



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

May 23, 2007

Public Utility Commission of Oregon  
Attn: Filing Center  
550 Capitol Street, N.E., Suite 215  
Salem, OR 97301-2551

**RE: Advice No. 07-11, Schedule 102, Regional Power Act Exchange Credit**

In addition to the electronic filing, enclosed is the original, with a requested effective date of **June 1, 2007:**

First Revision of Sheet No. 102-1

The purpose of this filing is to set the Schedule 102 credit rates to zero as a consequence of the Bonneville Power Administration's (BPA) suspension of the Regional Power Act Exchange credits to PGE. Enclosed is a copy (Attachment A) of BPA's May 21, 2007 letter to PGE that states the Regional Power Act Exchange Credits are suspended. The exchange credits received from BPA are distributed to qualifying residential and farm customers through Schedule 102, Regional Power Act Exchange Credit. BPA also stated that the suspension includes "conservation and renewable discounts and any other credits."

PGE estimates that as a result of the suspension of credits from BPA and the reset of the Schedule 102 credit rates to zero as of June 1, 2007, PGE's Regional Power Act balancing account will show that customers will have received approximately \$2.1 million more in credits than PGE received from BPA.

Residential Budget Pay Plan (Equal Pay or Average Pay Plans) customer billing amounts are also affected by this price change over time. For Average Pay customers the June 1<sup>st</sup> price change will be applied to the customer's average monthly consumption (based on up to the preceding 12 months usage). For Equal Pay customers the monthly equal pay amount is normally adjusted annually (on the anniversary month) with most equal pay changes occurring in the August and September period. PGE monitors all Budget Pay customer billings monthly and adjusts customer payments during the year as necessary to correct variances that exceed certain parameters, that is, where variances are not likely to balance out over the year.

Bill comparisons showing the impact of setting the Schedule 102 credits to zero are enclosed.

PGE Advice No. 07-11  
Page 2

Also enclosed is an application requesting waiver of legal statutory notice to allow the tariff change to be effective on **June 1, 2007**.

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

Please direct all formal correspondence and requests to the following email address  
[pge.opuc.filings@pqn.com](mailto:pge.opuc.filings@pqn.com)

Sincerely,

A handwritten signature in black ink, appearing to read "R. J. Dahlgren", with a long horizontal flourish extending to the right.

Randall J. Dahlgren  
Director, Regulatory Policy & Affairs

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

PO Box 2148  
550 CAPITOL ST NE  
SALEM, 97308-2148

IN THE MATTER OF THE APPLICATION OF ) ) UTILITY L.S.N. APPLICATION  
Portland General Electric ) ) NO. \_\_\_\_\_  
(UTILITY COMPANY)

TO WAIVE STATUTORY NOTICE. )

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

Advice No. 07-11 is being filed to set the Schedule 102 credit rates to zero as a consequence of the Bonneville Power Administration's (BPA) suspension of the Regional Power Act Exchange credits to PGE.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Original Sheet No. 102-1

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)


First Revision of Sheet No. 102-1

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

BPA notified PGE on May 21, 2007, that the Regional Power Act Exchange Credits have been suspended effective immediately. Additional credits are not available to distribute to eligible customers. PGE's Regional Power Act balancing account will show that customers received approximately \$2.1 million more in credits than PGE received from BPA as of June 1, 2007.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S):

The requested effective date is June 1, 2007.

6. AUTHORIZED SIGNATURE  /s/ Randall J. Dahlgren	TITLE Director, Regulatory Policy & Affairs	DATE May 23, 2007
PUC USE ONLY		
APPROVED <input type="checkbox"/> DENIED <input type="checkbox"/>	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	

**SCHEDULE 102  
REGIONAL POWER ACT EXCHANGE\* CREDIT**

**PURPOSE**

Each Customer's bill rendered under schedules providing Residential Service, Farm Service and Nonresidential Farm Irrigation and Drainage Pumping Service will include the Regional Power Act Exchange Credit applied to each kWh sold when the Customer qualifies for the adjustment according to the definitions and limitations set forth in this schedule. Where Customers are served by Electricity Service Suppliers (ESSs), the ESS will agree to pass through the credit to the Customer.

**AVAILABLE**

In all territory served by the Company.

**APPLICABLE**

To all bills for Direct Access Service, Emergency Default Service, Standard Service and Residential Service where the Customer meets the definition of Residential Service, Farm Service or Farm Irrigation and Drainage Pumping Service as specified in this schedule.

**REGIONAL POWER ACT EXCHANGE CREDIT**

The credit will be the value of power and other benefits provided in accordance with the terms of the Settlement Agreement between the Company and the Bonneville Power Administration (BPA).

The credit is:

Schedule 7

(D)

First 250 kWh 0.000 ¢ per kWh

(I)

Over 250 kWh 0.000 ¢ per kWh

|

All other schedules 0.000 ¢ per kWh

(I)

**RESIDENTIAL SERVICE**

Residential Service means Electricity Service provided for residential purposes including service to master-metered apartments, apartment utility rooms, common areas, and other residential uses.

\* Short title for "Pacific Northwest Electric Power Planning and Conservation Act".

PGE Advice No. 07-11  
Attachment A  
BPA letter to PGE dated May 21, 2007



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

POWER SERVICES

May 21, 2007

In reply refer to: PS-6

Mr. James F. Lobdell, Vice President  
Power Operations and Resource Strategy  
Portland General Electric  
121 SW. Salmon Street  
Portland, OR 97204-2908

Dear Mr. Lobdell:

As we have recently informed you or your representatives, the law provides that a Federal Certifying Officer is personally responsible and accountable for certifying the legality of a proposed payment, and is personally accountable for making a payment prohibited by law. *See* 31 U.S.C. § 3528; Principles of Federal Appropriations, Second Edition, Volume II, 9-88 – 9-145. In the Ninth Circuit Court of Appeal's (Court) recent May 3, 2007, *PGE* and *Golden Northwest Aluminum* decisions, the Court concluded that certain Bonneville Power Administration (BPA) actions in entering residential exchange settlements in 2000 with your company and other Investor Owned Utilities were "not in accordance with law." This quite understandably raised substantial question whether the BPA Certifying Officer could certify additional payments under the settlement agreements; indeed, the Court has asked for briefing as to the effect of its rulings on pending challenges to other outstanding settlement agreements.

We have concluded that this uncertainty created by the Court's decisions means that we must at this time suspend payments. You have acknowledged that BPA is, thus, currently prevented by reasons beyond its control from continuing payment pending final decisions by the Ninth Circuit in the outstanding Ninth Circuit challenges, and that in light of this uncertainty created by the Court's decisions you agree not to assert BPA is in breach of contract as a result of the suspension. Accordingly, BPA is immediately suspending payments (including conservation and renewable discounts and any other credits) under the challenged BPA agreements pending final decisions by the Ninth Circuit in the outstanding Ninth Circuit challenges. Such temporary suspension and acknowledgement shall not constitute an admission or waiver of, and is subject to, any statutory, contractual and other rights and obligations of the parties that may exist, so the suspension is without prejudice to the issue of whether the suspended amounts must at some later point be paid (or credited). BPA's suspension in no way affects the continued existence of the settlement agreements.

We very much regret that it is necessary for us to suspend payments at this time, since we understand that this will rapidly result in large and, for some, severe rate consequences for your

residential and small farm customers. We have spent considerable effort seeking to find means to continue the payments to allow more time for the parties to find a way to address the issues raised by the Court, but without success.

BPA currently anticipates that such suspension will continue at least until any petitions for rehearing on the Court's decisions are finally resolved. We believe the Court's decisions on the settlements are in error, and we are exploring all potential viable avenues for rehearing, including by the full Court if possible. BPA agrees that this suspension is only an interim measure and does not represent a final action by the Administrator, and it will not assert otherwise. BPA agrees it will inform you of its final decision regarding the suspended and any remaining payments (and credits) within a reasonable period of time after the decisions by the Ninth Circuit are final in the outstanding Ninth Circuit challenges.

In the interim we will be consulting with key stakeholders informally as to any ideas for finding a way to resolve these issues consistent with the Court's decision. This is made more challenging by the fact that the Court has not ruled yet on the significant 2001 and 2004 amendments to the contracts that the Court did rule on. We want to resolve this issue as quickly as possible, but also recognize that any work now may be undone by further rulings from the Court.

This is a most vexing problem, and we look forward to working with you and others in the Pacific Northwest region to find a resolution that best serves the interest of all Northwest citizens.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Gendron', with a long horizontal flourish extending to the right.

Mark O. Gendron  
Vice President, Requirements Marketing