

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 172

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	STIPULATION
COMPANY 2006 Resource Valuation)	
Mechanism)	

This Stipulation (“Stipulation”) is among Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon (“Staff”), the Industrial Customers of Northwest Utilities (“ICNU”), and the Citizens’ Utility Board of Oregon (“CUB”) (collectively, the “Parties”). Capitalized terms used in this Stipulation have the meanings ascribed to them in this Stipulation.

Pursuant to the Stipulation Concerning Power Costs, adopted by the Oregon Public Utility Commission (“Commission”) in Order No. 01-777 and PGE’s Schedule 125, PGE files an annual case known as the Resource Valuation Mechanism (“RVM”) to update power costs . The Parties have been active participants in this docket. As part of that participation, PGE has filed proposed tariffs, and PGE and the other Parties have filed testimony and exhibits addressing PGE’s initial filing in this docket. Staff, CUB and ICNU have filed testimony proposing various adjustments to PGE’s net variable power costs (“NVPC”). Staff, CUB and ICNU proposed adjustments for a planned outage at the Sullivan hydroelectric plant and for two capacity tolling contracts. CUB and ICNU also proposed an adjustment related to changes to certain model inputs regarding the capacity of some hydro plants. ICNU also proposed an adjustment regarding four power purchase contracts. PGE filed rebuttal testimony on August 19, 2005.

The Parties held settlement conferences in this docket on July 7, 2005, August 2, 2005, and August 25, 2005. As a result of those settlement discussions, the Parties are entering into this Stipulation and agree to and request that the Commission adopt orders in this docket implementing the following:

STIPULATION

1. For the purpose of calculating the 2006 annual RVM update pursuant to Schedule 125, PGE will make a final RVM filing on November 10, 2005 (the “Final RVM Filing”). Prior to making the Final RVM Filing, PGE will make a filing on November 3, 2005 (the “Pre-Final RVM Filing”) that locks down all data inputs in the 2006 RVM except forward price curves. In both of these filings, PGE will reflect a disallowance that decreases NVPC by \$3.75 million. PGE will apply the \$3.75 million disallowance to Part A of Schedule 125.

2. This stipulation represents a financial settlement of the issues at dispute and is a fair resolution of the issues raised given the potential outcomes in this docket. By signing this Stipulation, no Party agrees to or acknowledges whether the updates, and modeling changes proposed in this docket are consistent with Schedule 125 or previous agreements; no party agrees to or acknowledges the prudence or imprudence of any disputed costs, inputs or modeling changes; and no party agrees to or acknowledges whether the proposed updates in this docket are appropriate for inclusion in normalized retail rates. The adjustment to NVPC specified in Paragraph 1 applies only to PGE’s 2006 RVM filing. The parties to this Stipulation anticipate a thorough review of the RVM in the upcoming PGE General Rate Case. By signing this Stipulation, the Parties do not waive or prejudice their right to make any arguments concerning the need, structure, or elements associated with the RVM process in that or any other future proceedings.

3. CUB reserves the ability to file additional testimony supporting this stipulation, within the context of its concerns regarding the RVM process.

4. The Parties agree that this Stipulation resolves all current issues related to PGE's 2006 RVM filing. Parties retain the right to raise objections based on new issues that arise out of the November 3rd or November 10th RVM updates.

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

6. The Parties agree that all previously submitted testimony in this matter may be admitted into the record.

7. The Parties shall file this Stipulation with the Commission. The Parties agree to support this Stipulation before the Commission and before any court in which this Stipulation may be considered. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order which is not contemplated by this Stipulation, each Party reserves the right to withdraw from this Stipulation upon written notice to the Commission and the other Parties within five (5) business days of service of the final order rejecting this Stipulation or adding such material condition.

8. 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.

9. The parties to any dispute concerning this Stipulation agree to confer and make a good-faith effort to resolve such dispute prior to bringing an action or complaint to the Commission or any court with respect to such dispute.

10. The Parties agree that this Stipulation represents a compromise in the positions of

the Parties. As such, conduct, statements, and documents disclosed in the negotiation of this Stipulation shall not be admissible as evidence in this or any other proceeding. The Parties agree that a Commission order adopting this stipulation will not be cited as precedent in other proceedings for the matters resolved in this stipulation.

11. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR § 860-14-0085. The Parties agree to cooperate in drafting and submitting the explanatory brief or written testimony required by OAR § 860-14-0085(4).

15. 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.

DATED THIS 28th day of September, 2005.

PORTLAND GENERAL ELECTRIC
COMPANY

A handwritten signature in dark ink, appearing to be 'D. C. T. A.', is written over a horizontal line.

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

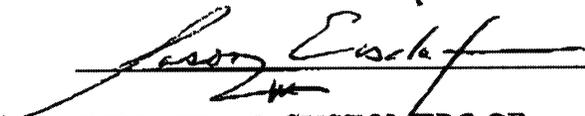
CITIZENS' UTILITY BOARD OF
OREGON

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD OF
OREGON



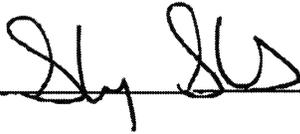
INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

PORTLAND GENERAL ELECTRIC
COMPANY

CITIZENS' UTILITY BOARD OF
OREGON

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES



PORTLAND GENERAL ELECTRIC
COMPANY

CITIZENS' UTILITY BOARD OF
OREGON

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES



CERTIFICATE OF SERVICE

I certify that I have caused to be served the foregoing **Stipulation of PGE, OPUC Staff, ICNU, and CUB in Docket No. UE 172** by mailing a copy by First Class U.S. Mail, postage prepaid and properly addressed, to the persons as shown on the attached list.

Dated this 28th day of September, 2005.



Douglas C. Tingey OSB # 04436

SERVICE LIST
DOCKET UE 172

JASON EISDORFER
CITIZENS' UTILITY BOARD OF
OREGON
610 SW BROADWAY STE 308
PORTLAND OR 97205

S BRADLEY VAN CLEVE
DAVISON VAN CLEVE PC
1000 SW BROADWAY STE 2460
PORTLAND OR 97205

RANDALL J FALKENBERG
RFI CONSULTING
PMB 362
8351 ROSWELL RD
ATLANTA GA 30350

STEPHANIE ANDRUS
DEPARTMENT OF JUSTICE
1162 COURT ST NE
SALEM OR 97301-4096



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

September 28, 2005

Via E-Filing and Hand Delivery

Oregon Public Utility Commission
Attention: Filing Center
PO Box 2148
Salem OR 97308-2148

Re: In the Matter of PORTLAND GENERAL ELECTRIC
2006 Resource Valuation Mechanism
OPUC Docket No. UE 172

Attention Filing Center:

Enclosed for filing in the above-captioned docket are the following documents:

Stipulation among Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Industrial Customers of Northwest Utilities ("ICNU"), and the Citizens' Utility Board of Oregon ("CUB"); and

Joint Explanatory Brief of PGE, Staff, ICNU and CUB.

These documents are being filed by electronic mail with the Filing Center.

Please date stamp the extra copy of this letter and return it in the postage-prepaid envelope provided. If you have any questions, please do not hesitate to call.

Sincerely,

Douglas C. Tingey by 

DCT:am

cc: UE 172 Service List

