

ORDER NO. 11 058

ENTERED FEB 16 2011

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1301(4)

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

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

ORDER

DISPOSITION: APPLICATION APPROVED

On January 20, 2011, Portland General Electric Company (PGE) filed a request for reauthorization, with the Public Utility Commission of Oregon (Commission), under ORS 757.259(2)(e), to defer costs associated with its 2011 Quarterly Direct Access Open Enrollment effective February 1, 2011, through January 31, 2012. 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 February 8, 2011, the Commission adopted Staff's Recommendation.

ORDER

IT IS ORDERED that:

1. Portland General Electric Company's application to defer its 2011 Quarterly Direct Access Open Enrollment Costs/Benefits effective February 1, 2011, through January 31, 2012, is approved.
2. Any ratemaking treatment for deferred amounts is reserved for a ratemaking proceeding.

Made, entered, and effective FEB 16 2011.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. CA1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 8, 2011**

REGULAR _____ CONSENT X EFFECTIVE DATE February 1, 2011

DATE: January 27, 2011

TO: Public Utility Commission

FROM: Carla Bird *CB*

THROUGH: Lee Sparling, Maury Galbraith and Judy Johnson *ME JJ*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1301(4))
Reauthorization to defer quarterly Direct Access Open Enrollment costs/benefits.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's request to defer its 2011 Quarterly Direct Access Open Enrollment Costs/Benefits, effective February 1, 2011, through January 31, 2012. Any ratemaking treatment for deferred amounts should be reserved for a ratemaking proceeding.

DISCUSSION:

Quarterly Direct Access enrollment windows were adopted by the Commission in Order No. 06-528. At that time, PGE and parties entered into, and the Commission approved, a Stipulation by which eligible customers on a cost-of-service rate schedule will be provided an opportunity to move to direct access service or an applicable non-cost of service pricing option.

For those customers electing to move from the cost-of-service option, PGE will defer the difference between the value of the energy based on (1) the forward curves used to establish the Annual Transition Adjustment rates and (2) the actual sale of power by PGE's Power Operations Group if such amounts exceed \$60,000 on a quarterly basis, or \$240,000 on an annual basis, as specified in PGE's Schedule 128.

PGE filed tariff Schedule No. 128 pursuant to the Stipulation and in compliance with Commission Order No. 07-015, on January 16, 2007. This schedule provides for windows in addition to the annual November election window PGE offered in the past.

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The quarterly deferral was authorized in Commission Order 07-108 and has been reauthorized in Commission Order Nos. 08-153, 09-070 and 10-075.

Description of Amount:

The amounts deferred will be based upon the difference between the wholesale market prices used to set transition adjustment rates for each open enrollment window (per quarter) and the actual sale price associated with the amount of customer load that selects non-cost-of-service energy pricing and supply. This variance must exceed \$60,000 on a quarterly basis or \$240,000 on an annual basis in order to qualify to be deferred. Therefore, the Company is unable to provide an estimate for the upcoming period.

The current deferral balance is a refund of approximately \$1.1 million as of December 31, 2010. This balance could change depending upon the outcome of the next three open access windows. Interest will accrue during 2011 at PGE's current cost of capital or 8.033% pursuant to Commission Order 10-478 (UE 215).

Reasons for Deferral:

This 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 pursuant to ORS 757.259(2)(e). The deferral of such costs or benefits will minimize the frequency of rate changes or fluctuations and match appropriately the costs borne by and benefits received by customers.

Proposed Accounting:

PGE proposes to record the deferral in FERC Account 254 (Other Regulatory Liabilities) and debit FERC Account 447 (Sales for Resale) as an offset. If the deferred amount is a charge to customers, PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Regulatory Assets) and credit FERC Account 447 (Sales for Resale).

Staff analysis:

Staff has reviewed the application and finds that PGE's request is reasonable. Staff recommends that the rate-making treatment for such costs or benefits be reserved for a subsequent ratemaking proceeding.

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PROPOSED COMMISSION MOTION:

PGE's request to defer its 2011 Quarterly Direct Access Open Enrollment Costs/Benefits effective February 1, 2011, through January 31, 2012, be approved. Any ratemaking treatment for deferred amounts should be reserved for a ratemaking proceeding.

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