



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

December 18, 2015

Email / US Mail

puc.filingcenter@state.or.us

Public Utility Commission of Oregon
201 High St. SE, Suite 100
P. O. Box 1088
Salem, OR 97308-1088

Attn: OPUC Filing Center

**RE: UM 1301 PGE's Application for Reauthorization to Defer Direct
Access Open Enrollment Costs/Benefits**

Enclosed for filing is Portland General Electric Company's (PGE) Application for Reauthorization to Defer Direct Access Open Enrollment Costs/Benefits.

PGE received authorization pursuant to OPUC Order No. 15-023. A notice regarding the filing of this application has been sent to the parties on the UE 294 and UM 1301 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at 503-464-8937. Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan Brown", is written over a faint, larger version of the signature.

Stefan Brown
Manager, Regulatory Affairs

encls.

cc: Judy Johnson, OPUC
Bob Jenks, CUB
Melinda Davison, ICNU
Service List: UE 294 and UM 1301

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 Commission Order No. 15-023, 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 windows¹ from January 1, 2016, through December 31, 2016 ("Deferral Period 2016").

I. Deferral History

On September 14, 2006, the Commission adopted the Direct Access Stipulation in Order No. 06-528 in consolidated 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.

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

¹ The direct access windows include PGE's annual and balance-of-year open enrollment window provided through PGE's Schedule 128.

Stipulation referred to above. The quarterly deferral was authorized through Commission Order No. 07-108 and the request to continue the deferral is filed pursuant to Commission Order No. 15-023 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 No. 08-169 (Docket UM 1359).

On February 23, 2012, the Commission approved a stipulation in Docket UE 236 (Order No. 12-057) that reduced the quarterly windows to one, effective April 1 of each year. The balance-of-year window now provides Schedule 128 eligible customers, on a cost-of-service rate schedule, the opportunity to move to direct access service or an applicable non-cost-of-service pricing option, for the balance of the calendar year.

The financial impact of customer decisions during the balance-of-year and Annual Direct Access Windows is based on the amount of customer load that selects non-cost of service pricing and the changes in wholesale market prices used to set the transition adjustment rates (Schedule 128 rates) for each enrollment period. Amounts calculated pursuant to this mechanism will be deferred if the difference in market prices and the load leaving PGE's cost-of-service rate exceeds \$60,000 in the balance-of-year period or \$240,000 for the annual election as specified in Schedule 128.

PGE has since filed and received several reauthorizations for this deferral, as shown in Table 1 below:

Table 1

Filing Date	Renewal Period	Order No.	Approval Date
1/17/08	2/01/08 – 1/31/09	08-153	3/04/08
1/23/09	2/01/09 – 1/31/10	09-070	3/02/09
1/20/10	2/01/10 - 1/31/11	10-075	3/02/10
1/20/11	2/01/11 – 1/31/12	11-058	2/16/11
1/20/12	2/01/12 - 1/31/13	12-064	2/28/12
1/28/13 ²	2/01/13 – 12/31/13	13-082	3/13/13
12/20/13	1/01/14 – 12/31/14	14-022	1/22/14
12/22/14	1/01/15 – 12/31/15	15-023	2/28/15

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 the difference in wholesale market prices used to set transition adjustment rates (Schedule 128) for each open enrollment window, and the amount of customer load that selects non-cost of service energy pricing and supply. The current deferral balance is approximately \$650,000³ associated with the annual November enrollment window. PGE will amortize this \$650,000 charge in 2016 through Schedule 105. PGE cannot provide an estimate of the deferred amount for Deferral Period 2016 until the outcome of the future balance-of-year window is available.

b. Reasons for Deferral

PGE seeks authorization to continue to defer costs or benefits incurred between January 1, 2016, and December 31, 2016. Any costs or benefits associated with the deferral will be

² Deferral timeline modified to the calendar year to allow consistency with provisions of Schedule 128.

³ This represents a charge to customers.

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 2016. Without reauthorization, this deferral will expire on January 1, 2016. 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. Proposed Accounting

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) or as a regulatory liability in FERC Account 254 (Other Regulatory Liabilities) with an off-setting debit to FERC Account (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. 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 7.510% through Commission Order No. 15-356 (UE 294), until amortization of any deferred amounts begins. Afterwards, interest will accrue at the interest rate set by the Commission for deferred amortizations.

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. 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 costs associated with its Direct Access Open Enrollment Costs or Benefits pursuant to conditions approved in Commission Order No. 15-023, as described in Section II(b) above from January 1, 2016 through December 31, 2016. Without reauthorization, this deferral will expire on January 1, 2016.

IV. PGE Contacts

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

Douglas C. Tingey	PGE-OPUC Filings
Associate General Counsel	Rates & Regulatory Affairs
Portland General Electric Company	Portland General Electric Company
121 SW Salmon Street, 1WTC1301	121 SW Salmon Street, 1WTC0306
Portland, OR 97204	Portland, OR 97204
Phone: 503.464.8926	Phone: 503.464.7857
Fax: 503.464.2200	Fax: 503.464.7651
E-mail: doug.tingey@pgn.com	E-mail: pge.opuc.filings@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. Summary of Filing Conditions

a. Earnings Review

An earnings review should not be required, because, as stated in the Public Utility Commission of Oregon Staff (OPUC Staff) Memo for PGE Advice No. 13-24, which was approved at the December 19, 2013 OPUC Public Meeting, the deferred costs are of the sort that should be borne by customers.

b. Prudence Review

A prudence review will be performed by the OPUC Staff and should include a verification of the accounting methodology used to determine the final amortization balance.

c. Sharing

All costs should flow to customers per the OPUC Staff Memo described in part V.a., above.

d. Rate Spread/Rate Design

The amortization of any deferred amount will be spread on a per-kWh basis to Large Nonresidential customers as specified in Schedule 128.

e. Three Percent Test (ORS 757.259(6))

The three percent test measures the annual overall effect on customer rates resulting from deferral amortizations. The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year. The limit of these deferrals, if any will be determined at the time of amortization.

VI. **Conclusion**

For the reasons stated above, PGE requests permission to continue to defer certain Direct Access Open Enrollment Costs or Benefits effective January 1, 2016, through December 31, 2016.

DATED: December 18, 2015.

Respectfully Submitted,



Stefan Brown
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
121 SW Salmon Street, 1WTC0306
Portland, Oregon 97204
Phone: 503.464.7857
Fax: 503.464.7651
E-Mail: pge.opuc.filings@pgn.com

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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 December 18, 2015, 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 Order Nos. 15-023.

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.

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 18, 2016.


Dated this 18th day of December 2015.


Stefan Brown
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
121 SW Salmon Street, 1WTC0306
Portland, Oregon 97204
Phone: 503.464.7857
Fax: 503.464.7651
E-Mail: pge.opuc.filings@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **NOTICE OF UM 1301 APPLICATION FOR REAUTHORIZATION TO DEFER DIRECT ACCESS OPEN ENROLLMENT COSTS/BENEFITS** to be served by electronic mail to those parties whose email addresses appear on the attached service lists for OPUC Docket No. UM 1301 and UE 294.

DATED at Portland, Oregon, this 18th day of December 2015.



Stefan Brown
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
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**SERVICE LIST
OPUC DOCKET NO. UE 294**

Judy Johnson (C) PUBLIC UTILITY COMMISSION OF OREGON judy.johnson@state.or.us	Johanna Riemenschneider (C) PUC – DEPARTMENT OF JUSTICE Johanna.riemenschneider@state.or.us
Douglas C. Tingey (C) PORTLAND GENERAL ELECTRIC COMPANY doug.tingey@pgn.com	Jay Tinker (C) PORTLAND GENERAL ELECTRIC COMPANY pge.opuc.filings@pgn.com
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	Jody Cohn BOEHM KURTZ & LOWRY jkyler@bkllawfirm.com

SERVICE LIST
OPUC DOCKET NO. UM 1301

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<p>Doug Tingey PORTLAND GENERAL ELECTRIC doug.tingey@pgn.com</p>	<p>Judy Johnson PUBLIC UTILITY COMMISSION OF OREGON judy.johnson@state.or.us</p>