

January 20, 2011

Via E-Mail and US Mail

OPUC Filing Center Oregon Public Utility Commission 550 Capitol Street NE, Ste. 215 Salem, OR 97301

**RE:** UM-1417 PGE's Application for Reauthorization of Deferral of Revenues Associated with the Sales Normalization Adjustment and Lost Revenue Recovery

Enclosed for filing are an original and five copies of Portland General Electric Company's (PGE) Application for Reauthorization of Deferral of Revenues Associated with the Sales Normalization Adjustment and Lost Revenue Recovery. PGE received authorization pursuant to OPUC Orders 09-162 and 10-077.

We have provided copies of the Application to the UM 1417 and UE 215 service lists and have E-filed an electronic version to the Filing Center this date. PGE filed a similar filing on January 18, 2011, but withdrew it.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at 503.464.7580 or Marc Cody at 503.464.7434.

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

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cc: Carla Bird, OPUC Bob Jenks, CUB

Melinda Davison, ICNU

UM 1417 and UE 215 Service List

#### BEFORE THE PUBLIC UTILITY COMMISSION

#### OF OREGON

#### **UM 1417**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Revenues Associated with the Sales Normalization Adjustment and Lost Revenue Recovery Application for Reauthorization of Deferral of Revenues Associated with the Sales Normalization Adjustment and Lost Revenue Recovery

Pursuant to ORS 757.259, OAR 860-027-0300, and OPUC Order Nos. 08-169, 09-020, 09-162 and 10-077, Portland General Electric Company (PGE) hereby requests reauthorization to defer for later rate-making treatment revenues associated with the Sales Normalization Adjustment (SNA) and Lost Revenue Recovery mechanism (LRR), implemented through Schedule 123 (Decoupling adjustment). PGE requests this reauthorization commence effective February 1, 2011, through January 31, 2012.

#### I. Deferral History:

In Docket No. UE 215 (OPUC Order 10-478), the Commission approved the extension of PGE's SNA and LRR mechanisms through December 31, 2013.

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

Table 1

Filing Date	Renewal Period	Order No.	Approval Date
1/30/09	2/01/09 - 1/31/10	09-162	05/06/09
1/20/10	2/01/10 - 1/31/11	10-077	03/02/10

### II. OAR 860-027-0300 Requirements

The following is required pursuant to OAR 860-027-0300(3):

## a. <u>Description of Amounts</u>

See Deferral History above. The decoupling mechanism provides for customer collection or refund if weather adjusted use per customer is less than or more than that approved in PGE's most recent general rate case (UE-215).

In May 2010, the OPUC authorized PGE to refund to retail customers approximately \$2.7 million related to the 12-month period ended January 31, 2010, as weather adjusted use per customer exceeded that approved in the 2009 General Rate Case.

For the twelve month period beginning February 1, 2010, PGE has recorded an estimated collection of \$4 million as of September 30, 2010, as weather adjusted use per customer was lower than that approved in PGE's 2009 General Rate Case. This amount will be collected over a one-year period beginning June 1, 2011.

#### b. Reasons for <u>Deferral</u>

PGE seeks reauthorization to defer costs associated with the revenues associated with the SNA and LRR mechanisms (Schedule 123). Without the reauthorization, this deferral will expire on January 31, 2011. The continuation of the deferral will minimize the frequency of rate changes or fluctuations pursuant to ORS 757.259(e), or match appropriately the costs borne or by and benefits received by customers.

PGE expects any deferred amount to be recovered or refunded in a manner approved by the Commission and consistent with the terms of Schedule 123.

#### c. Proposed Accounting

PGE proposes to continue the use of two separate accounts for the SNA and LRR mechanisms. For each mechanism, we propose to record the deferred amounts to FERC account 182.3 (Regulatory Assets) if the deferred amount is to be collected from customers or FERC account 254 (Regulatory Liabilities) if the deferred amount is to be refunded to customers. The corresponding debit or credit for the SNA and LRR accounts is to FERC account 456 (Other Revenue). In the absence of a deferred

accounting order from the Commission, PGE would record the revenues associated with the two deferred accounts in FERC accounts 440 (Residential Sales), and 442 (Commercial/Industrial Sales).

#### d. Estimate of Amounts

The amounts to be deferred pursuant to the SNA and LRR mechanisms will be determined as described in Schedule 123, which for the SNA is the difference between actual, weather adjusted usage per customer during the deferral period and the usage per customer projected in UE 215 pursuant to PGE's Schedule 123. The LRR difference is based on energy efficiency savings as reported by the ETO and savings incorporated in the applicable load forecast.

#### e. Notice

A copy of the notice of application for reauthorization of deferred accounting treatment 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 sections II(a) and II(c) above.

## b. The reason for continuing deferred accounting

PGE seeks approval to continue to defer revenues associated with the SNA and the LRR mechanisms (Schedule 123) between February 1, 2011 and January 31, 2012 as described in II(b) above. Without reauthorization this deferral will expire on January 31, 2011.

#### IV. PGE Contacts

The authorized addresses to receive notices and communications in respect to 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

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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 receive notices and communications via the e-mail service list: Launa Harmon, E-mail: Launa.Harmon@pgn.com

#### V. Conclusion

For the reasons stated above, PGE requests permission to continue to defer for later rate-making treatment revenues associated with the SNA and LRR recovery mechanisms effective February 1, 2011 until January 31, 2012.

DATED this 20<sup>th</sup> day of January, 2011.

Respectfully Submitted,

Patri¢k G. Hager

Manager, Regulatory Affairs

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# UM 1417 Attachment A

Notice of Application for Reauthorization of Deferral of Revenues Associated with the Sales Normalization Adjustment (SNA) and Lost Revenue Recovery (LRR) BEFORE THE PUBLIC UTILITY COMMISSION

**OF OREGON** 

**UM 1417** 

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Revenues Associated with the Sales Normalization Adjustment and Lost Revenue Recovery Notice of Application for Reauthorization of Deferral of Revenues Associated with the Sales Normalization Adjustment and Lost Revenue Recovery

On January 20, 2011, Portland General Electric Company (PGE) filed an Application for Reauthorization of Deferral of Revenues Associated with the Sales Normalization Adjustment and/or Lost Revenue Recovery with the Oregon Public Utility Commission (the "Commission").

Approval for deferred accounting treatment 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 February 21, 2011.

Dated this 20<sup>th</sup> day of January 2011.

Patrick G. Hager

Mahager, Regulatory Affairs

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Portland, OR 97204

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503.464.7580

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## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused an Application for Reauthorization of Deferral of Revenues Associated with the Sales Normalization Adjustment and Lost Revenue Recovery to be served by electronic mail on those parties whose email addresses appear on the attached service list and by U.S. Mail, First Class, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Dockets UM 1417/UE 215. These dockets are subject to waive paper rules in effect prior to OPUC Order 10-400, effective 10-14-10.

Dated at Portland, Oregon, this 20th day of January, 2011.

Patrick G. Hager

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