do so not later than October 31, 2007.

Dated this 1st day of October, 2007.

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

CERTIFICATE OF SERVICE

I certify that I have caused to be served the foregoing **NOTICE OF APPLICATION FOR REAUTHORIZATION OF DEFERRED ACCOUNTING TREATMENT OF CERTAIN EXPENDITURES ASSOCIATED WITH THE BONNEVILLE POWER ADMINISTRATION'S CONSERVATION RATE CREDIT** by First Class US Mail, postage prepaid and properly addressed, and by electronic mail when such addresses were available, upon each party on the attached service list from OPUC Docket UE 180, the utility's last general rate case.

DATED this 1st day of October, 2007.

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

UE-180 Service List Attached



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

October 1, 2007

Via Email/Messenger

Vikie Bailey-Goggins
Public Utility Commission of Oregon
550 Capitol Street N.E., Suite 215
Salem, Oregon 97301-2551

RE: UM 1277 Semi-Annual Conservation Rate Credit Report
pursuant to Order No. 06-584

Dear Ms. Vikie Bailey-Goggins:

PGE hereby submits its semi-annual report on the Bonneville Power Administration (BPA) Conservation Rate Credit (CRC) fund activity for the period between April 1, 2007 and September 27, 2007. OPUC Order No. 06-584 directed PGE to "provide detailed information regarding its investments associated with the CRC funds in a semi-annual report, detailing activities that have been funded through the CRCs in order to prevent the possibility of double-recovery in a future ratemaking proceeding and to demonstrate that these investments are not redundant to programs offered by the Energy Trust of Oregon."

Receipts related to CRC activity are recorded in a CRC Liability account (FERC 232). Year to date, PGE received \$1,227,522 for CRC activities from BPA. No additional CRC amounts have been received from BPA after March 31, 2007 due to suspension of the Regional Power Act benefits by BPA. From the CRC liability account, PGE forwarded \$550,000 to ETO as well as incurred \$57,022 in support of ETO's incremental energy efficiency efforts. As of September 27, 2007 the CRC liability account carries a balance of \$620,500. Attachment - A contains a description of PGE's incremental activity in support of ETO's energy efficiency programs. Attachment - B contains a summary of the transaction activities since inception.

This report is our second submittal and reflects limited activity as PGE implements CRC related efforts.

Please direct any questions regarding this filing to Doug Kuns at (503) 464-7891.

UM 1277 Semi-Annual Conservation Rate Credit Report
pursuant to Order No. 06-584
Page 2

Please direct all formal correspondence and requests to the following email address
pge.opuc.filings@pgn.com

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Kuns". The signature is fluid and cursive, with a long horizontal stroke at the end.

Doug Kuns
Manager, Pricing & Tariffs

Enclosures

cc: UM 1277 Service List
Jim Cox

Attachment A

Customer Technical Services (CTS) CRC semi-annual report

The activities undertaken were incremental and not included in the costs in the test period filed in UE-180 rate case. The process of identifying and hiring incremental resources was not complete until December 1, 2006, at which time CTS began a concerted effort to provide enhanced support for ETO programs. The initial accounting of 181-N42526-XX-516-24476-CRCOP was changed to 181-J14824-XX-516-24476-CRCOP on March 21, 2007 to better differentiate it from other N42526 activities.

2006/2007 Fiscal Year Administrative Budget: \$150,000

Cumulative YTD Administrative Costs: \$57,022

As of May 31, 2007 CTS activities resulted in the submission of 15 projects to the ETO and the identification of 30 potential projects. The customer base ranged from small to large office and retail, including representation from both the private and government sectors. The potential projects varied in size and complexity, from small lighting and HVAC to chiller and central plant upgrades.

In addition to identifying capital projects eligible for ETO incentives, CTS was also able to identify "no cost" modifications that customers have implemented. These included improving lighting sweep set points, DDC control modifications and simple programmable thermostat adjustments to reduce energy consumption during non-business hours.

Attachment B
Transaction Summary
Acct J14824- BPA CRC Credit

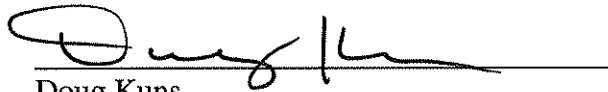
TRANSACTION SUMMARY

Total CRC money received	(1,227,522.00)	(\$204,587 per month X 6 months)
Total Disbursements	550,000.00	(Sent to ETO end of May 07)
Incremental labor cost in support of ETO's EE	<u>57,022.02</u>	(Salaries, benefits and taxes)
Ending Balance	<u>(620,499.98)</u>	as of September 27, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the following: **PORTLAND GENERAL ELECTRIC COMPANY'S UM 1277 SEMI-ANNUAL CONSERVATION RATE CREDIT REPORT** to be served to the following parties or attorneys listed on the attached service list by electronic mail 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.

Dated this 1st day of October, 2007.

A handwritten signature in black ink, appearing to read "Doug Kuns", written over a horizontal line.

Doug Kuns

Manager, Pricing & Tariffs

On behalf of Portland General Electric Company

Summary Report

UM 1277 PORTLAND GENERAL ELECTRIC

Category: Miscellaneous

Filed By: PORTLAND GENERAL ELECTRIC

In the Matter of

PORTLAND GENERAL ELECTRIC COMPANY

Requests authorization to defer expenses associated with Bonneville Power Administration's conservation rate credit.

Filed by Patrick G. Hager.

Filing Date: 8/28/2006

Final Order: 06-584

Signed: 8/28/2006

SERVICE LIST:

LOWREY R BROWN
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY - STE 308
PORTLAND OR 97205

JASON EISDORFER
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY STE 308
PORTLAND OR 97205

ROBERT JENKS
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY STE 308
PORTLAND OR 97205

PATRICK HAGER RATES & REGULATORY AFFAIRS
PORTLAND GENERAL ELECTRIC
121 SW SALMON ST 1WTC0702
PORTLAND OR 97204

DOUGLAS C TINGEY
PORTLAND GENERAL ELECTRIC
121 SW SALMON 1WTC13
PORTLAND OR 97204

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

Attorney

Jim Deason
Attorney at Law
1 SW Columbia St.
Suite 1600
Portland OR 97258-2014
Phone: 503-223-4335
Fax:
Email Add: jimdeason@comcast.net
Service: US Mail
Confidentiality: SPO

Boehm, Kurtz & Lowry

Kurt J. Boehm
Boehm Kurtz & Lowry
36 E. Seventh St., Ste 1510
Cincinnati OH 45202
Phone:
Fax:
Email Add: kboehm@bkllawfirm.com
Service: US Mail
Confidentiality: GPO

Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati OH 45202
Phone: (513) 421-2255
Fax: (513) 421-2764
Email Add: mkurtz@bkllawfirm.com
Service: US Mail
Confidentiality: GPO

BOMA Association of Building Owners
and Managers

Ann Fisher
PO Box 25302
Portland OR 97298-0302
Phone: (503) 721-0181
Fax: (503) 223-2305
Email Add: energlaw@aol.com
Service: US Mail
Confidentiality: SPO

BPA Bonneville Power Administration

Geoffrey M. Kronick
BPA
P.O. Box 3621
LC-7
Portland OR 97208-3621
Phone: (503) 230-4201
Fax: (503) 230-7405
Email Add: gmkronick@bpa.gov
Service: Electronic
Confidentiality: No

Craig Smith
Bonneville Power Administration
P.O. Box 3621-L7
Portland OR 97208-3821
Phone:
Fax:
Email Add: cmsmith@bpa.gov
Service: Electronic
Confidentiality: No

Brubaker & Associates, Inc.

James T. Selecky
Brubaker & Associates, Inc.
1215 Fern Ridge Pkwy
Suite 208
St. Louis MO 63141
Phone: (314) 275-7007
Fax: (314) 275-7036
Email Add: jtselectky@consultbai.com
Service: US Mail
Confidentiality: SPO

Cable Huston Benedict Haagensen & Lloyd LLP

Tamara Faucette
Cable Huston Benedict Haagensen & Lloyd LLP
1001 SW 5th Ave. Ste 2000
Portland OR 97204-1136
Phone: (503) 24-3092
Fax: (503) 224-3176
Email Add: tfaucette@chbh.com
Service: US Mail
Confidentiality: No

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

Chad M. Stokes
Cable Huston Benedict Haagensen & Lloyd LLP
1001 SW 5th Ave. Ste 2000
Portland OR 97204
Phone: (503) 224-3092
Fax: (503) 224-3176
Email Add: cstokes@chbh.com
Service: US Mail
Confidentiality: No

CADO Community Action Directors of Oregon

Jim Abrahamson
Oregon Energy Partnership/CADO
P.O. Box 7964
Salem OR 97301
Phone: 503-316-3951
Fax:
Email Add: jim@cado-oregon.org
Service: US Mail
Confidentiality: SPO

Constellation Newenergy, Inc.

William H. Chen
Constellation Newenergy, Inc.
2175 North California Blvd
Ste. 300
Walnut Creek CA 94596-4587
Phone: (925) 287-4500
Fax: (925) 287-4501
Email Add: bill.chen@constellation.com
Service: US Mail
Confidentiality: No

CUB Citizens' Utility Board of Oregon

Lowrey Brown
CUB
610 SW Broadway
Suite 308
Portland OR 97205
Phone:
Fax:
Email Add: lowrey@oregoncub.org
Service: US Mail
Confidentiality: No

Jason Eisdorfer
Citizens' Utility Board of Oregon
610 SW Broadway
Suite 308
Portland OR 97205
Phone: (503) 227-1984
Fax: (503) 274-2956
Email Add: jason@oregoncub.org
Service: US Mail
Confidentiality: GPO

Daniel W. Meek, Attorney at Law

Daniel W. Meek
Attorney at Law
Utility Reform Project
10949 SW Fourth Avenue
Portland OR 97219
Phone: (503) 293-9021
Fax: (503) 293-9099
Email Add: meek@meek.net dan@meek.net
Service: US Mail
Confidentiality: SPO

DOJ Department of Justice

Stephanie S. Andrus
Asst. Atty Gen.
Department of Justice
1162 Court St. NE
Salem OR 97310
Phone: (503) 378-4620
Fax: (503) 378-5300
Email Add: stephanie.andrus@state.or.us
Service: US Mail
Confidentiality: GPO

EPCOR Merchant and Capital (US) Inc.

Lorne Whittles
EMC - EPCOR Merchant and Capital Inc.
1161 W. River Street
Suite 250
Boise ID 83702
Phone: (208) 336-9733
Fax: (208) 247-0425
Email Add: lwhittles@epcor.ca
Service: US Mail
Confidentiality: No

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

Hunt Technologies, Cellnet Technology, & Elster]

Scott Debroff
Smigel, Anderson & Sacks
River Chase Office Center
4431 North Front St.
Harrisburg PA 17110
Phone:
Fax:
Email Add: sdebroff@sallp.com
Service: US Mail
Confidentiality: No

ICNU Industrial Customers of NW Utilities

Magdalena Ackenhausen
Brubaker & Associates, Inc.
1215 Fern Ridge Pkwy
Suite 208
St. Louis MO 63141
Phone:
Fax:
Email Add:
Service: US Mail
Confidentiality: SPO

Brad Van Cleve
Attorney
Davison Van Cleve LP
333 SW Taylor, Ste. 400
Portland OR 97204
Phone: (503) 241-7242
Fax: (503) 241-8160
Email Add: mail@dvclaw.com
Service: US Mail
Confidentiality: GPO

Kafoury & McDougal

Linda K. Williams
Kafoury & McDougal
10266 SW Lancaster Rd
Portland OR 97219
Phone: (503) 293-0399
Fax: (503) 245-2772
Email Add: linda@lindawilliams.net
Service: US Mail
Confidentiality: SPO

League of Oregon Cities

Andrea Fogue
League of Oregon Cities
P.O. Box 928
Salem OR 97308
Phone: (503) 588-6550
Fax: (503) 399-4863
Email Add: afogue@orcities.org
Service: US Mail
Confidentiality: SPO

McDowell & Associates PC

Katherine A. McDowell
Attorney
McDowell & Associates PC
520 SW 6th Ave Ste 830
Portland OR 97204
Phone: (503) 595-3922
Fax:
Email Add: katherine@mcd-law.com
Service: US Mail
Confidentiality: No

Northwest Economic Research, Inc.

Lon L. Peters
Northwest Economic Research, Inc.
624 S.E. Andover Place
Portland OR 97202
Phone: (503) 203-1539
Fax: (503) 203-1569
Email Add: lpeters@pacifier.com
Service: Electronic
Confidentiality: GPO

Northwest Natural

Elisa Larson
Associate Counsel
Northwest Natural
220 NW 2nd Ave
Portland OR 97209
Phone:
Fax:
Email Add: elisa.larson@nwnatural.com
Service: US Mail
Confidentiality: SPO

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

Alex Miller
Northwest Natural
220 NW 2nd Ave.
Portland OR 97209
Phone:
Fax:
Email Add:
Service: US Mail
Confidentiality: GPO

OPUC Oregon Public Utility Commission

Robert Valdez
Oregon Public Utility Commission
P. O. Box 2148
Salem OR 97308-2148
Phone:
Fax:
Email Add: bob.valdez@state.or.us
Service: US Mail
Confidentiality: No

PacifiCorp

PacifiCorp Oregon Dockets
PacifiCorp
825 NE Multnomah
Suite 2000
Portland OR 97232
Phone:
Fax:
Email Add: Oregondockets@pacificorp.com
Service: US Mail
Confidentiality: No

PGE Portland General Electric Company

Rates and Regulatory Dept.
PGE
121 SW Salmon St.
1WTC0702
Portland OR 97204
Phone:
Fax:
Email Add: pge.opuc.filings.com
Service: Electronic
Confidentiality: GPO

Douglas C. Tingey
Lawyer
Portland General Electric
121 SW Salmon
1WTC1301
Portland OR 97204
Phone: (503) 464-8926
Fax:
Email Add: doug_tingey@pgn.com
Service: Electronic
Confidentiality: GPO

Portland (City of)

Richard Gray
Portland Office of Transportation
1120 S.W. 5th Avenue
Room 800
Portland OR 97204
Phone: (503) 823-7609
Fax:
Email Add: richard.gray@pdxtrans.org
Service: Electronic
Confidentiality: No

David Tooze
City of Portland Office of Sustainable Development
721 NW 9th Ave.
Room 350
Portland OR 97209-5311
Phone: (503) 823-5311
Fax: (503)
Email Add: dtooze@ci.portland.or.us
Service: Electronic
Confidentiality: No

Benjamin Walters
Deputy City Attorney
City of Portland- Office of City Attorneys
1220 SW 5th Ave.
Room 315
Portland OR 97204
Phone:
Fax: (503) 823-3089
Email Add: bwalters@ci.portland.or.us
Service: Electronic
Confidentiality: GPO

Preston Gates & Ellis LLP

Harvey P. Spigal
Preston Gates & Ellis LLP
222 SW Columbia Street
Suite 1400
Portland OR 97201-6632
Phone: (503) 228-5788
Fax: (503) 248-9085
Email Add: hspigal@prestongates.com
Service: US Mail
Confidentiality: No

Sempra Energy Solutions

Theodore E. Roberts
Sempra Energy
101 Ash Street
HQ 13D
San Diego CA 92101-3017
Phone: (619) 699-5111
Fax: (619) 699-5027
Email Add: troberts@sempra.com
Service: Electronic
Confidentiality: No

Linda Wrazen
Regulatory Policy Manager
Sempra Global
101 Ash Street
HQ 8C
San Diego CA 92101-3017
Phone: (619) 696-4411
Fax: (619) 696-2500
Email Add: lwrazen@sempraglobal.com
Service: Electronic
Confidentiality: No
