

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1301

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	ORDER
COMPANY)	
)	
Application for Deferral of 2007 Quarterly)	
Direct Access Open Enrollment Costs/Benefits.)	

DISPOSITION: APPLICATION APPROVED

On February 1, 2007, Portland General Electric Company (PGE or company) filed a request with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.259 and OAR 860-027-0300, to defer costs associated with its 2007 Quarterly Direct Access Open Enrollment effective February 1, 2007 through January 31, 2008. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting on March 13, 2007, the Commission adopted Staff's recommendation.

ORDER

IT IS ORDERED that:

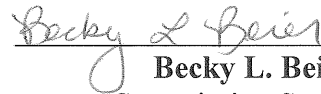
- 1) Portland General Electric Company's application to defer its 2007 Quarterly Direct Access Open Enrollment Costs/Benefits effective February 1, 2007 through January 31, 2008, is approved.

- 2) Any ratemaking treatment for deferred amounts is reserved for a ratemaking proceeding.

Made, entered, and effective MAR 15 2007.



BY THE COMMISSION:



Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 13, 2007**

REGULAR _____ CONSENT X EFFECTIVE DATE February 1, 2007

DATE: February 14, 2007

TO: Public Utility Commission

FROM: Carla Owings *CO*

us

EB

JJ

THROUGH: Lee Sparling, Ed Busch and Judy Johnson

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1301) Requests
Deferral of 2007 Quarterly Direct Access Open Enrollment Costs/Benefits.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's request to defer its 2007 Quarterly Direct Access Open Enrollment Costs/Benefits effective February 1, 2007 through January 31, 2008. Any ratemaking treatment for deferred amounts should be reserved for a ratemaking proceeding.

DISCUSSION:

On February 1, 2007, Portland General Electric (PGE or Company) filed a request for approval to defer costs associated with its 2007 Quarterly Direct Access (QDA) Open Enrollment effective February 1, 2007 through January 31, 2008. PGE's request is filed pursuant to ORS 757.259 and OAR 860-027-0300.

The Company seeks authorization to defer these costs pursuant to a Direct Access Stipulation adopted by the Commission in Order Nos. 06-528 and 07-015 in which the QDA windows and terms for deferral were established. The Stipulation was approved as a part of Commission Order No. 07-015.

PGE filed tariff Schedule No. 128 pursuant to the Stipulation and in compliance with Commission Order No. 07-015, on January 16, 2007, which provides for QDA windows in addition to the annual November election window PGE offered in the past. Eligible customers on a cost-of-service rate schedule will be given the opportunity to move to direct access service or an applicable non-cost of service pricing option under the terms

PGE-UM 1301 QDA Deferral
February 14, 2007
Page 2

provided in Schedule No. 128. An election to move to Direct Access by an eligible customer will apply for the balance of the calendar year.

Each QDA open enrollment window will be open for not less than three full business days following the posting of the applicable transition adjustment rates. The Company will defer the difference between the value of the energy for each customer electing to move from the cost-of-service option based on the forward curves used to establish the quarterly balance-of-year Schedule No. 128 rate and the actual sale of power by PGE's Power Operations Group.

The Company will only defer *if* the value difference, calculated as described above, exceeds \$60,000 in any given quarter. The deferral amount could be a credit or a charge to customers depending on actual wholesale power prices at the time PGE disposes of surplus power as a result of customer elections.

PGE proposes to post the Balance-of-Year (quarterly) Transition Adjustment rates on its website and with the Commission on:

- February 15th, or the next business day, for the April 1 (2nd Quarter) effective date of the election.
- May 15th or the next business day for the July 1 (3rd Quarter) effective date of the election.
- August 15th, or the next business day for the October 1 (4th Quarter) effective date of the election.

Reasons for deferral:

The deferral provides a mechanism for PGE to track the cost or benefit of the customer elections. Any costs or benefits associated with the deferral will be considered later for appropriate rate-making treatment in an actual rate-making proceeding.

The deferral will minimize the frequency of rate changes or fluctuations pursuant to ORS 757.259(2)(e).

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). In the absence of a deferral order, PGE would record the revenues associated with the deferred amount in FERC Account 447 (Sales for Resale).

PGE-UM 1301 QDA Deferral
February 14, 2007
Page 3

Estimate of Amounts:

Since the deferred amount is dependent upon changes in wholesale prices and customer elections that are not known in advance, the Company is unable to provide an estimate of the amount. However, the deferred account will accrue interest at PGE's authorized cost of capital, or 8.29 percent.

Notice:

A copy of the Notice of Application for deferral was provided by the Company on February 1, 2007 to the UE 180/UE 181/UE 184 service list and was also attached to PGE's application.

Staff has reviewed the Company's application and Schedule No. 128 and finds the Company's request to be reasonable.

PROPOSED COMMISSION MOTION:

Portland General Electric's request to defer its 2007 Quarterly Direct Access Open Enrollment Costs/Benefits effective February 1, 2007 through January 31, 2008, be approved. Any ratemaking treatment for deferred amounts should be reserved for a ratemaking proceeding.

PGE - UM 1301 Defer QDA costs