



Portland General Electric Company
Legal Department
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Douglas C. Tingey
Assistant General Counsel

August 5, 2008

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 197

Attention Filing Center:

Enclosed for filing in the above-referenced docket are an original and five copies of:

- **STIPULATION REGARDING REVENUE REQUIREMENT ISSUES; and**
- **TESTIMONY OF CARLA OWINGS, BOB JENKS, ALEX TOOMAN (Staff-CUB-PGE/100).**

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,

A handwritten signature in dark ink, appearing to read "D. C. Tingey", written in a cursive style.

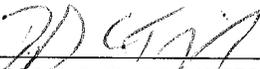
DOUGLAS C. TINGEY
Assistant General Counsel

DCT:cbm
Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **TESTIMONY OF CARLA OWINGS, BOB JENKS, ALEX TOOMAN (Staff-CUB-PGE/100); and STIPULATION REGARDING REVENUE REQUIREMENT ISSUES** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No. UE 197.

Dated at Portland, Oregon, this 5th day of August, 2008.



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**SERVICE LIST
OPUC DOCKET # UE 197**

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

UE 197

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	STIPULATION REGARDING REVENUE REQUIREMENT ISSUES
)	
Request for a general rate revision)	
)	

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, the Industrial Customers of Northwest Utilities, the Oregon Department of Energy , and Fred Meyer Stores and Quality Food Centers Divisions of Kroger Co. (collectively, the “Stipulating Parties”).

I. INTRODUCTION

On February 27, 2008, PGE filed this general rate case. On March 21, 2008, a prehearing conference was held in Docket No. UE 197. At that prehearing conference, the Docket was bifurcated, and Docket No. UE 198 was initiated to address all issues regarding PGE’s net variable power costs (“NVPC”). Re PGE, Docket Nos. UE 197/198, Joint Prehearing Conference Report at 2 (Mar. 24, 2008). All other issues remained in this Docket. A procedural schedule was adopted for this Docket at that time. On March 31, 2008, the Commission suspended the filed tariff sheets for a period not to exceed nine months from the proposed effective date of the tariffs, April 1, 2008, making revised rates pursuant to this general rate case effective January 1, 2009.

PGE has responded to numerous data requests in this Docket from Staff and intervenors.

PGE has also held several workshops. Settlement conferences, open to all parties, were held in this Docket on June 12, 2008, and June 19, 2008. As a result of those settlement discussions, the Stipulating Parties have agreed to certain adjustments to PGE's requested revenue requirement in this Docket. The Stipulating Parties submit this Stipulation to the Commission and request that the Commission adopt orders in this Docket implementing the following.

II. TERMS OF STIPULATION

1. This Stipulation is entered to settle only the issues described below. Other issues may be raised by the Stipulating Parties in their testimony.

2. The Stipulating Parties agree that PGE will reduce its revenue requirement request by approximately \$13.6 million, including appropriate rate base modifications, to reflect the following agreements and adjustments:

a) S-0, Rate of Return. The Stipulating Parties agree that PGE's authorized return on equity should be 10.1%, the same as currently authorized.

PGE's capital structure for ratemaking purposes should also remain unchanged at 50% equity and 50% debt. PGE's cost of debt should be 6.567% as set forth in PGE's initial filing in this Docket. These changes result in a revenue requirement decrease of approximately \$12.9 million.

b) S-1, Other Electric Revenues. PGE's forecast of other revenues should be decreased by \$455,000, as a result of the change in proposed Schedule 300 prices described in Section II(2)(g) as well as changes to additional other revenue items.

c) S-6, Lease Adjustment. Staff proposed a lease expense adjustment related to PGE's lease of the Tualatin Call Center building. As part of this

settlement, the Stipulating Parties agree that no lease adjustment should be made.

d) S-7, Fuel Adjustment. Staff proposed an adjustment to PGE's forecast of materials and fuel inventories in rate base. As part of this settlement, the Stipulating Parties agree that no such adjustment should be made.

e) S-8, Membership Adjustment. Staff proposed an adjustment to PGE's forecast of Western Electricity Coordinating Council membership costs. As part of this settlement, the Stipulating Parties agree that no such adjustment should be made.

f) S-12, Kelso-Beaver Pipeline. The Stipulating parties agree that forecasted O&M expenses associated with the Kelso-Beaver pipeline should be reduced by \$1.0 million.

g) S-17, Schedule 300. PGE's proposed increases to Schedule 300 prices should not be adopted. Schedule 300 prices should remain as they are in PGE's current tariff. As a part of this settlement, the Stipulating Parties agree that the adjustment to remove revenues associated with PGE's original proposal for Schedule 300 is reflected in the adjustment for Other Revenues (S-1 above).

h) S-18, Rate base True-ups. The Stipulating Parties agree that rate base amounts for Biglow Canyon Phase 1 and Port Westward for the end of 2007 and beginning of 2008 used in forecasts in this Docket should be trued-up to actual 2007 year-end net investment balances. As a result, the Stipulating Parties agree that PGE's forecast of average 2009 rate base

should be reduced by \$735,000 and its estimate of 2009 book depreciation expense should be reduced by \$24,000. This will result in a revenue requirement decrease of about \$113,000.

3. The estimated impact of all of these changes is a reduction in revenue requirement in this Docket of approximately \$13.6 million. However, the final impact on revenue requirement is unknown as it is dependent, in part, on revenue sensitive factors that are not included in this stipulation.

4. The Stipulating Parties recommend and request that the Commission approve the adjustments described above as appropriate and reasonable resolutions of these issues.

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

6. The Stipulating 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.

7. If this Stipulation is challenged by any other party to this proceeding, or any other party seeks a revenue requirement for PGE that is inconsistent with the terms of this Stipulation, the Stipulating Parties reserve the right to cross-examine witnesses and put in such evidence as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Stipulation. Notwithstanding this reservation of rights, the Stipulating Parties agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

8. 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 that rejects this Stipulation or adds such material condition. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

9. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR § 860-14-0085. The Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to sponsor this Stipulation at the hearing (if necessary), and recommend that the Commission issue an order adopting the settlements contained herein. The Stipulating Parties also agree to cooperate in drafting and submitting the explanatory brief or written testimony required by OAR § 860-14-0085(4).

10. 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 4th day of August, 2008.

/s/: Douglas C. Tingey
PORTLAND GENERAL ELECTRIC
COMPANY

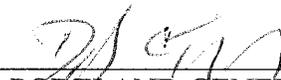
/s/: Jason Jones
STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

/s/: Bob Jenks
CITIZENS' UTILITY BOARD
OF OREGON

/s/: S. Bradley Van Cleve
INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

/s/: Kip Phiel
OREGON DEPARTMENT OF
ENERGY

/s/: Kurt J. Boehm
FRED MEYER STORES AND
QUALITY FOOD CENTERS
DIVISIONS OF KROGER CO.



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COMMISSION OF OREGON

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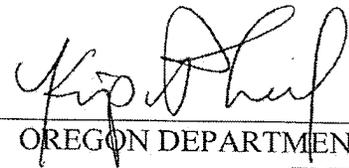
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K. Boehm, Attorney for Kroger, Co.
FRED MEYER STORES AND
QUALITY FOOD CENTERS
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