



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

April 9, 2008

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551

Re: Application for Waiver of Compliance with OAR 860-038-0300(2) & (3)

Enclosed for filing are an original and one copy of PORTLAND GENERAL ELECTRIC COMPANY's APPLICATION FOR WAIVER OF COMPLIANCE WITH OAR 860-038-0300(2) & (3) for bill inserts related to power source disclosures.

Should you have any questions or comments regarding this filing, please contact me at (503) 464-7891.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pge.com

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Kuns", written in a cursive style.

Doug Kuns
Manager, Pricing & Tariffs

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

DOCKET NO. _____

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Application for Waiver of OAR 860-038-
0300(2) & (3)

APPLICATION OF PGE FOR WAIVER OF
COMPLIANCE WITH OAR 860-038-
0300(2) & (3)

Pursuant to OAR 860-038-0001(4), Portland General Electric Company (“PGE”) respectfully requests that the Oregon Public Utility Commission (“OPUC” or “Commission”) grant a waiver of the requirements set forth in OAR 860-038-0300(2) & (3) that require PGE to provide price, power source, and environmental impact information to consumers. PGE requests this waiver for the remainder of calendar year 2008 or until such time as the final rule from AR 518 is established. OAR 860-038-0001(4) provides that for good cause shown, the Commission may relieve PGE of requirements under its Division 038 rules. As set forth below, good cause exists for temporary waiver of that portion of OAR 860-038-0300(2) & (3) that requires PGE to provide price, power source, and environmental impact information to consumers.

I. Jurisdiction

In support of this 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 OAR 860-038-0001(4), which allows the Commission, upon application, to relieve any entity of its obligations under the

Division 038 rules for good cause shown.

II. Communications

Communications regarding this Application should be addressed to:

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

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:

Patrick G. Hager, Manager, Regulatory Affairs
E-mail: Patrick.Hager@pgn.com

Doug Kuns, Manager, Pricing and Tariffs
E-mail: Doug.Kuns@pgn.com

III. Background

OAR 860-038-0300(2) and (3) require PGE to provide to consumers the price, power source, and environmental impact information for each service or product offered on at least a quarterly basis in a format prescribed by the Commission. The purpose of this information is to allow “consumers to exercise informed choice.” In addition, OAR 860-038-0300(4) requires PGE to report the power source and environmental information based on its own generating resources. The format prescribed by the Commission for providing this information is a “fuel mix insert” which is typically included quarterly with consumers’ billing statements. The information PGE is required to provide is depicted graphically in a “pie chart” format with accompanying text that explains the graphs and provides other additional information to consumers. Typically, the disclosure is based on a previous year’s generation.

In 2007, the Oregon legislature passed SB 838, Oregon's Renewable Energy Standard, which requires, among other things, that electric companies meet a certain percentage of their electrical load with renewable energy generation. The percentage of load that must come from renewable energy increases incrementally over time starting with 5% in 2011 and stepping up to 25% in 2025. Electric companies like PGE demonstrate compliance by acquiring and retiring in a compliance year an amount of Renewable Energy Certificates ("RECs") equivalent to the required percentage of load for that compliance year. SB 838 allows entities who must comply with its requirements to bank RECs for use in later compliance years.

As part of the implementation of SB 838, the Commission has opened AR 518 to draft and implement compliance rules for entities subject to the requirements of this new law. PGE along with Staff and the other parties recognize that the tracking, reporting and disclosure of accurate utility power supply mix and renewable energy generation information has become more complex than contemplated when the current labeling formats were first implemented in 2002. AR 518 offers an opportunity to further consider what information and delivery methods are appropriate to inform customers about power supply and renewable energy generation. Through AR 518, modified rules and reporting structures will be developed to clarify how PGE should represent renewable energy generation to our customers.

In the meantime, PGE wishes to avoid inadvertently misrepresenting, via the current implementation of OAR 860-038-0300(2) & (3), the disposition of renewable energy generation relative to meeting the requirements of SB 838. For example, if PGE disclosed generation pursuant to OAR 860-038-0300 that showed generation from PGE's Biglow Canyon wind farm and PGE banked the RECs associated with this generation for SB 838 compliance in a later year, some may argue that PGE had "used" (or effectively retired) the RECs twice. PGE finds this

potential situation untenable and thus does not want to further risk noncompliance with rules yet to be developed and, thus, seeks this waiver. PGE is currently working with Staff, Pacificorp, Citizen's Utility Board, Renewable Northwest Project, OSPIRG, and other stakeholders to either draft different language for the proposed rule or create a different format for disclosing the information required under OAR 860-038-0300 that will alleviate concerns. Currently, Pacificorp has volunteered to conduct consumer studies as part of this project to determine the appropriate way to address power source disclosures and what, if any, format for the disclosure is appropriate.

IV. Discussion

Granting PGE the requested waiver allows PGE to avoid potentially misinforming customers about its generation, preserves the maximum value of PGE's renewable generation, and, most importantly, grants the stakeholder workgroup additional time in which to create a process that meets consumer needs while satisfying the legal requirements and alleviating all parties' concerns.

The Division 038 Direct Access Rules were adopted by the Commission in the fall of 2000. OAR 860-038-0001(4) provides, in pertinent part: "Upon application by an entity subject to these rules and for good cause shown, the Commission may relieve [the entity] of any obligations under these rules." By granting PGE a waiver of the requirements under OAR 860-038-0300(2) & (3), the Commission will be providing the necessary time for PGE and other stakeholders to consider consumer input regarding the appropriate means to supply power source disclosure information. Additionally, by granting the requested waiver, the Commission will facilitate communication of accurate information to consumers going forward, which is the ultimate goal of OAR 860-038-0300. In short, granting the requested waiver best serves the

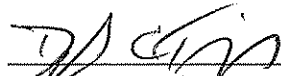
public interest by allowing PGE and other stakeholders to consider consumer input and arrive at the best methodology by which to meet both the requirements of SB 838 and OAR 860-038-0300.

V. Conclusion

By complying with OAR 860-038-0300(2) & (3) as currently implemented, PGE risks misinforming consumers, confusing customers expecting to see the benefits of certain renewable generation assets, or losing valuable RECs available for compliance or to defray costs passed through to customers. For that reason, PGE requests that the Commission issue an order temporarily waiving those portions of OAR 860-038-0300(2) & (3) with respect to providing to customers quarterly updates of price, power source, and environmental impacts for the balance of calendar year 2008 or until such time as a final rule in AR 518 is established.

DATED this 9th day of April, 2008.

Respectfully submitted,



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