



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

December 14, 2010

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

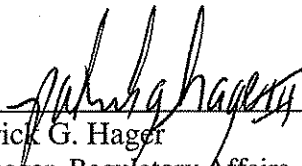
Encl.

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

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 14, 2010



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

g:\ratecase\opuc\dockets\um-1294 (pcv deferral app)\reauth app_2011\um-1294 pcv reauth app_12-14-10.doc

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:**

OPUC DOCKETS

CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND OR 97205COMMUNITY ACTION PARTNERSHIP OF OREGON
PO BOX 7964
SALEM OR 97301KURT J BOEHM -- CONFIDENTIAL
BOEHM KURTZ & LOWRY
36 E SEVENTH ST - STE 1510
CINCINNATI OH 45202ROGER D. COLTON -- CONFIDENTIAL
FISHER SHEEHAN & COLTON
34 WARWICK RD
BELMONT MA 02478JOAN COTE -- CONFIDENTIAL
OREGON ENERGY COORDINATORS ASSOCIATION
2585 STATE ST NE
SALEM OR 97301JAMES DEASON -- CONFIDENTIAL
ATTORNEY AT LAW
135 SE MAIN ST STE 201
PORTLAND OR 97214-3345ROBERT JENKS -- CONFIDENTIAL
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND OR 97205JUDY JOHNSON -- CONFIDENTIAL
PUBLIC UTILITY COMMISSION
PO BOX 2148
SALEM OR 97308-2148JASON W JONES -- CONFIDENTIAL
DEPARTMENT OF JUSTICE
BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM OR 97301-4096MICHAEL L KURTZ -- CONFIDENTIAL
BOEHM KURTZ & LOWRY
36 E 7TH ST STE 1510
CINCINNATI OH 45202-4454G. CATRIONA MCCrackEN -- CONFIDENTIAL
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND OR 97205RATES & REGULATORY AFFAIRS - OPUC FILINGS --
CONFIDENTIAL
PORTLAND GENERAL ELECTRIC
121 SW SALMON ST 1WTC-0702
PORTLAND OR 97204KIP PHEIL -- CONFIDENTIAL
*OREGON DEPARTMENT OF ENERGY
625 MARION ST NE - STE 1
SALEM OR 97301-3737JANET 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
BUSINESS ACTIVITIES 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:**

OPUC DOCKETS
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND OR 97205

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

STEPHANIE S ANDRUS -- CONFIDENTIAL
DEPARTMENT OF JUSTICE
BUSINESS ACTIVITIES 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

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 400
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

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: 09-505

Signed: 1/17/2007

SERVICE LIST:

GORDON FEIGHNER -- CONFIDENTIAL
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND OR 97205

ROBERT JENKS -- CONFIDENTIAL
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
PORTLAND OR 97205

G. CATRIONA MCCrackEN -- CONFIDENTIAL
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY, STE 400
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

**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, 08-154, 09-023, and 09-505, 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.

On February 16, 2010 PGE filed a general rate case (Docket UE-215). On August 2, 2010 PGE stipulated to resetting the power cost variance deadbands in PGE's Annual Power Cost Variance Mechanism tariff, Schedule 126, to a negative annual power cost deadband of \$15 million and a positive annual power cost deadband of \$30 million. A final Order has not been issued for the rate case, Docket UE 215, as of the filing date for this reauthorization application.

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, 09-505 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)

Filing Date	Renewal Period	Order No.	Approval Date	PCV	Deferral for Amortization
01-16-08	1-17-08 / 1-16-09 (2008 PCAM)	08-154	03/04/08	\$16.1	\$0
12-19-08	1-01-09 / 12-31-09 (2009 PCAM)	09-023	1/27/09	\$0	\$0
12-01-09	1-01-10 / 12-31-10 (2010 PCAM)	09-505	12/28/09	TBD	TBD
12-XX-10	1-01-11 / 12-31-11 (2011 PCAM)				

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, 2011 through December 31, 2011 ("Deferral Period 2011"). Without reauthorization, this deferral will expire on December 31, 2010. 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 2011 information that is currently unknown, including the 2011 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, 09-505 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) 464.2200
E-mail: 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

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

E-mail: Launa.Harmon@pgn.com

E-mail: Robert.Brown@pgn.com

E-mail: 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, 2011 through December 31, 2011.

DATED: December 14, 2010.

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 14, 2010, 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.

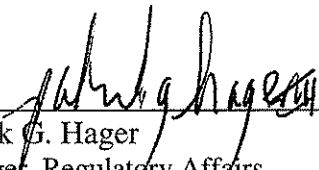
Approval of PGE's reauthorization application will not authorize a change in PGE's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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: 503-464-7587
Facsimile: 503-464-7651
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 January 14, 2011.

Dated: December 14, 2010



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