



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

September 27, 2007

Email / US Mail

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

**Re: UM___ Application for Deferred Accounting Treatment of Certain Expenses
Associated with an Independent Evaluator for a Request for Proposal**

Enclosed is the original signed Application for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for a Request for Proposal and three copies.

PGE waives paper service of documents in this proceeding and has filed on this date.

If you have any questions or require further information, please call me at (503) 464-7580 or Alex Tooman at (503) 464-7623. 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

PGH/llh

encls.

cc: UE 180 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of Portland
General Electric Company for an Order
Approving the Deferral of Certain Costs
Associated with an Independent Evaluator for a
Request For Proposal

**Application for Deferred Accounting
Treatment of Certain Expenses Associated
with an Independent Evaluator for a
Request For Proposal**

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company (“PGE”) hereby requests authorization to defer for later rate-making treatment certain incremental expenses associated with an Independent Evaluator (“IE”) required for a Request for Proposal (“RFP”) design, implementation, evaluation and report. PGE may seek amortization of the deferred amount in a future Commission proceeding. In support of an application, PGE states:

1. PGE is a public utility in the state of Oregon and its rates, services and accounting practices are subject to the regulation of the Oregon Public Utility Commission (“Commission”).
2. This application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation in rates.
3. Written communications regarding this Application should be addressed to:

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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 email service list:

Patrick G. Hager, Manager Regulatory Affairs
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Richard George, Assistant General Counsel
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Brian Kuehne, Manager Integrated Resource Planning
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I. OAR 860-027-0300 Requirements

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

A. Background

The Commission updated its Integrated Resource Plan (“IRP”) planning principles and analysis guidelines in Order 07-002. Consistent with the Order, the objective of PGE’s IRP process is to identify new electric generation, demand-side, and transmission resources which, when considered with our existing portfolio, provide the best combination of expected cost and associated risks for PGE and our customers.

All major resource acquisitions – those with durations greater than five years and quantities greater than 100 MW – must undergo a bidding process to ensure acquisition of least-cost resources for customers according to the adopted Competitive Bidding Guidelines (“Guidelines”) in Commission Order No. 06-446. An Independent Evaluator must be used in each Request for Proposal (“RFP”) process to ensure that all bids are treated fairly.

In Order No. 06-446, the Commission stated “that if an IE is useful to the process, and we believe that to be so, then the cost of the IE should be included in rates.” Most parties, including staff, favor payment by the utility with recovery from customers. PGE requests deferred accounting to track the costs of the IE for later prudency review and inclusion in rates.

After the IE is selected by the Commission, the IE will oversee the RFP Process to ensure that it is conducted fairly and properly. PGE will consult with the IE in preparing the RFP and the IE will submit its assessment of the final draft RFP. In the event PGE neither proposes a self-build option (“Benchmark Resource”) nor solicits an ownership option, the IE will not independently score the bids, but rather determine if PGE’s scoring and selection of the short-list bids are reasonable. If PGE proposes an ownership bid or a Benchmark Resource, the IE will independently score the Benchmark Resource and either all or a sample of the bids. The IE will then compare results with PGE and attempt to resolve any differences.

Finally, the IE will prepare a closing report for the Commission after the final short-list of bids are selected and participate in the RFP acknowledgement proceeding as described in Order Nos. 06-446 and 89-507.

PGE expects to begin the planning work this fall for the RFP process to acquire renewable and other baseload energy resources as proposed in our Energy Action Plan (see LC 43, page 10).

B. Reasons for Deferral

Order No. 06-446 states that an IE must be used in each RFP to help ensure that all offers are treated fairly. PGE expects to incur costs to pay for an IE and therefore requests deferred accounting to track these costs for later prudency review and potential inclusion in rates.

PGE seeks deferred accounting treatment of the potential expenses associated with an IE pursuant to ORS 757.259(2)(e). The granting of this Application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

Approving this application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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 record costs associated with the IE to FERC account 923, Outside Services Employed.

D. Estimate of Amounts

PGE estimates the amount subject to the deferral would be approximately \$200,000. However, the exact amount will depend on the IE selected, the number of bids received, and the amount of work performed by the IE.

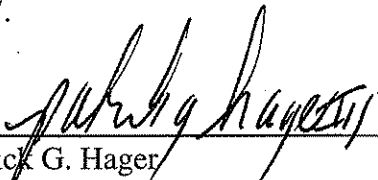
E. Notice

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.

II. Conclusion

For the reasons stated above, PGE requests permission to defer certain expenses associated with an IE as described herein from the date of this Application.

DATED this 27th day of September, 2007.



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Attachment A

**Notice Of Application For Deferred Accounting Of
Certain Expenses Associated With an Independent Evaluator
for a Request for Proposal**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of the Application of Portland
General Electric Company for an Order
Approving the Deferral of Certain Costs
Associated with an Independent Evaluator for a
Request for Proposal

**Notice of Application for Deferred
Accounting Treatment of Certain
Expenses Associated with an Independent
Evaluator for a Request For Proposal**

On September 27, 2007, 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 an Independent Evaluator for a Request for Proposal.

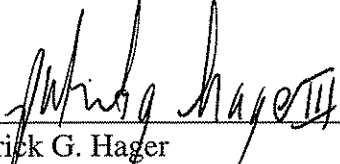
Approval of PGE's Application will not authorize a change in PGE's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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

Portland General Electric Company
Attn: Patrick Hager
Manager, Regulatory Affairs
121 SW Salmon, 1WTC-0702
Portland, OR 97204
Telephone: (503) 464-7580
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 October 29, 2007.

Dated: September 27, 2007

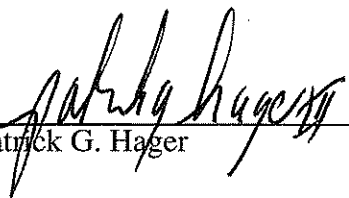


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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice of Application for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for a Request for Proposal** to be served by First Class US Mail, postage prepaid and properly addressed, upon each party on the attached service list from the last general rate case, OPUC Docket No. UE 180.

Dated at Portland, Oregon, this 27th day of September, 2007.



Patrick G. Hager

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

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

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

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

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