



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 8, 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 RATE SPREAD AND RATE DESIGN ISSUES**

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 "Douglas C. Tingey", is written over a light-colored background.

DOUGLAS C. TINGEY
Assistant General Counsel

DCT:cbm
Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **STIPULATION REGARDING RATE SPREAD AND RATE DESIGN ISSUES** to be served by electronic mail to those parties whose email addresses appear on the attached service list and by method specified, 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 8th day of October, 2008.



DOUGLAS C. TINGEY, OSB # 044366
Assistant General Counsel
Portland General Electric Company
121 SW Salmon St., 1WTC1301
Portland, OR 97204
(503) 464-8926 (telephone)
(503) 464-2200 (fax)
doug.tingey@pgn.com

SERVICE LIST - OPUC DOCKET # UE 197

<p>Jim Deason, Attorney at Law 1 SW Columbia Street Suite 1600 Portland, OR 97258-2014 jimdeason@comcast.net</p>	<p>Scott Winkels LEAGUE OF OREGON CITIES PO BOX 928 Salem, OR 97308 swinkels@orcities.org</p>
<p>Kip Pheil OREGON DEPARTMENT OF ENERGY kip.pheil@sate.or.us (*Waived Paper Service)</p>	<p>OPUC DOCKETS CITIZEN'S UTILITY BOARD OF OREGON dockets@oregoncub.org (*Waived Paper Service)</p>
<p>S. Bradley Van Cleve DAVISON VAN CLEVE 333 SW Taylor, Suite 400 Portland, OR 97204 mail@dvclaw.com</p>	<p>Robert Jenks CITIZEN'S UTILITY BOARD OF OREGON bob@oregoncub.org (*Waived Paper Service)</p>
<p>Jim Abrahamson COMMUNITY ACTION DIRECTORS OF OREGON jim@cado.org (*Waived Paper Service)</p>	<p>Joan Cote OREGON ENERGY COORDINATORS ASSOCIATION cotej@mwvcaa.org (*Waived Paper Service)</p>
<p>Judy Johnson Oregon Public Utility Commission 550 Capitol Street NE, #215 Salem, OR 97308-2148 judy.johnson@state.or.us</p>	<p>Kurt J. Boehm, Attorney BOEHM KURTZ & LOWRY 36 E Seventh Street 1510 Cincinnati, OH 45202 kboehm@bklawfirm.com</p>
<p>Michael L. Kurtz BOEHM KURTZ & LOWRY 36 E Seventh Street 1510 Cincinnati, OH 45202 mkurtz@bklawfirm.com</p>	<p>Janet L. Prewitt, Assistant AG Department of Justice 1162 Court Street NE Salem, OR 97301-4096 Janet.prewitt@doj.state.or.us</p>
<p>Jason W. Jones, Assistant AG Department of Justice 1162 Court Street, NE Salem, OR 97301-4096 Jason.w.jones@state.or.us</p>	<p>Michael T. Weirich, Assistant AG Regulated Utility and Business Section 1162 Court Street, NE Salem, OR 97301-4096 Michael.weirich@doj.state.or.us</p>
<p>Roger D. Colton FISHER SHEEHAN & COLTON roger@fsonline.com (*Waived Paper Service)</p>	

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

UE 197

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	STIPULATION REGARDING RATE SPREAD AND RATE DESIGN ISSUES
Request for a general rate revision)	
)	

This Stipulation (“Stipulation”) is among Portland General Electric Company (“PGE”), the Citizens’ Utility Board of Oregon (“CUB”), the Industrial Customers of Northwest Utilities (“ICNU”), and Fred Meyers Stores and Quality Food Centers, Divisions of Kroger Co. (“Kroger”) (collectively, the “Stipulating Parties”).

I. INTRODUCTION

On February 27, 2008, PGE filed this general rate case. Five rounds of testimony have been filed. A Stipulation resolving certain revenue requirement issues, along with supporting testimony, was filed in this docket on August 5, 2008. An additional stipulation regarding certain revenue requirement and rate design issues is also expected to be filed. This Stipulation between PGE, CUB, ICNU, and Kroger addresses issues regarding PGE’s overall rate design and marginal cost study.

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.
2. Issues have been raised by some parties in this proceeding regarding PGE’s

marginal cost study and rate design. These issues are complex and can have significant impacts on individual customers. In the view of the Stipulating Parties, there has not been sufficient opportunity to thoroughly vet all issues and their implications. Since the marginal cost study and rate design principles contained in PGE's filing are similar to those adopted by the Commission in UE 115 and UE 180, the Stipulating Parties propose to maintain the status quo until these issues can be further studied. Therefore, the Stipulating Parties agree that for this case, with the exception in the following paragraph, it is appropriate to use the marginal cost study and rate design principles contained in PGE's filing in this docket, and request that the Commission do so.

3. The difference between the Schedule 83-P and 83-S facilities charge will be set at 50 cents/kW before blocking the Schedule 83-S facilities charges.

4. The Stipulating Parties further agree that additional inquiry into marginal cost and rate design issues would be beneficial for future rate proceedings. Accordingly, the Stipulating Parties request that the Commission open a new docket to address cost allocation and rate design issues for PGE early in calendar year 2009. The purpose of the new docket would be to establish the methodology for cost allocation and rate design to be used in PGE's subsequent general rate case. The Stipulating Parties agree to cooperate to propose a schedule in the new docket that will allow the results of the new docket to be implemented in PGE's subsequent general rate case.

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 day of October, 2008.

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

 /s/: Robert S. Jenks
CITIZENS' UTILITY BOARD
OF OREGON

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

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

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 8th day of October, 2008.



PORTLAND GENERAL ELECTRIC
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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 ~~8th~~ day of October, 2008.

PORTLAND GENERAL ELECTRIC
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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 6th day of October, 2008.

PORTLAND GENERAL ELECTRIC
COMPANY

CITIZENS' UTILITY BOARD
OF OREGON



INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

FRED MEYERS STORES AND
QUALITY FOOD CENTERS,
DIVISIONS OF KROGER CO.

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 8th day of October, 2008.

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