



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

May 02, 2013

Email / US Mail

Puc.filingcenter@state.or.us

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

**Re: UM 1482 Application for Reauthorization to Defer Expenses
Associated with a Photovoltaic Volumetric Incentive Rate Pilot**

Enclosed for filing are the original and five copies of Portland General Electric's Application for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot.

We have provided notification of this application to the UE 215 and UM 1482 service lists. This application is being filed by electronic mail with the Filing Center. PGE has E-filed a copy on this date.

Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

If you have any questions or require further information, please call me at (503) 464-7580 or Bonnie Gariety at (503) 464-7470.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick G. Hager".

Patrick G. Hager
Manager, Regulatory Affairs

PGH

encls.

cc: UE-215
UM 1482 service lists

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1482

In the Matter of the Application of Portland
General Electric Company for an Order
Approving the Deferral of Expenses Associated
with a Photovoltaic Volumetric Incentive Rate
Pilot

Application for Reauthorization to Defer
Expenses Associated with a Photovoltaic
Volumetric Incentive Rate Pilot, aka the PGE
Solar Payment Option Pilot

Pursuant to ORS 757.259, OAR 860-027-0300, OAR 860-084-0060, OAR 860-084-0380, and OPUC Orders No. 10-198 and 11-281, Portland General Electric Company (“PGE”) hereby requests reauthorization to continue to defer for later rate-making treatment expenses associated with the Photovoltaic Volumetric Incentive Rate Pilot (“PV VIR”). This PV VIR Pilot is also referred to as the PGE Solar Payment Option (“Pilot”), Schedules 215, 216 and 217. PGE requests this reauthorization commence effective May 7, 2013 through May 6, 2014.

I. Deferral History:

Under Docket AR 538, Commission rules for the PV VIR Pilot were established. Docket UM 1452 set out additional details of implementation through OPUC Orders No. 10-198, 10-304, 11-089 and 11-281. This Pilot provides payments to retail electric customers for electricity generated by permanently installed solar photovoltaic energy systems through Schedules 215, 216 and 217. This deferral allows PGE to recover costs associated with the Pilot, through Schedule 137, Customer Owned Solar Payment Option Cost Recovery Mechanism.

This accounting facilitates cost recovery authorized by the Commission in Order 10-198. PGE intends to recover Pilot costs from all applicable customer classes in the manner authorized by the Commission. Approval of the reauthorization application for the deferral is necessary since these incremental costs are not included in any other cost recovery mechanism.

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

Table 1

Filing Date	Renewal Period	Order No.	Approval Date
5/06/2010	5/6/2010 – 5/5/2011	11-059	2/16/2011
4/28/2011	5/7/2011 – 5/6/2012	11-281	8/01/2011
5/04/2012	5/7/2012 – 5/6/2013	12-202	5/07/2012
5/02/2013	5/7/2013 – 5/6/2014		

II. OAR 860-027-0300 Requirement (3):

a. Description of Amounts

See deferral history above. The balancing account includes incremental costs consisting of volumetric incentive payments and/or retail bill offsets to participants, administrative costs associated with the PV VIR program operations, data collection, development costs for billing and website, customer surveys, and regulatory reporting requirements. Credits to the balancing account include: deposit forfeitures, interconnection application fees, customer charges, assignment fees, and the avoided energy value.

Amounts in the balancing account accrue interest at the Commission-authorized rate of return for deferred accounts.

b. Reasons for Deferral

PGE seeks reauthorization to defer incremental costs associated with this deferral pursuant to ORS 757.259(2)(e), OAR 860-027-0300, OAR 860-084-0060, OAR 860-084-0380, and OPUC Orders No. 10-198 and 11-281. Without reauthorization this deferral will expire on May 6, 2013. The reauthorization of this deferral is necessary because ORS 757.365, and UM-1452 require the Pilot, and continuation of this deferral will minimize the frequency of rate changes or fluctuations and match appropriately 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 407.4, Regulatory Credits. In the absence of a deferred accounting order from the Commission, PGE would continue to record costs associated with the Pilot to 903 Customer records and collection expenses and 908 Customer assistance expenses.

d. Estimate of Amounts

See II (a) above. The amounts to be deferred consist of incremental costs of the Pilot for (1) VIR payments to participants including any retail electricity service bill offset amounts, and (2) program costs incurred to carry-out and administer the requirements for the Pilot. For both cost categories, the amounts deferred depend upon actual participation levels and PV system sizes of participants in the Pilot.

PGE estimates incremental costs may range from \$6 to \$7 million for the deferral period, May 7, 2013 through May 6, 2014, consisting largely of VIR payments to participants as more systems are energized. There may be a small over collection in 2013 and an under collection in 2014, which will minimize a rate change to customers during this period.

e. 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 (OAR 860-027-0300[6]).

III. OAR 860-027-0300 Requirement (4), Reauthorization:

a. Description of deferred account entries

See II a. and II c. above. The deferral balance through February 2013 is -\$649,839. The systems currently online now generate less energy in the peak of the winter months. As more systems

begin generating and more energy is produced in the summer months from these systems in 2013, the VIR payments will substantially increase offsetting the over collection.

b. The reason for continuing the deferred account

PGE seeks approval to continue to defer incremental costs associated with the Pilot not currently in rates. The granting of this reauthorization request will minimize the frequency of rate changes and match appropriated the costs borne by and benefits received by customers. This deferral should be continued and is necessary because ORS 757.365 requires the Pilot and the costs of both implementation and operation for the Pilot. Without reauthorization this deferral will expire on May 6, 2013.

IV. PGE contacts:

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

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

Douglas C. Tingey
Assistant General Counsel
Portland General Electric,
1 WTC1301
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.8926
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In addition to the names and addresses above the following are to receive notices and communications via the e-mail service list:

Bonnie Gariety, Pricing Analyst,
Rates and Regulatory Affairs
Email: Bonnie.Gariety@pgn.com

V. **Summary of Filing Conditions¹:**

Information related to future amortization is listed below:

- a. **Earnings Review:** Schedule 137 recovers costs associated with the Solar Payment Option Pilot not otherwise included in rates. The adjustment schedule is implemented as an “automatic adjustment clause” as provided for under ORS 469A, and defined in the Renewable Portfolio Standards, ORS 757.210, and an earnings review is not applicable to this deferral. See PGE Schedules 215, 216 and 217.
- b. **Prudence:** A prudence review is a requirement of the earnings review which does not apply to this deferral.
- c. **Sharing (Percents):** Not applicable with an automatic adjustment clause.
- d. **Rate Spread/Rate Design:** In Docket UE 237, Commission Staff and parties agreed that Schedule 137 costs be allocated to each schedule (all customer classes) based on an equal percent of generation revenue applied on a cents per Kilowatt-hour basis.

VI. **Conclusion.**

For the reasons stated above, PGE requests permission to continue to defer expenses associated with the Solar Payment Option Pilot effective May 7, 2013, until May 6, 2014.

DATED May 2, 2013.



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¹ Per agreement with OPUC staff on January 24, 2012

UM 1482

Attachment A

**Notice of Application for Reauthorization to Defer Expenses
Associated with a Photovoltaic Volumetric Incentive Rate Pilot,
aka the Solar Payment Option Pilot**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1482**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot

Notice Of Application for Reauthorization To Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot aka the Solar Payment Option Pilot

On May 2, 2013, Portland General Electric Company ("PGE") filed an application with the Oregon Public Utility Commission (the "Commission") for an Order authorizing deferral of certain expenses associated with a Photovoltaic Volumetric Incentive Rate Pilot, also known as PGE Solar Payment Option Pilot.

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.

Persons who wish to obtain a copy of PGE's application will be able to access it on the OPUC website.

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than June 1, 2013.

DATED this 2nd day of May, 2013.



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UM 1482

Attachment B

Solar Payment Option Program Costs

Electronic File

Portland General Electric
Estimated Cost of PGE's Solar Payment Option Pilot Program
April 1, 2013

Year	KWH	(a) VIR Payments	(b) Enrollment Cost	(c) Metering Ongoing Cost	Energy Value per KWH	(e) Avoided Energy Value**	(f) Other Fees***	= a + b + c - (e + f) Total
2010*	3,619,128	\$20,257	\$213,824	-		\$1,250	\$4,689	\$238,770
2011*	6,333,377	\$1,270,738	\$242,719		0.031	\$76,054	\$39,866	\$1,553,323
2012*	10,132,202	\$3,169,822	\$294,112		0.031	\$220,763	\$78,686	\$3,542,620
2013	15,728,385	\$6,241,115	\$294,112		0.032	\$505,567	\$78,686	\$6,613,914
2014	18,091,483	\$6,966,459	\$294,112		0.034	\$623,007	\$78,686	\$7,339,258
2015	18,091,483	\$6,966,459		\$294,112	0.038	\$681,975	\$78,686	\$7,339,258
2016	18,091,483	\$6,966,459		\$294,112	0.040	\$725,857	\$78,686	\$7,339,258
2017	18,091,483	\$6,966,459		\$294,112	0.043	\$769,687	\$78,686	\$7,339,258
2018	18,091,483	\$6,966,459		\$294,112	0.045	\$813,519	\$78,686	\$7,339,258
2019	18,091,483	\$6,966,459		\$294,112	0.046	\$837,925	\$78,686	\$7,339,258
2020	18,091,483	\$6,966,459		\$294,112	0.048	\$863,062	\$78,686	\$7,339,258
2021	18,091,483	\$6,966,459		\$294,112	0.049	\$888,954	\$78,686	\$7,339,258
2022	18,091,483	\$6,966,459		\$294,112	0.051	\$915,623	\$78,686	\$7,339,258
2023	18,091,483	\$6,966,459		\$294,112	0.052	\$943,092	\$78,686	\$7,339,258
2024	18,091,483	\$6,966,459		\$294,112	0.054	\$971,384	\$78,686	\$7,339,258
2025	14,472,355	\$5,064,345		\$294,112	0.055	\$800,375	\$78,686	\$5,437,143
2026	11,758,106	\$4,087,437		\$294,112	0.057	\$669,775	\$78,686	\$4,460,236
2027	7,959,281	\$2,639,051		\$294,112	0.059	\$466,984	\$78,686	\$3,011,849
2028	2,363,098	\$725,344		\$294,112	0.060	\$142,806	\$78,686	\$1,098,143
Total	271,372,245	\$99,849,161	\$1,338,880			\$11,917,658	\$1,382,223	\$106,687,833

* Actual Costs for program Years 2010, 2011, and 2012. The years 2013-2028 are estimates.

** The avoided energy values is kWh * Mid-C on-peak price.

*** Other fees include the interconnection application fee, forfeited deposits and the \$25 one-time assignment fee.

Enrollment costs include incremental and temporary labor, vendor cost, and payroll fees.

PGE's metering costs are capitalized and are not included in the deferral.

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Attachment C

Solar Payment Option Deferral Amounts

Electronic File

SPO Deferral	2010 Program Year	2011 Program Year	2012 PROGRAM YEAR	2013 Program Year	Balance To Date
Cost Categories	2010 Total	2011 Total	2012 Total	2013 Total	
Program Development	60,476.88	-	-	-	60,476.88
Program Administration	153,347.61	242,719.23	294,112.10	63,426.86	753,605.80
Incentives / Bill Credits	20,257.35	1,270,737.77	3,169,821.71	228,441.97	4,689,258.80
Interest	4,635.58	64,092.08	11,515.21	(796.14)	79,446.73
Metering	-	-	-	-	-
Cost Total	238,717.42	1,577,549.08	3,475,449.02	291,072.69	5,582,788.21
Credit Categories					
Deposit Forfeitures	1,383.20	3,968.40	6,973.55	-	12,325.15
Collection of Interconnection Application Fee	2,288.63	5,124.40	5,435.14	1,608.80	14,456.97
Customer Charges	966.67	26,947.76	56,642.29	14,682.04	99,238.76
One Time Assignment Fee	50.00	3,825.00	9,635.40	850.00	14,360.40
Avoided Energy Value	1,249.71	76,053.69	220,762.87	17,642.73	315,709.00
Amortization	-	-	4,808,006.23	968,530.46	5,776,536.69
Credit Total	5,938.21	115,919.25	5,107,455.48	1,003,314.03	6,232,626.97
Deferral Amount in GL	232,779.21	1,461,629.83	(1,632,006.46)	(712,241.34)	(649,838.76)

Program Administration Cost Breakdown:

Epiq Class Action Claim - Total	211,096.88
Research into Action, Inc. - Total	159,337.45
Price Waterhouse Coopers - Total	25,000.00
Adecco USA - Total	37,944.70
Incremental Labor (Not Adecco)	342,994.55
Miscellaneous	24,366.07
Pay Pal Fees	13,343.03
	814,082.68

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice Of Application for Reauthorization To Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka PGE Solar Payment Option Pilot** to be served by Electronic Mail to those parties whose e-mail addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, upon those parties on the attached service list who have not waived paper service from UE 215 and UM 1482.

DATED May 2, 2013.



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SERVICE LIST
OPUC DOCKET # UM 1482

<p>Renee France, Assistant Attorney General DEPARTMENT OF JUSTICE Natural Resource Section janet.prewitt@doj.state.or.us (*Waived Paper Service)</p>	<p>Matthew Seidman OREGON DEPARTMENT OF ENERGY Robert.delmar@state.or.us (*Waived Paper Service)</p>
<p>Vijay Satyal OREGON DEPARTMENT OF ENERGY vijay.a.satyal@state.or.us (*Waived Paper Service)</p>	<p>Gordon Feighner CITIZENS' UTILITY BOARD OF OREGON gordon@oregoncub.org (*Waived Paper Service)</p>
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**SERVICE LIST –
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