

## **Portland General Electric Company**

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

Email / US Mail

OPUC Filing Center Oregon Public Utility Commission 550 Capitol Street NE, Ste 215 Salem, OR 97301-2148

Re: UM 1301 PGE's Application for Reauthorization of Deferral of Direct Access Open Enrollment Costs/Benefits

Enclosed for filing are an original and copy of Portland General Electric Company's (PGE) Application for Reauthorization of Deferral of Direct Access Open Enrollment Costs/Benefits.

PGE originally requested authorization to defer the Quarterly Direct Access Open Enrollment Costs/Benefits pursuant to the Direct Access Stipulation adopted by the Commission in Orders No. 06-528 and 07-050. PGE subsequently received authorization pursuant to OPUC Order No. 07-108. In March 2008, a subsequent order (08-169) determined that the costs/benefits associated with PGE's Annual Direct Access Window are appropriately included in this deferral.

We have provided copies of a Notice of Application to the UE 197 service list. PGE continues to waive 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/ Hagen

Manager, Regulatory Affairs

Encls.

cc: Carla Owings, OPUC

cc: Bob Jenks, CUB

cc: Melinda Davison, ICNU cc: UE 197 Service List

#### BEFORE THE PUBLIC UTILITY COMMISSION

#### OF OREGON

#### **UM 1301**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Direct Access Open Enrollment Costs/Benefits Application for Reauthorization to Defer Direct Access Open Enrollment Costs / Benefits

Pursuant to ORS 757.259 and OAR 860-027-0300, and OPUC Commission Orders 07-108, 08-153 and 08-169, Portland General Electric Company ("PGE") hereby requests reauthorization to defer for later ratemaking treatment certain costs or benefits associated with implementation of PGE's direct access open enrollment windows<sup>1</sup> from February 1, 2009 through January 31, 2010 ("Deferral Period 2009").

## 1. Deferral History.

On September 14, 2006, the Commission adopted the Direct Access Stipulation in Order No. 06-528 in consolidated OPUC Dockets UE 180 (Request for General Rate Revision), UE 181 (Annual Adjustments to Schedule 125 (2007 RVM Filing), and UE 184 (Request for a General Rate Revision related to the Port Westward Plant). PGE and parties entered into, and the Commission approved, a stipulation by which PGE would offer quarterly direct access enrollment windows in addition to its annual November election window. The stipulation was made a part of Order No. 07-015 and PGE filed tariff Schedule 128 in compliance with that Order. Under Schedule 128 the windows provide eligible customers on a cost-of-service rate schedule the opportunity to move quarterly to direct access service or an applicable non-cost of service pricing option. An election by an eligible customer is for the balance of the calendar year.

<sup>&</sup>lt;sup>1</sup> The direct access windows include PGE's quarterly and annual open enrollment windows, as noted in OPUC Order No. 08-169 (UM-1359) and provided through PGE's Schedule 128.

On February 1, 2007, PGE filed a request for approval to defer costs and benefits associated with its 2007 Quarterly Direct Access Open Enrollment Windows and pursuant to the Direct Access Stipulation referred to above. The quarterly deferral was authorized through OPUC Commission Order No. 07-108 and the request to continue the deferral is filed pursuant to Commission Orders No. 07-015, 07-108, and ORS §757.259. On March 17, 2008, the Commission determined that the costs/benefits associated with PGE's Annual Direct Access Window are appropriately included in this deferral, e.g. UM-1301. See Order 08-169.

The financial impact of customer decisions during the Quarterly or Annual Direct Access Windows is based on the amount of customer load that moves and changes in wholesale market prices between posting and the end of the enrollment period. Amounts calculated pursuant to this mechanism will be deferred if the difference exceeds \$60,000 in any quarterly period or \$240,000 for the annual election as specified in Schedule 128.

PGE filed for reauthorization of this deferral on January 17, 2008 and received OPUC approval through OPUC Order 08-153 on March 4, 2008 for the period of February 1, 2008 through January 31, 2009.

## II. OAR 860-027-0300 Requirements

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

#### a. Description of Amounts

The deferred amount for any given Deferral Period is a function of: changes in wholesale market prices between the posting of the quarterly open enrollment prices, the end of the open enrollment period, and the amount of customer load that moves.

Since the deferred amount is dependent on changes in wholesale market prices that are not

known in advance, as well as the amount of customer load that might move, PGE cannot provide an estimate of the deferred amount for Deferral Period 2009.

## b. Reasons for Deferral

PGE seeks authorization to continue to defer costs or benefits incurred between February 1, 2009, and January 31, 2010. Any costs or benefits associated with the deferral will be considered later for appropriate rate-making treatment in an actual rate-making proceeding. PGE seeks reauthorization to defer costs associated with its Direct Access Open Enrollment Costs or Benefits for the "Deferral Period 2009". Without reauthorization, this deferral will expire on January 31, 2009. The continuation of the deferral will minimize the frequency of rate changes or fluctuations pursuant to ORS 757.259(2)(e), or match appropriately the costs borne by and benefits received by customers. The deferral provides a mechanism for PGE to track the cost or benefit of open enrollment options and defer those costs or benefits for later rate-making treatment. PGE will seek amortization of any deferred amount in a later proceeding.

Pursuant to Order No. 07-015, PGE expects any deferred amount to be recovered or refunded in a manner approved by the Commission and consistent with the terms of Schedule 128.

## c. <u>Proposed Accounting</u>

PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) with an off-setting credit to FERC Account 447 (Sales for Resale). In the absence of a deferral order, PGE would record the revenues associated with the deferred amount in FERC Account 447 (Sales for Resale).

#### d. Estimate of Amounts

See II (a) above. Since the deferred amount is dependent on changes in wholesale market prices that are not known in advance, as well as the amount of customer load that might move, PGE

cannot provide an estimate of the deferred amount for Deferral Period 2009.

PGE requests that, in accordance with ORS 757.259(4), it be allowed to continue to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital, set at 8.334% in Commission Order 08-601 (UE-197), until amortization of any deferred amounts begins. Afterwards, interest will accrue at the interest rate approved in OPUC Order 08-371<sup>2</sup>.

## e. Notice

A copy of the Notice of Application for Reauthorization to Defer Direct Access Open Enrollment Costs or Benefits 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. <u>Description of deferred account entries</u>

Please see sections (II)(a) and II(c) above.

## b. The reason for continuing deferred accounting

PGE seeks approval to continue to defer costs associated with its Direct Access Open Enrollment Costs or Benefits pursuant to conditions approved in Commission Order 07-108, 08-153, and 08-169 as described in Section II (b) above from February 1, 2009 through January 31, 2010 ("Deferral Period 2009"). Without reauthorization, this deferral will expire on January 31, 2009.

#### IV. PGE Contacts

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

<sup>&</sup>lt;sup>2</sup> The OPUC Commission approved a Blended Treasury Rate of 4.27 percent to be applied to all deferred accounts for which the Commission grants amortization approval. See Docket UM-1147, Order 08-371, effective July 14, 2008.

Douglas C. Tingey Assistant General Counsel Portland General Electric Company 121 SW Salmon Street, 1WTC1301 Portland, OR 97204

Phone: (503) 464.8926 Fax: (503) 464.2000

E-mail: doug.tingey@pgn.com

Patrick G. Hager

Rates & Regulatory Affairs Portland General Electric,

121 SW Salmon Street, 1 WTC0702

Portland, OR 97204

Phone: (503) 464.7857 Fax: (503) 464.7651

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: Jay.Tinker@pgn.com

E-mail: Launa.Harmon@pgn.com

## V. <u>Conclusion</u>

For the reasons stated above, PGE requests permission to continue to defer certain Direct Access Open Enrollment Costs or Benefits effective February 1, 2009 until January 31, 2010.

DATED this 23th of January, 2009.

Respectfully Submitted,

Patrick G. Hager

Manager, Regulatory Affairs

On Behalf of Portland General Electric Company

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# UM-1301 Attachment A

Notice of Application for Reauthorization to Defer Direct Access Open Enrollment Costs/Benefits

## BEFORE THE PUBLIC UTILITY COMMISSION

#### OF OREGON

#### **UM 1301**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Direct Access Open Enrollment Costs/Benefits Notice of Application for Reauthorization to Defer Direct Access Open Enrollment Costs/Benefits

On January 23, 2009, Portland General Electric Company ("PGE") filed an application with the Oregon Public Utility Commission (the "Commission") for an Order reauthorizing deferral of direct access open enrollment costs or benefits pursuant to OPUC Order No. 07-015, PGE tariff Schedule 128, and OPUC Orders 07-108, 08-153 and 08-169.

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. 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: 503-464-7580

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 February 23, 2009.

Dated: January 23, 2009.

Patrick G. Hager

Mahager, Regulatory Affairs

Portland General Electric Company

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day caused the foregoing Notice of Application for Reauthorization of Deferral of Direct Access Open Enrollment Costs/Benefits ("Deferral Period 2009") to be served by electronic mail to those parties who e-mail addresses appear on the attached service list, and by First Class US Mail, postage prepaid and property addressed, to those parties on the attached UE 197 Service List who have not waived paper service.

Dated at Portland, Oregon, this 23th day of January, 2009.

Patrick G. Hager

Manager, Regulatory Affairs

Portland General Electric Company

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Printed: 1/23/2009

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:

Signed: 2/27/2008

SERVICE LIST:

JIM ABRAHAMSON -- CONFIDENTIAL COMMUNITY ACTION DIRECTORS OF OREGON

PO BOX 7964 **SALEM OR 97301**  KURT J BOEHM -- CONFIDENTIAL **BOEHM KURTZ & LOWRY** 36 E SEVENTH ST - STE 1510 CINCINNATI OH 45202

ROGER D. COLTON -- CONFIDENTIAL FISHER SHEEHAN & COLTON 34 WARWICK RD BELMONT MA 02478

JOAN COTE -- CONFIDENTIAL OREGON ENERGY COORDINATORS ASSOCIATION 2585 STATE ST NE **SALEM OR 97301** 

JIM DEASON -- CONFIDENTIAL ATTORNEY AT LAW 1 SW COLUMBIA ST, SUITE 1600 PORTLAND OR 97258-2014

OPUC DOCKETS CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY STE 308 PORTLAND OR 97205

ROBERT JENKS -- CONFIDENTIAL CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY STE 308 PORTLAND OR 97205

JUDY JOHNSON -- CONFIDENTIAL PUBLIC UTILITY COMMISSION PO BOX 2148 SALEM OR 97308-2148

JASON W JONES -- CONFIDENTIAL DEPARTMENT OF JUSTICE REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096

MICHAEL L KURTZ -- CONFIDENTIAL **BOEHM KURTZ & LOWRY** 36 E 7TH ST STE 1510 **CINCINNATI OH 45202-4454** 

G. CATRIONA MCCRACKEN -- CONFIDENTIAL CITIZEN'S UTILITY BOARD OF OREGON 610 SW BROADWAY - STE 308 PORTLAND OR 97205

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

PATRICK HAGER RATES & REGULATORY AFFAIRS --CONFIDENTIAL PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC0702 PORTLAND OR 97204

## Printed: 1/23/2009

## Summary Report

## **UE 197 PORTLAND GENERAL ELECTRIC**

DOUGLAS C TINGEY -- CONFIDENTIAL PORTLAND GENERAL ELECTRIC 121 SW SALMON 1WTC13 PORTLAND OR 97204

MICHAEL T WEIRICH -- CONFIDENTIAL DEPARTMENT OF JUSTICE REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 S BRADLEY VAN CLEVE -- CONFIDENTIAL DAVISON VAN CLEVE PC 333 SW TAYLOR - STE 400 PORTLAND OR 97204

SCOTT WINKELS -- CONFIDENTIAL LEAGUE OF OREGON CITIES PO BOX 928 SALEM OR 97308