



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

April 28, 2011

***Email / US Mail***

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**

Ms. Bailey-Goggins:

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](mailto:pge.opuc.filings@pgn.com).

If you have any questions or require further information, please call me at (503) 464-7580 or Rob Macfarlane at (503) 464-8954.

Sincerely,

Patrick G. Hager  
Manager, Regulatory Affairs

PGH/  
encls.

cc: UE-215 and  
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

Pursuant to ORS 757.259, OAR 860-027-0300, OAR 860-084-0060, OAR 860-084-0380, and OPUC Order No. 10-198, Portland General Electric Company ("PGE") hereby requests reauthorization to defer for later rate-making treatment expenses associated with the Photovoltaic Volumetric Incentive Rate Pilot ("Pilot"). This Pilot is also referred to as the feed-in tariff (FiT) and volumetric incentive rate (VIR) pilot (Schedules 205 and 206). PGE requests this reauthorization commence effective May 7, 2011 through May 6, 2012.

**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, and 11-089. This Pilot provides payments to retail electric customers for electricity generated by permanently installed solar photovoltaic energy systems through Schedules 205 and 206. This deferral is part of the process to allow PGE to recover costs associated with the PV VIR Pilot.

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.

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

a. Description of Amounts

See deferral history above. For the 12-month period beginning May 6, 2010, PGE expects an estimated collection of \$570,000. 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 accrued 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 Order No. 10-198. Without reauthorization this deferral will expire on May 7, 2011. The reauthorization of this deferral is necessary because ORS 757.365, and UM-1452 require the Photovoltaic Volumetric Incentive Rate 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 various FERC accounts.

d. Estimate of Amounts

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 \$2 to \$4 million for the second deferral period (May 7, 2011 through May 6, 2012).

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.

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 7, 2011.

**IV. PGE contacts.**

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

Randy Dahlgren  
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  
E-mail: Doug.Tingey@pgn.com

In addition to the names and addresses above the following are to received notices and communications via the e-mail service list:

Rob Macfarlane, Business Analyst,  
Rates and Regulatory Affairs  
Email: [Rob.Macfarlane@pgn.com](mailto:Rob.Macfarlane@pgn.com)

**V. Conclusion.**

For the reasons stated above, PGE requests permission to continue to defer expenses associated with the Photovoltaic Volumetric Incentive Rate Pilot effective May 7, 2011, until May 6, 2012.

DATED this 28th day of April, 2011.



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Patrick G. Hager  
Manager, Regulatory Affairs  
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**Attachment A**

**Notice of Application for Reauthorization to Defer Expenses  
Associated with a Photovoltaic Volumetric Incentive Rate 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**

On April 28, 2011, 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.

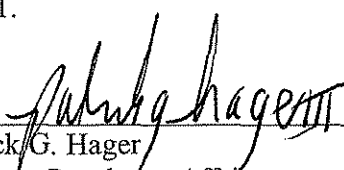
Approval of PGE's Application will not authorize a change in PGE's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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

PGE-OPUC Filings  
Rates & Regulatory Affairs  
Portland General Electric Company  
121 SW Salmon Street, 1WTC-0702  
Portland, OR 97204  
(503) 464.7857 (telephone)  
(503) 464.7651 (fax)  
[pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

Any person who wishes to submit written comments to the Commission on PGE's application must do so no later than May 29, 2011.


DATED this 28<sup>th</sup> day of April, 2011.

  
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Patrick G. Hager  
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## 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** 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 this 28th day of April, 2011.



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**SERVICE LIST  
OPUC DOCKET # UM 1482**

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**SERVICE LIST –  
OPUC DOCKET # UE 215**

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