



Portland General Electric Company
Legal Department
121 SW Salmon Street • Portland, Oregon 97204
(503) 464-8926 • Facsimile (503) 464-2200

Douglas C. Tingey
Assistant General Counsel

October 12, 2011

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
550 Capitol Street NE, #215
PO Box 2148
Salem OR 97308-2148

Re: UE 228

Attention Filing Center:

Enclosed for filing in the captioned docket are an original and five copies of:

- **Motion to Admit Stipulation & Testimony;**
- **Stipulation;**
- **Affidavit of Donald Schoenbeck;**
- **Affidavit of Bob Jenks;**
- **Affidavit of Patrick Hager; and**
- **Joint Testimony in Support of Stipulation (UE 228/Schue-Schoenbeck-Jenks-Hager/100-101)**

This is being filed by electronic mail with the Filing Center. An extra copy of the cover letter is enclosed. Please date stamp the extra copy and return to me in the envelope provided.

Thank you in advance for your assistance.

Sincerely,

DOUGLAS C. TINGEY
Assistant General Counsel

DCT:cbm
Enclosures
cc: UE 228 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UE 228**

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	MOTION TO ADMIT STIPULATION & TESTIMONY
)	
2012 Annual Power Cost Update Tariff (Schedule 125))	

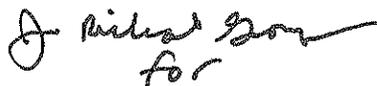
Pursuant to OAR 860-001-0350(7), Portland General Electric Company (“PGE”) moves for admission of the attached Stipulation, dated October 12, 2011, submitted herewith as evidence in this proceeding. PGE also moves that the following testimony and exhibit(s) in support of that Stipulation be admitted into the record of this proceeding:

Testimony	Witness(es)
Joint Testimony in Support of Stipulation/100-101	Steve Schue Donald Schoenbeck Bob Jenks Patrick Hager

The affidavits of Messrs. Schoenbeck, Jenks and Hager attesting to the truth and accuracy of the testimony are attached. The affidavit of Mr. Schue will be filed as soon as it can be obtained. Mr. Hager’s original affidavit is being filed. Messrs. Schoenbeck and Jenks have provided electronic copies. PGE will file the originals with the Filing Center upon receipt.

DATED this 12th day of October, 2011.

Respectfully submitted,



Douglas C. Tingey, OSB No. 044366
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Portland General Electric Company
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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 228

In the Matter of Portland General Electric
Company's 2012 Annual Power Cost Update
Tariff (Schedule 125)

STIPULATION

This Stipulation ("Stipulation") is among Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board of Oregon, and the Industrial Customers of Northwest Utilities (collectively, the "Parties").

I. INTRODUCTION

In accordance with its tariff Schedule 125, PGE filed its annual power cost update in this docket on April 1, 2011, including PGE's initial testimony regarding 2012 power costs. PGE also provided the information required under the agreed upon minimum filing requirements. The Parties subsequently sent and responded to data requests. PGE has filed, and will continue to file, updates to its power costs in accordance with the schedule set by the ALJ in this docket. Staff, CUB and ICNU filed testimony on June 30, 2011. The Parties have also held settlement conferences. As a result of those discussions, the Parties have reached agreement settling all issues raised in this proceeding except one, as set forth below. The Parties request that the Commission issue an order adopting this Stipulation.

II. TERMS OF STIPULATION

1. This Stipulation settles all issues raised by all parties in this docket except for the issue of hedging raised by CUB and ICNU.

2. Forward Curves. PGE will continue to use its internal forward curves in determining projected power costs in this and future Annual Power Cost Update Tariff (“AUT”) proceedings. In future AUT proceedings PGE will, if asked and subject to a Protective Order, provide to the Parties its electricity and gas forward price curves from the last business day of the month by the fifth working day of the immediately following month, beginning with the curve for the last business day in March, and ending with the curve for the last business day in October.

3. Colstrip Unit 4 Planned Maintenance Outage. The planned maintenance outage for Colstrip Unit 4 included in PGE’s initial filing in this docket will not occur in 2012. Accordingly PGE has removed that planned outage from its power cost modeling, as shown in its latest power cost update.

4. Load Forecast. The Parties agree that in this and subsequent AUT proceedings no adjustment for price elasticity of demand will be included in the load forecast if the projected impact of the Schedule 125 rate change, positive or negative, is less than three percent (3%). The Parties also agree that in this AUT docket PGE will continue to include an adjustment for energy efficiency in the load forecast. The Parties make no agreement regarding the inclusion of an energy efficiency adjustment in future AUT dockets.

5. Other Issues. CUB and ICNU each raised issues regarding the modeling of gas costs to reflect differentials in price between Rockies and Sumas that may occur when firm pipeline capacity is available. ICNU also raised an issue regarding the forced outage

rate for the Port Westward plant, and kVar charges from BPA. For the 2012 AUT and subsequent AUT filings, PGE will match the volume of Rockies physical forward purchases with the corresponding Rockies financial contracts (swaps) by the first November update filing. To settle all issues in this docket except the hedging issues, PGE will reduce forecast net variable power costs for 2012 by \$600,000. PGE will also address the Rockies/Sumas basis issue in its initial 2013 AUT filing.

6. The Parties recommend and request that the Commission approve the adjustments described above to PGE's 2012 power costs as appropriate and reasonable resolutions of the issues settled herein.

7. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable.

8. The Parties agree that this Stipulation represents a compromise in the positions of the parties. Without the written consent of all parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

9. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Party reserves its right (i) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation and (ii) pursuant to OAR 860-001-0720, to seek rehearing or reconsideration. Nothing in this paragraph provides any Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

10. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR § 860-01-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation, and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

11. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 11th day of October, 2011.



PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

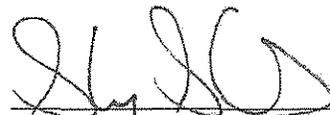
INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

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DATED this 11th day of October, 2011.

PORTLAND GENERAL ELECTRIC
COMPANY



STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

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11. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 7 day of October, 2011.

PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON



CITIZENS' UTILITY BOARD
OF OREGON

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

10. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR § 860-01-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation, and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

11. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 12th day of October, 2011.

PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON


INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 228

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	AFFIDAVIT OF DONALD SCHOENBECK
)	
2012 Annual Power Cost Update Tariff)	
(Schedule 125))	

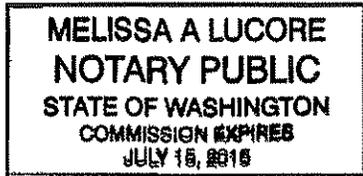
I, Donald Schoenbeck, being first duly sworn on oath, depose and say:

1. My name is Donald Schoenbeck. I am a consultant working for the Industrial Customers of Northwest Utilities ("ICNU") in this matter.
2. I am filing testimony and associated exhibits (Joint Testimony in Support of Stipulation/100-101) on behalf of ICNU in this matter.
3. To the best of my knowledge, my testimony is true and accurate.

SIGNED this 12th day of October, 2011.

Donald W. Schoenbeck
DONALD SCHOENBECK

SUBSCRIBED AND SWORN to before me this 12 day of October, 2011.



Melissa A. Lucore
Notary Public for Washington
My Commission Expires: July 15, 2015

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

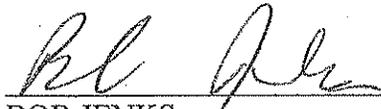
UE 228

In the Matter of)
)
PORTLAND GENERAL ELECTRIC) **AFFIDAVIT OF BOB JENKS**
COMPANY)
)
2012 Annual Power Cost Update Tariff)
(Schedule 125))

I, Bob Jenks, being first duly sworn on oath, depose and say:

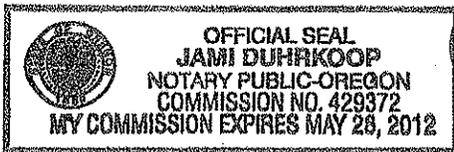
1. My name is Bob Jenks. I am Executive Director of the Citizens' Utility Board of Oregon ("CUB").
2. I am filing testimony and associated exhibits (Joint Testimony in Support of Stipulation/100-101) on behalf of CUB in this matter.
3. To the best of my knowledge, my testimony is true and accurate.

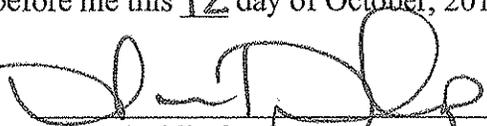
SIGNED this 12th day of October, 2011.



BOB JENKS

SUBSCRIBED AND SWORN to before me this 12 day of October, 2011.





Notary Public for Oregon
My Commission Expires: May 28, 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 228

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	AFFIDAVIT OF PATRICK HAGER
)	
2012 Annual Power Cost Update Tariff)	
(Schedule 125))	

I, Patrick Hager, being first duly sworn on oath, depose and say:

1. My name is Patrick Hager. I am a manager for Portland General Electric Company ("PGE").
2. I am filing testimony and associated exhibits (Joint Testimony in Support of Stipulation/100-101) on behalf of PGE in this matter.
3. To the best of my knowledge, my testimony is true and accurate.
4. My witness qualification statement is attached to this affidavit.

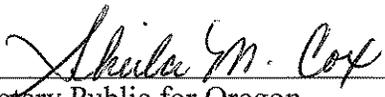
SIGNED this 12th day of October, 2011.



PATRICK HAGER

SUBSCRIBED AND SWORN to before me this 12th day of October, 2011.





Notary Public for Oregon
My Commission Expires: 1-17-14

Witness Qualification Statement of Patrick Hager

I received a Bachelor of Science degree in Economics from Santa Clara University in 1975 and a Master of Arts degree in Economics from the University of California at Davis in 1978. In 1995, I passed the examination for the Certified Rate of Return Analyst (CRRA). In 2000, I obtained the Chartered Financial Analyst (CFA) designation.

I have taught several introductory and intermediate classes in economics at the University of California at Davis and at California State University Sacramento. In addition, I taught intermediate finance classes at Portland State University. Between 1996 and 2004, I served on the Board of Directors for the Society of Utility and Regulatory Financial Analysts.

I have been employed at PGE since 1984, beginning as a business analyst. I have worked in a variety of positions at PGE since 1984, including power supply. My current position is Manager, Regulatory Affairs.

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **MOTION TO ADMIT STIPULATION & TESTIMONY, STIPULATION, AFFIDAVITS, AND JOINT TESTIMONY IN SUPPORT OF STIPULATION** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UE 228.

Dated at Portland, Oregon, this 12th day of October, 2011.



DOUGLAS C. TINGEY, OSB #044366
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Portland General Electric Company
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(503) 464-8926 (Telephone)
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**SERVICE LIST
DOCKET UE 228**

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G. Catriona McCracken (C) CITIZENS' UTILITY BOARD OF OREGON catriona@oregoncub.org	Kevin Higgins, Principle (C) ENERGY STRATEGIES, LLC khiggins@energystrat.com
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**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

UE 228

**2012 Annual Power Cost Update Tariff
(Schedule 125)**

PORTLAND GENERAL ELECTRIC COMPANY

**Joint Testimony in Support of
Stipulation**

October 12, 2011

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I. Introduction

1 **Q. Please state your names and positions?**

2 A. My name is Steve Schue. I am a Senior Analyst employed by the Public Utility
3 Commission of Oregon (Commission). My qualifications will be provided with my
4 affidavit.

5 My name is Donald Schoenbeck. I am a consultant working for the Industrial
6 Customers of Northwest Utilities (ICNU) in this matter. My qualifications have been
7 provided in ICNU Exhibit 101.

8 My name is Bob Jenks. I am the Executive Director of the Citizens' Utility Board
9 (CUB). My qualifications have been provided in CUB Exhibit 101.

10 My name is Patrick Hager. I am a manager for PGE. My qualifications are being
11 provided with my affidavit.

12 **Q. What is the purpose of your testimony?**

13 A. Our purpose is to describe and support a stipulation ("Stipulation") between Commission
14 Staff, ICNU, CUB, and PGE (the "Parties") regarding issues raised in this docket (UE 228).
15 The Stipulation resolves all issues identified by the Parties except for the issue of hedging
16 raised by CUB and ICNU.

17 **Q. Please summarize the UE 228 Stipulation.**

18 A. The parties agree that PGE will reduce the 2012 power cost forecast by \$600,000. The
19 \$600,000 adjustment settles the following issues: the forced outage rate for Port Westward,
20 the calculation of the kVar charges billed to BPA, and the treatment of the load forecasts.
21 The Settlement does not prevent parties from requesting that changes be made on these
22 issues in future Annual Power Cost Update Tariff ("AUT") proceedings. The Stipulation

1 resolves identified issues that affect net variable power costs (NVPC) for the 2012 AUT
2 including:

- 3 1. The appropriate source of forward price curves to be used to project power costs in AUT
4 proceedings. Parties agree that PGE will continue to use its internally generated forward
5 price curves for natural gas and power, and that PGE will, upon request and subject to a
6 protective order, provide monthly forward price curve updates during the AUT process.
- 7 2. Scheduled maintenance for Colstrip Unit 4 in 2012. The planned maintenance outage for
8 Colstrip Unit 4 included in PGE's initial filing in this docket has been postponed and its
9 associated cost has been removed.
- 10 3. The treatment of load forecast adjustments for demand responses to small retail price
11 changes (price elasticity of demand) and to small changes in energy efficiency. The
12 Parties agree that in this and subsequent AUT proceedings no adjustment for price
13 elasticity of demand will be included in the load forecast if the projected impact of the
14 Schedule 125 rate change, whether positive or negative, is less than three percent (3%).
15 The Parties also agree that in this AUT docket PGE will continue to include an
16 adjustment for energy efficiency in the load forecast. The Parties make no agreement
17 regarding the inclusion of an energy efficiency adjustment in future AUT proceedings.
- 18 4. The power cost effects of price differentials between Rockies and Sumas that may occur
19 when firm pipeline capacity is available. To reflect the power cost effects of Rockies gas
20 purchases in months with gas financial contracts (in Monet), PGE agrees, for the 2012
21 AUT and subsequent AUT proceedings, to match the volume of Rockies physical
22 forward purchases with the corresponding Rockies financial contracts (swaps) by the first

1 November update filing. For months without gas financial contracts, PGE has agreed to
2 address the power cost effects of the Rockies/Sumas basis in its initial 2013 AUT filing.

- 3 5. The calculation of the forced outage rate for the Port Westward plant. In the current
4 AUT filing, PGE uses a calculated average forced outage rate based on two years of
5 actual experience and two years at 5%. ICNU recommended that PGE use Coyote
6 Springs' forced outage rate as a proxy for Port Westward's forced outage rate. The
7 Parties have agreed that PGE's calculation will not be modified in the 2012 AUT.

- 8 6. The calculation of kVar charges billed by BPA.

9 ICNU proposed a downward adjustment to the kVar charges estimated to be paid by PGE
10 to BPA. The Parties have agreed that no change in the methodology will be made by PGE
11 in this proceeding.

12 A copy of the Stipulation is attached as Exhibit 101.

II. Adjustments

1 **Q. Why did Parties agree to retain PGE's internally generated forward curves?**

2 A. The Parties compared PGE's forward curves to publicly available curves and found that
3 observed differences were both minor and explainable. Therefore, the Parties agreed to
4 retain PGE's forward curves in AUT filings but decided that, given the proprietary nature of
5 PGE's forward curves, they wanted more frequent updates of PGE's forward curves. PGE
6 agrees to provide monthly forward curve updates to the Parties, if requested, during the
7 AUT process.

8 **Q. Why is the Colstrip Unit 4 planned maintenance outage removed?**

9 A. Colstrip Unit 4 planned maintenance outage was initially modeled in PGE's April 1 power
10 cost filing. The plant has since confirmed that the planned maintenance has been postponed
11 until 2013 and the outage has been removed from subsequent NVPC updates. This
12 information was transmitted to Parties in PGE's "Planned Maintenance Outage Update
13 Letter" filed on July 1, 2011.

14 **Q. Please explain the proposed modeling of customer response to changes in retail price
15 and energy efficiency.**

16 A. Given the small magnitudes of the rate changes in this proceeding, PGE proposed that no
17 adjustment be made to the load forecast in the current AUT to account for customer demand
18 responses to price changes. CUB stated that it had no objection in principle to making no
19 adjustment when the resulting effect of a power cost change on customer rates was not
20 material, but it believed it was good policy to obtain agreement among the Parties as to what
21 exactly constitutes a non-material price change. For demand response to price changes,
22 Parties agreed that it is reasonable to set the materiality threshold for a price change at 3%.

1 In other words, changes in retail prices less than 3% will be deemed to have a non-material
2 effect on customer demand and no adjustment will be made to PGE's load forecast.

3 PGE also proposed that energy efficiency improvements are embedded in the data
4 serving as the basis for the load forecast and, as a result, no further adjustment should be
5 made to incorporate the effects of energy efficiency. However, Parties desired more
6 evidence demonstrating that energy efficiency was already included in the historical data
7 and thus agreed that the energy efficiency adjustment will be included in the 2012 AUT
8 filing and that parties can revisit the issue in the 2013 AUT.

9 **Q. Please describe the logic of the proposed treatment of the Rockies-Sumas price**
10 **differential in Monet.**

11 A. PGE's Port Westward and Beaver natural gas-fired plants can be fueled by two alternative
12 trading hubs: Sumas gas and Rockies gas. In its direct testimony, ICNU recommended that
13 "Rockies supply be taken into account to achieve the maximum value for this supply"
14 (ICNU 100, p. 3, lines 16-17). PGE explained that any cost advantage of Rockies gas (when
15 it exists) is realized in Monet by "marking to market" the physical forward contracts
16 included in Monet. If however, at the time of a specific AUT filing, PGE has entered into
17 financial contracts for gas (typically fixed for floating swaps) but has not also entered into
18 corresponding contracts for physical gas, the cost savings from Rockies gas (if it exists) will
19 not be reflected in Monet. To deal with this issue, PGE agrees to close all physical gas deals
20 corresponding to financial contracts in time to be included in the first AUT filing in
21 November.

22 CUB also noted that it was possible for PGE to realize the price differential between
23 Rockies and Sumas gas in months when (1) no gas financial contracts are present in Monet,

1 (2) pipeline capacity was available and (3) Sumas gas was selling at a premium to Rockies
2 gas. PGE agrees to address the Sumas Rockies price differential in the initial 2013 AUT
3 filing.

4 **Q. Please describe the resolution of the calculation of the Port Westward forced outage**
5 **rate.**

6 A. In its initial 2012 AUT filing, PGE calculated Port Westward's forced outage rate as a four-
7 year average consisting of two years of actual plant experience and two years at 5%. The
8 5% rate was PGE's estimate of Port Westward's forced outage rate prior to obtaining any
9 operational experience with the plant. ICNU recommended that Coyote's forced outage rate
10 be used as a proxy for Port Westward. PGE explained that the forced outage rate calculation
11 followed the practice discussed in UM 1355 of excluding the initial two years of operation
12 and using the outage rate used in the IRP process. No adjustment was made to the Port
13 Westward forced outage rate.

14 **Q. Please describe the issue relating to the kVar charges that PGE pays to BPA.**

15 A. ICNU recommended a reduction to the forecast kVar charge included in PGE's initial filing.
16 Parties agreed that PGE would update the forecast kVar charge in the 2011 AUT
17 proceeding, but that no change in the methodology will be made by PGE in this proceeding.

1 **Q. What do the Parties request of the Commission?**

2 A. The Parties respectfully request that the Commission issue an Order approving the
3 Stipulation in this proceeding finding that it is in the public interest and results in fair, just,
4 and reasonable rates. Further, the Parties request that such Order be issued no later than
5 October 26 to facilitate PGE's direct access in November. The parties also request that the
6 Commission resolve the outstanding hedging issue.

7 **Q. Does this conclude your testimony?**

8 A. Yes.

List of Exhibits

<u>Exhibit</u>	<u>Description</u>
101	AUT Stipulation

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 228

In the Matter of Portland General Electric
Company's 2012 Annual Power Cost Update
Tariff (Schedule 125)

STIPULATION

This Stipulation ("Stipulation") is among Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board of Oregon, and the Industrial Customers of Northwest Utilities (collectively, the "Parties").

I. INTRODUCTION

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II. TERMS OF STIPULATION

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2. Forward Curves. PGE will continue to use its internal forward curves in determining projected power costs in this and future Annual Power Cost Update Tariff (“AUT”) proceedings. In future AUT proceedings PGE will, if asked and subject to a Protective Order, provide to the Parties its electricity and gas forward price curves from the last business day of the month by the fifth working day of the immediately following month, beginning with the curve for the last business day in March, and ending with the curve for the last business day in October.

3. Colstrip Unit 4 Planned Maintenance Outage. The planned maintenance outage for Colstrip Unit 4 included in PGE’s initial filing in this docket will not occur in 2012. Accordingly PGE has removed that planned outage from its power cost modeling, as shown in its latest power cost update.

4. Load Forecast. The Parties agree that in this and subsequent AUT proceedings no adjustment for price elasticity of demand will be included in the load forecast if the projected impact of the Schedule 125 rate change, positive or negative, is less than three percent (3%). The Parties also agree that in this AUT docket PGE will continue to include an adjustment for energy efficiency in the load forecast. The Parties make no agreement regarding the inclusion of an energy efficiency adjustment in future AUT dockets.

5. Other Issues. CUB and ICNU each raised issues regarding the modeling of gas costs to reflect differentials in price between Rockies and Sumas that may occur when firm pipeline capacity is available. ICNU also raised an issue regarding the forced outage

rate for the Port Westward plant, and kVar charges from BPA. For the 2012 AUT and subsequent AUT filings, PGE will match the volume of Rockies physical forward purchases with the corresponding Rockies financial contracts (swaps) by the first November update filing. To settle all issues in this docket except the hedging issues, PGE will reduce forecast net variable power costs for 2012 by \$600,000. PGE will also address the Rockies/Sumas basis issue in its initial 2013 AUT filing.

6. The Parties recommend and request that the Commission approve the adjustments described above to PGE's 2012 power costs as appropriate and reasonable resolutions of the issues settled herein.

7. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable.

8. The Parties agree that this Stipulation represents a compromise in the positions of the parties. Without the written consent of all parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

9. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Party reserves its right (i) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation and (ii) pursuant to OAR 860-001-0720, to seek rehearing or reconsideration. Nothing in this paragraph provides any Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

10. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR § 860-01-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation, and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

11. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 11th day of October, 2011.



PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
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INDUSTRIAL CUSTOMERS OF
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DATED this 11th day of October, 2011.

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11. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 7 day of October, 2011.

PORTLAND GENERAL ELECTRIC
COMPANY

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COMMISSION OF OREGON



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11. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 12th day of October, 2011.

PORTLAND GENERAL ELECTRIC
COMPANY

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COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON


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NORTHWEST UTILITIES