



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

December 23, 2011

E-Mail / US Mail

Filing Center

Public Utility Commission of Oregon
550 Capitol St., NE, Suite 215
Salem, OR 97308-2148

Re: UM-1514 PGE's Application for Reauthorization of Deferral of Incremental Costs Associated with Automated Demand Response

Enclosed are the original signed Application and five copies of Portland General Electric Company's application for reauthorization of deferral of incremental costs associated with Automated Demand Response, with an effective date of January 1, 2012.

PGE originally received permission for deferral of incremental costs associated with Automated Demand Response through Commission Order 11-182. A Notice of Application regarding the filing of this application has been sent to those parties who have not waived paper service on the UE-215 service list and to those who have been approved to receive hard copy service for OPUC Docket UM 1514.

Thank you for your assistance in this matter. If you have any questions or require further information, please call 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

Encls.

cc: Bob Jenks, CUB
Bradley Van Cleve, ICNU
Carla Bird, OPUC
UE 215/ UM 1514 Service Lists

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1514

In the Matter of the Application of Portland General Electric Company for an Order Reauthorizing the Deferral of Incremental Costs Associated with Automated Demand Response

Application for Reauthorization of Deferral of Incremental Costs Associated with Automated Demand Response

Pursuant to ORS 757.259, OAR 860-027-0300, and Oregon Public Utility Commission (“OPUC”) Order No. 11-182, Portland General Electric Company (“PGE”) hereby requests approval for the continuance of the deferral that is subject to an automatic adjustment clause and is associated with the Automated Demand Response Program (“ADR Program”).

I. Deferral History

PGE filed an application for deferral of incremental costs associated with ADR Program on December 29, 2010, seeking deferral from January 1, 2011 through December 31, 2011. This deferral and cost recovery tariff (Advice 10-29, Schedule 135) was approved in OPUC Order 11-182 on June 1, 2011. PGE requests that the reauthorization commence effective January 1, 2012 through December 31, 2012.

II. OAR 860-027-0300 Requirements

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

a. Description of Amounts

Pursuant to ORS 757.259(2)(e), PGE seeks renewal of deferred accounting treatment for the incremental costs associated with the ADR pilot. The approval of the Application will support the continued use of an automatic adjustment clause rate schedule, which will provide for recovery of the incremental costs associated with the pilot. If the two-year pilot is deemed successful, PGE

proposes to have subsequent ADR costs flow through PGE's Annual Power Cost Update (Schedule 125) and Power Cost Adjustment Mechanism (Schedule 126) similar to other power cost and capacity items. If the pilot is determined to not be successful, Commission Order No. 11-182, page 3, specifies the conditions "that would prevent the program from running until the end of 2013."

b. Reasons for Deferral

Pursuant to ORS 757.259(2)(e), for the reasons discussed above, PGE seeks to continue a deferred accounting treatment for the incremental costs associated with the ADR Pilot Program authorized by the OPUC through Order 11-082 on June 1, 2011. The granting of this reauthorization application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

Without reauthorization, the current authorization to defer costs will expire on December 31, 2011.¹ PGE is filing this reauthorization application for the period commencing January 1, 2012 through December 31, 2012.

c. Proposed Accounting

PGE proposes to record the deferred costs in FERC Account 182.3 (Regulatory Assets), with the offsetting credit recorded to FERC account 131, Cash.

d. Estimate of Amounts

PGE estimates the incremental costs of the Automated DR program to be approximately \$3.4 million over the next year of a two year pilot program including costs for program development plus evaluation and verification.

e. Notice

A copy of the notice of application for reauthorization of the deferred accounting treatment is

¹ Deferrals subject to an automatic adjustment clause typically do not require reauthorization. For the ADR pilot, however, the parties agreed that reauthorizations provided an appropriate means to recommend that the Commission cancel the pilot, if evaluations demonstrate that it does not provide capacity benefits at a reasonable cost.

attached to the application as Attachment A. In compliance with the provisions of 860-027-0300(6), PGE is serving the Notice of Application on the UE 215 Service List, PGE's last general rate case.

III. The following is provided pursuant to OAR 860-027-0300(4)

a. Description of deferred account entries

Please see section II (c) above.

b. The reason for continuing deferred accounting

Please see Section II (b) above. PGE is seeking approval to continue the approved deferred accounting treatment for incremental ADR costs pursuant to Commissioner Order No. 11-182 as described above.

IV. PGE Contacts

Communications regarding this reauthorization application should be addressed to:

Patrick Hager
Rates & Regulatory Affairs
Portland General Electric,
1 WTC0702
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.7580
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Assistant General Counsel
Portland General Electric,
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121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.8926
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In addition to the names and addresses above the following are to receive notices and communications via the e-mail service list:

Alex Tooman, Project Manager, Regulatory Affairs
E-mail: Alex.Tooman@pgn.com

V. Conclusion

For the reasons stated above, PGE requests permission to continue to defer for later rate-making treatment incremental costs associated with the Automated Demand Response (ADR) program.

DATED this 23rd day of December, 2011.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Alex Tooman for". The signature is written over a horizontal line.

Patrick G. Hager
Manager, Regulatory Affairs
on behalf of Portland General Electric Co.
121 SW Salmon Street, 1 WTC0702
Portland, OR 97204
Telephone: 503.464.7580
Fax: 503.464.7651
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Attachment A

Notice of Application for Reauthorization of Deferral of Incremental Costs Associated with Automated Demand Response

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1514**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Reauthorization of Deferral of Incremental Costs Associated with Automated Demand Response

Notice of Application for Reauthorization of Deferral of Incremental Costs Associated with Automated Demand Response

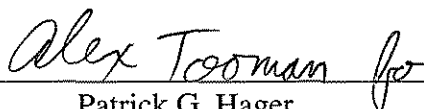
On December 23, 2011, Portland General Electric Company (“PGE”) filed an application with the Oregon Public Utility Commission (the “Commission”) for an Order reauthorizing the deferral of incremental costs associated with the Automated Demand Response program with the Oregon Public Utility Commission (the “Commission”).

Approval of PGE’s reauthorization application will continue to support the use of an automatic adjustment clause rate schedule, which will provide for changes in rates reflecting incremental costs associated with the pilot.

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 January 23, 2011.

Dated: December 23, 2011



Patrick G. Hager
Manager, Regulatory Affairs
on behalf of Portland General Electric Co.
121 SW Salmon Street, 1 WTC0702
Portland, OR 97204
Telephone: 503.464.7580
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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing Application for Reauthorization of Deferral of Incremental Costs Associated with a Automated Demand Response Program and Notice of Application to be served to those parties whose e-mail addresses appear on the attached service lists, and by First Class U.S. Mail, postage prepaid and properly addressed, upon those parties on the attached service lists who have not waived paper service or who have been approved to receive hard copy service for OPUC Dockets No. UE 215 and UM 1514.

Dated at Portland, Oregon, on December 23, 2011.



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

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**SERVICE LIST
DOCKET UM 1514**

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