



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

May 4, 2012

Email / US Mail

Puc.filingcenter@state.or.us

Commission Filing Center
Public Utility Commission of Oregon
550 Capitol St NE #215
Salem OR 97301-2551

**Re: UM 1482 Application for Reauthorization to Defer Expenses
Associated with a Photovoltaic Volumetric Incentive Rate Pilot**

Enclosed for filing are the original and five copies of Portland General Electric's Application for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot.

We have provided notification of this application to the UE 215 and UM 1482 service lists. This application is being filed by electronic mail with the Filing Center. PGE has E-filed a copy on this date.

Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

If you have any questions or require further information, please call me at (503) 464-7580 or Bonnie Gariety at (503) 464-7470.

Sincerely,

Patrick G. Hager
Manager, Regulatory Affairs

PGH/jt

encls.

cc: UE-215 and
UM 1482 service lists

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1482

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot

Application for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka the PGE Solar Payment Option Pilot

Pursuant to ORS 757.259, OAR 860-027-0300, OAR 860-084-0060, OAR 860-084-0380, and OPUC Orders No. 10-198 and 11-281, Portland General Electric Company (“PGE”) hereby requests reauthorization to continue to defer for later rate-making treatment expenses associated with the Photovoltaic Volumetric Incentive Rate Pilot (“PV VIR”). This PV VIR Pilot is also referred to as the PGE Solar Payment Option (“Pilot”), Schedules 215, 216 and 217. PGE requests this reauthorization commence effective May 7, 2012 through May 6, 2013.

I. Deferral History:

Under Docket AR 538, Commission rules for the PV VIR Pilot were established. Docket UM 1452 set out additional details of implementation through OPUC Orders No. 10-198, 10-304, 11-089 and 11-281. This Pilot provides payments to retail electric customers for electricity generated by permanently installed solar photovoltaic energy systems through Schedules 215, 216 and 217. This deferral is part of the process to allow PGE to recover costs associated with the Pilot, through Schedule 137, Customer Owned Solar Payment Option Cost Recovery Mechanism.

This accounting facilitates cost recovery authorized by the Commission in Order 10-198. PGE intends to recover Pilot costs from all applicable customer classes in the manner authorized by the Commission. Approval of the reauthorization application for the deferral is necessary since these incremental costs are not included in any other cost recovery mechanism.

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

Table 1

| Filing Date | Renewal Period | Order No. | Approval Date |
|-------------|----------------------|-----------|---------------|
| 5/06/2010 | 5/6/2010 – 5/05/2011 | 11-059 | 2/16/2011 |
| 4/28/2011 | 5/7/2011 – 5/6/2012 | 11-281 | 8/01/2011 |

II. OAR 860-027-0300 Requirement (3):

a. Description of Amounts

See deferral history above. For the 12-month period beginning May 6, 2012, PGE estimates a collection of approximately \$4 to \$5 million. The balancing account includes incremental costs consisting of volumetric incentive payments and/or retail bill offsets to participants, administrative costs associated with the PV VIR program operations, data collection, development costs for billing and website, customer surveys, and regulatory reporting requirements. Credits to the balancing account include: deposit forfeitures, interconnection application fees, customer charges, assignment fees, and the avoided energy value.

Amounts in the balancing account accrue interest at the Commission-authorized rate of return for deferred accounts.

b. Reasons for Deferral

PGE seeks reauthorization to defer incremental costs associated with this deferral pursuant to ORS 757.259(2)(e), OAR 860-027-0300, OAR 860-084-0060, OAR 860-084-0380, and OPUC Orders No. 10-198 and 11-281. Without reauthorization this deferral will expire on May 6, 2012. The reauthorization of this deferral is necessary because ORS 757.365, and UM-1452 require the Pilot, and continuation of this deferral will minimize the frequency of rate changes or fluctuations and match appropriately the costs borne by and benefits received by customers.

c. Proposed accounting

PGE proposes to record the deferred amount as a regulatory asset in FERC account 182.3,

Other Regulatory Assets, with a credit to FERC account 407.4, Regulatory Credits. In the absence of a deferred accounting order from the Commission, PGE would continue to record costs associated with the Pilot to 903 Customer records and collection expenses and 908 Customer assistance expenses.

d. Estimate of Amounts

See II (a) above. The amounts to be deferred consist of incremental costs of the Pilot for (1) VIR payments to participants including any retail electricity service bill offset amounts, and (2) program costs incurred to carry-out and administer the requirements for the Pilot. For both cost categories, the amounts deferred depend upon actual participation levels and PV system sizes of participants in the Pilot.

PGE estimates incremental costs may range from \$4 to \$5 million for the deferral period, May 7, 2012 through May 6, 2013, consisting largely of VIR payments to participants as more systems are energized. There may be a small over collection in 2012 and an under collection in 2013, which will minimize a rate change to customers during this period.

e. Notice

A copy of the notice of application for deferred accounting treatment and a list of persons served with the notice are attached to the Application as Attachment A (OAR 860-027-0300[6]).

III. OAR 860-027-0300 Requirement (4), Reauthorization:

a. Description of deferred account entries

See II a. and II c. above. The deferral balance through March 2012 is \$874,811.42.

b. The reason for continuing the deferred account

PGE seeks approval to continue to defer incremental costs associated with the Pilot not currently in rates. The granting of this reauthorization request will minimize the frequency of rate changes and match appropriated the costs borne by and benefits received by customers. This deferral

should be continued and is necessary because ORS 757.365 requires the Pilot and the costs of both implementation and operation for the Pilot. Without reauthorization this deferral will expire on May 6, 2012.

IV. PGE contacts:

The authorized addresses to receive notices and communications in respect of 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

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

In addition to the names and addresses above the following are to received notices and communications via the e-mail service list:

Bonnie Gariety, Business Analyst,
Rates and Regulatory Affairs
Email: Bonnie.Gariety@pgn.com

V. Summary of Filing Conditions¹:

Information related to future amortization is listed below:

- a. Earnings Review: Schedule 137 recovers costs associated with the Solar Payment Option Pilot not otherwise included in rates. The adjustment schedule is implemented as an “automatic adjustment clause” as provided for under ORS 469A, and defined in the Renewable

¹ Per agreement with OPUC staff on January 24, 2012

Portfolio Standards, ORS 757.210, and an earnings review is not applicable to this deferral. See PGE Schedules 215, 216 and 217.

b. Prudence: A prudence review is a requirement of the earnings review which does not apply to this deferral.

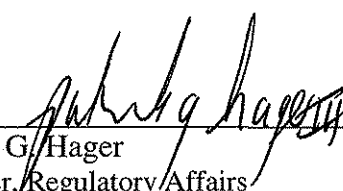
c. Sharing (Percents): Not applicable with an automatic adjustment clause.

d. Rate Spread/Rate Design: In Docket UE 237, Commission Staff and parties agreed that Schedule 137 costs be allocated to each schedule (all customer classes) based on an equal percent of generation revenue applied on a cents per Kilowatt-hour basis.

VI. Conclusion.

For the reasons stated above, PGE requests permission to continue to defer expenses associated with the Solar Payment Option Pilot effective May 7, 2012, until May 6, 2013.

DATED May 4, 2012.



Patrick G. Hager
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Attachment A

**Notice of Application for Reauthorization to Defer Expenses
Associated with a Photovoltaic Volumetric Incentive Rate Pilot,
aka the Solar Payment Option Pilot**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1482**

In the Matter of the Application of Portland
General Electric Company for an Order
Approving the Deferral of Expenses Associated
with a Photovoltaic Volumetric Incentive Rate
Pilot

**Notice Of Application for Reauthorization
To Defer Expenses Associated with a
Photovoltaic Volumetric Incentive Rate
Pilot aka the Solar Payment Option Pilot**

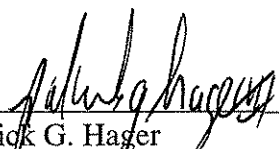
On May 4, 2012, Portland General Electric Company (“PGE”) filed an application with the Oregon Public Utility Commission (the “Commission”) for an Order authorizing deferral of certain expenses associated with a Photovoltaic Volumetric Incentive Rate Pilot, also known as PGE Solar Payment Option Pilot.

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 June 4, 2012.

DATED this 4th day of May, 2012.

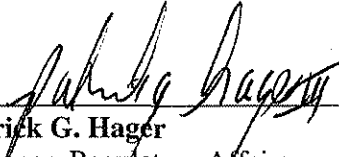


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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice Of Application for Reauthorization To Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka PGE Solar Payment Option Pilot** to be served by Electronic Mail to those parties whose e-mail addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, upon those parties on the attached service list who have not waived paper service from UE 215 and UM 1482.

DATED May 4, 2012.



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**SERVICE LIST
OPUC DOCKET # UM 1482**

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**SERVICE LIST –
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