



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

December 1, 2009

**Email / US Mail**

OPUC Filing Center  
Oregon Public Utility Commission  
550 Capitol Street NE, Ste 215  
Salem, OR 97301-2148

**Re: UM 1294 PGE's Application for Reauthorization to Defer  
Annual Net Variable Power Cost Variance**

Enclosed for filing are the original and one copy of Portland General Electric Company's Application for Reauthorization to Defer Annual Net Variable Power Cost Variance.

PGE originally received permission to defer the annual difference between actual and forecasted net variable power costs pursuant to tariff Schedule 126 and Commission Order No. 07-050.

We have provided copies of a Notice of Application to the UE-197 and UE-198 service lists. PGE waives paper service of documents in this proceeding and has e-filed a copy on this date.

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,

Patrick G. Hager  
Manager, Regulatory Affairs

Encl.

cc: Bob Jenks, CUB  
Melinda Davison, ICNU  
Ed Durrenberger, OPUC  
Service Lists: UE 197, UE 198, UM 1294

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1294**

In the Matter of the Application of Portland  
General Electric Company for Deferred  
Accounting of Annual Power Cost Variance

Application For Reauthorization To Defer  
Annual Net Variable Power Cost Variance

Pursuant to ORS 757.210, ORS 757.259, OAR 860-027-0300, OPUC Orders No. 07-015, 07-050, and 08-154, 09-023 and PGE tariff Schedule 126, Portland General Electric Company ("PGE") requests reauthorization to defer for later ratemaking treatment certain annual net variable power cost variances ("PCV Deferral"). Schedule 126 is an "automatic adjustment clause" as defined in ORS 757.210.

I. Deferral History.

In Order 07-015, the Commission ordered the adoption of an Annual Power Cost Adjustment Mechanism ("PCAM") for PGE. PGE Schedule 126 contains the terms of the PCV Deferral. The PCV Deferral provides for recognition in rates of the difference, for a given year, between the actual net variable power costs incurred by PGE and the net variable power costs forecasted pursuant to PGE Schedule 125.

On January 17, 2007, PGE filed an application for authorization from the Commission to accrue, for future amortization, the 2007 difference between annual actual net variable power costs and the net variable power costs forecasted pursuant to tariff Schedule 126, in accordance with Order No. 07-015. This PCV Deferral is to capture the net variable power cost difference that will be amortized in rates. The annual variance is determined pursuant to the terms of Schedule 126, which includes a Positive Annual Power Cost Deadband for positive annual

variances, a Negative Annual Power Cost Deadband for negative annual variances, and an earnings test.

The PCV Deferral was authorized through OPUC Order No. 07-050 and the request to continue the PCAM deferral is filed pursuant to Orders 07-115, and 09-023 and ORS §757.210. The continuance of the deferral will minimize the frequency of rate changes or the fluctuation of rate levels or match appropriately the costs borne and benefits received by customers.

PGE has filed and received reauthorization for this deferral as shown in Table 1 below:

**Table 1 (\$ Millions)**

<b>Filing Date</b>	<b>Renewal Period</b>	<b>Order No.</b>	<b>Approval Date</b>	<b>PCV</b>	<b>Deferral for Amortization</b>
01-16-08	1-17-08 / 1-16-09	08-154	03/04/08	\$16.5	\$16.5
12-19-08	1-01-09 / 12-31-09	09-023	1/27/09	\$16.1	\$0

II. OAR 860-027-0300 Requirements

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

a. Description of Amounts

See the Deferral History above. Amounts will be deferred pursuant to the terms of Schedule 126.

b. Reasons for Deferral

PGE seeks reauthorization to defer annual net variable power cost variances from January 01, 2010 through December 31, 2010 ("Deferral Period 2010"). Without reauthorization, this deferral will expire on December 31, 2009. The continuance of the deferral will minimize the frequency of rate changes or the fluctuation of rate levels or match appropriately the costs borne and benefits received by customers.

c. Proposed Accounting

PGE proposes to record the Deferred Amount in FERC Account 182.3 (Regulatory Assets); crediting FERC Account 555 (Purchased Power) if there is an amount to collect from customers. PGE would record the Deferred Amount in FERC 254 (Regulatory Liabilities); debiting FERC Account 555 (Purchased Power) if there is a refund to customers. In the absence of a deferred accounting order from the Commission, PGE would record costs associated with the Deferred Amount to FERC 501 (Fuel), FERC 547 (Fuel), FERC 447 (Sales for Resale), FERC 565 (Transmission by Others) and FERC 555 (Purchased Power).

d. Estimate of Amounts

PGE cannot provide an estimate of the amount that will be deferred because it is dependent on actual 2010 information that is currently unknown, including the 2010 PCV and the earnings test required by Schedule 126. PGE requests that, in accordance with ORS 757.259(4), to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital (currently set at 8.284% in Order 09-176), until amortization of any deferred amounts begin. Afterwards, interest will accrue at a rate to be determined pursuant to the methodology approved in Order 08-263 (UM-1147).

e. Notice

A copy of the Notice of Application for Reauthorization to Defer Annual Net Variable Power Cost Variances 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 deferred account entries

Please see section (II)(a) and II(c) above.

b. The reason for continuing deferred accounting

PGE is seeking approval to continue the PCV Deferral pursuant to Commission Order 07-015, PGE tariff Schedule 126, and Orders No. 07-050, 08-154, 09-023, and 08-553 effective January 1, 2009, and (II)(b) above.

IV. PGE Contacts

The authorized addresses to receive notices and communications in respect of this Application are:

Douglas C. Tingey  
Assistant General Counsel  
Portland General Electric Company  
121 SW Salmon Street, 1WTC1301  
Portland, OR 97204  
Phone: (503) 464.8926  
Fax: (503) 464.2000  
E-mail: [doug.tingey@pgn.com](mailto:doug.tingey@pgn.com)

Patrick G. Hager  
Rates & Regulatory Affairs  
Portland General Electric Company  
121 SW Salmon Street, 1 WTC0702  
Portland, OR 97204  
Phone: (503) 464.7857  
Fax: (503) 464.7651  
E-mail: [pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@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:

E-mail: [Alex.Tooman@pgn.com](mailto:Alex.Tooman@pgn.com)

E-mail: [Launa.Harmon@pgn.com](mailto:Launa.Harmon@pgn.com)

E-mail: [Robert.Brown@pgn.com](mailto:Robert.Brown@pgn.com)

E-mail: [Jay.Tinker@pgn.com](mailto:Jay.Tinker@pgn.com)

V. Conclusion

For the reasons stated above, PGE requests permission to continue to defer annual net variable power cost variances from January 01, 2010 through December 31, 2010.

DATED: December 1, 2009.

Respectfully Submitted,



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

## **Attachment A**

### **Notice of Application for Reauthorization to Defer Annual Net Variable Power Cost Variance**

**BEFORE THE PUBLIC UTILITY COMMISSION**  
**OF OREGON**  
**UM 1294**

In the Matter of the Application of Portland  
General Electric Company for Deferred  
Accounting of Annual Power Cost Variance

Notice Of Application For Reauthorization To  
Defer Annual Net Variable Power Cost  
Variance

On December 01, 2009, Portland General Electric Company ("PGE") filed an application with the Oregon Public Utility Commission (the "Commission") for an Order reauthorizing deferral of the annual net variable power cost variances pursuant to Order 07-015 and PGE tariff Schedule 126.


Approval of PGE's reauthorization 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](mailto: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 December 30, 2009.

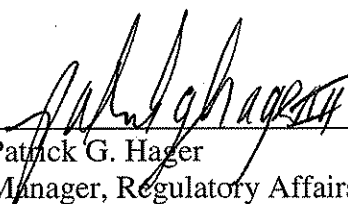
Dated: December 01, 2009

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

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice Of Application For Reauthorization To Defer Annual Net Variable Power Cost Variance** 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 service lists (UE-197, UE-198, and UM-1294) who have not waived paper service.

Dated at Portland, Oregon, December 1, 2009



---

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



## Summary Report

**UM 1294 PORTLAND GENERAL ELECTRIC**

---

**Category:** Miscellaneous

**Filed By:** PORTLAND GENERAL ELECTRIC

In the Matter of

PORTLAND GENERAL ELECTRIC COMPANY

Application for Deferred Accounting of Annual Power Cost Variance.

Filed by Patrick G. Hager.

**Filing Date:** 1/17/2007

**Final Order:** 09-023

**Signed:** 1/17/2007

**SERVICE LIST:**

---

GORDON FEIGHNER -- CONFIDENTIAL  
CITIZENS' UTILITY BOARD OF OREGON  
610 SW BROADWAY, SUITE 308  
PORTLAND OR 97205

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

G. CATRIONA MCCracken -- CONFIDENTIAL  
CITIZENS' UTILITY BOARD OF OREGON  
610 SW BROADWAY - STE 308  
PORTLAND OR 97205

RATES & REGULATORY AFFAIRS - OPUC FILINGS  
PORTLAND GENERAL ELECTRIC  
121 SW SALMON ST 1WTC-0702  
PORTLAND OR 97204

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

**Summary Report****UE 197 PORTLAND GENERAL ELECTRIC****Category:** Electric Rate Case**Filed By:** PORTLAND GENERAL ELECTRIC

This filing requests a general rate revision.

**Filing Date:** 2/27/2008 **Advice No:** 08-02**Effective Date:** 1/1/2009 **Expiration Date:** 12/31/2008 **Status:** PERM SUSPEND**See also:** UE 198 08-23**Final Order:** 09-176 **Signed:** 2/27/2008**SERVICE LIST:**

COMMUNITY ACTION PARTNERSHIP OF OREGON  
PO BOX 7964  
SALEM OR 97301

KURT J BOEHM -- CONFIDENTIAL  
BOEHM KURTZ & LOWRY  
36 E SEVENTH ST - STE 1510  
CINCINNATI OH 45202

ROGER D. COLTON -- CONFIDENTIAL  
FISHER SHEEHAN & COLTON  
34 WARWICK RD  
BELMONT MA 02478

JOAN COTE -- CONFIDENTIAL  
OREGON ENERGY COORDINATORS ASSOCIATION  
2585 STATE ST NE  
SALEM OR 97301

JIM DEASON -- CONFIDENTIAL  
ATTORNEY AT LAW  
1 SW COLUMBIA ST, SUITE 1600  
PORTLAND OR 97258-2014

OPUC DOCKETS  
CITIZENS' UTILITY BOARD OF OREGON  
610 SW BROADWAY STE 308  
PORTLAND OR 97205

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

JUDY JOHNSON -- CONFIDENTIAL  
PUBLIC UTILITY COMMISSION  
PO BOX 2148  
SALEM OR 97308-2148

JASON W JONES -- CONFIDENTIAL  
DEPARTMENT OF JUSTICE  
REGULATED UTILITY & BUSINESS SECTION  
1162 COURT ST NE  
SALEM OR 97301-4096

MICHAEL L KURTZ -- CONFIDENTIAL  
BOEHM KURTZ & LOWRY  
36 E 7TH ST STE 1510  
CINCINNATI OH 45202-4454

G. CATRIONA MCCracken -- CONFIDENTIAL  
CITIZENS' UTILITY BOARD OF OREGON  
610 SW BROADWAY - STE 308  
PORTLAND OR 97205

RATES & REGULATORY AFFAIRS - OPUC FILINGS --  
CONFIDENTIAL  
PORTLAND GENERAL ELECTRIC  
121 SW SALMON ST 1WTC-0702  
PORTLAND OR 97204

KIP PHEIL -- CONFIDENTIAL  
\*OREGON DEPARTMENT OF ENERGY  
625 MARION ST NE - STE 1  
SALEM OR 97301-3737

JANET L PREWITT -- CONFIDENTIAL  
\*DEPARTMENT OF JUSTICE  
NATURAL RESOURCES SECTION  
1162 COURT ST NE  
SALEM OR 97301-4096

**Summary Report**

**UE 197 PORTLAND GENERAL ELECTRIC**

---

VIJAY A SATYAL  
\*OREGON DEPARTMENT OF ENERGY  
625 MARION ST NE  
SALEM OR 97301

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

S BRADLEY VAN CLEVE -- CONFIDENTIAL  
DAVISON VAN CLEVE PC  
333 SW TAYLOR - STE 400  
PORTLAND OR 97204

MICHAEL T WEIRICH -- CONFIDENTIAL  
DEPARTMENT OF JUSTICE  
REGULATED UTILITY & BUSINESS SECTION  
1162 COURT ST NE  
SALEM OR 97301-4096

SCOTT WINKELS -- CONFIDENTIAL  
LEAGUE OF OREGON CITIES  
PO BOX 928  
SALEM OR 97308

**Summary Report****UE 198 PORTLAND GENERAL ELECTRIC--NET VARIABLE POWER COST****Category:** Electric Rate Case**Filed By:** PORTLAND GENERAL ELECTRIC

In the Matter of

PORTLAND GENERAL ELECTRIC COMPANY

Request for Net Variable Power Cost Revision.

Filed by James J. Piro, together with UE 197, PGE Request for a general rate revision.

(See UE 197 Initial Utility Filing for electronic and hard copy...

**Filing Date:** 2/27/2008**Public Meeting:** 3/25/2008**Final Order:** 08-505**Signed:****SERVICE LIST:**

JIM ABRAHAMSON -- CONFIDENTIAL  
 CASCADE NATURAL GAS CORPORATION  
 2004 SE CLATSOP ST  
 PORTLAND OR 97202

STEPHANIE S ANDRUS -- CONFIDENTIAL  
 DEPARTMENT OF JUSTICE  
 REGULATED UTILITY & BUSINESS SECTION  
 1162 COURT ST NE  
 SALEM OR 97301-4096

KURT J BOEHM -- CONFIDENTIAL  
 BOEHM KURTZ & LOWRY  
 36 E SEVENTH ST - STE 1510  
 CINCINNATI OH 45202

JOAN COTE -- CONFIDENTIAL  
 OREGON ENERGY COORDINATORS ASSOCIATION  
 2585 STATE ST NE  
 SALEM OR 97301

OPUC DOCKETS  
 CITIZENS' UTILITY BOARD OF OREGON  
 610 SW BROADWAY STE 308  
 PORTLAND OR 97205

RANDALL J FALKENBERG -- CONFIDENTIAL  
 RFI CONSULTING INC  
 PMB 362  
 8343 ROSWELL RD  
 SANDY SPRINGS GA 30350

PATRICK G HAGER -- CONFIDENTIAL  
 PORTLAND GENERAL ELECTRIC  
 121 SW SALMON ST 1WTC0702  
 PORTLAND OR 97204

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

JUDY JOHNSON -- CONFIDENTIAL  
 PUBLIC UTILITY COMMISSION  
 PO BOX 2148  
 SALEM OR 97308-2148

MICHAEL L KURTZ -- CONFIDENTIAL  
 BOEHM KURTZ & LOWRY  
 36 E 7TH ST STE 1510  
 CINCINNATI OH 45202-4454

KIP PHEIL -- CONFIDENTIAL  
 \*OREGON DEPARTMENT OF ENERGY  
 625 MARION ST NE - STE 1  
 SALEM OR 97301-3737

JANET L PREWITT -- CONFIDENTIAL  
 \*DEPARTMENT OF JUSTICE  
 NATURAL RESOURCES SECTION  
 1162 COURT ST NE  
 SALEM OR 97301-4096

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

S BRADLEY VAN CLEVE -- CONFIDENTIAL  
 DAVISON VAN CLEVE PC  
 333 SW TAYLOR - STE 400  
 PORTLAND OR 97204