



Portland General Electric Company
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Douglas C. Tingey
Assistant General Counsel

August 19, 2009

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 208

Attention Filing Center:

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

- **STIPULATION REGARDING ALL ISSUES**

This is being filed by electronic mail with the Filing Center.

The parties intend to file joint testimony in support of the stipulation in the near future.

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 black ink, appearing to read "D.C. Tingey".

DOUGLAS C. TINGEY
Assistant General Counsel

DCT:cbm
Enclosures
cc: UE 208 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 208

In the Matter of Portland General Electric
Company's 2010 Annual Power Cost Update
Tariff (Schedule 125)

**STIPULATION REGARDING ALL
ISSUES**

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, 2009, including PGE's initial testimony regarding 2010 power costs. PGE also provided the information required under the minimum filing requirements that had been agreed to and adopted in its immediately previous power cost update proceeding. 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 July 8, 2009. 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 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 in this docket.
2. WECC Reserve Calculation. PGE's projected power costs include an

anticipated change in generation operating reserve requirements proposed by the Western Electricity Coordinating Council (“WECC”), approved by the North American Electric Reliability Corporation (“NERC”), and currently pending before the Federal Energy Regulatory Commission (“FERC”) for approval. The Parties agree that if FERC adopts the WECC proposed changes in operating reserve requirements without significant modification on or before September 29, 2009, the change should be modeled in 2010 power costs consistent with the FERC order. If FERC has not issued a decision by September 29, 2009, then PGE’s power cost in this docket will not include the revised reserve requirements, and PGE will remove this change in its updates to be filed in September and November 2009.

3. SWW Power Costs. PGE’s 2010 power costs do not include any changes in power costs due to construction-related testing of the Round Butte Selective Water Withdrawal Project (“SWW”). The Parties agree that this is appropriate and further agree that any changes in power costs due to construction-related testing of the SWW will not be included in PGE’s tariff Schedule 126 power cost adjustment filing for 2010.

4. Load Forecast. After further investigation, the Parties agree that there should be no adjustment to PGE’s load forecast regarding SP Newsprint.

5. Colstrip Planned Maintenance. The Parties agree that there should be no adjustment to the planned maintenance forecast regarding the Colstrip generating facility.

6. Planned Maintenance. Some parties raised issues both in this docket and in UM 1355 regarding the modeling of planned maintenance outages for PGE’s thermal generating facilities. For purposes of settlement of this docket, the Parties have come to the following agreement:

a. In this docket, PGE will not update the timing or duration of planned

maintenance outages for its thermal plants.

- b. In future Schedule 125 AUT dockets, PGE will continue to file its annual power cost update using forecast planned maintenance to model power costs. All Parties may propose a different approach (e.g., the use of a four-year rolling average or other methodology) to modeling planned maintenance in future AUT proceedings. Further, PGE will include with the MFR information the forecast planned maintenance and actual planned maintenance for each thermal plant for each year since 2002. PGE will also provide a comparison of planned maintenance for Boardman between a four-year average and PGE's forecast using the mean square error technique. PGE will also provide a similar comparison for Colstrip using a six-year average.
- c. In future Schedule 125 AUT dockets, PGE will not update either the duration or timing of forecast planned maintenance after July 1. If PGE does change projected planned maintenance after its initial filing and on or before July 1, PGE will also provide to the parties information which supports the updated planned maintenance schedules.
- d. In future Schedule 125 AUT dockets, the Parties will propose and support including in the procedural schedule for the docket an opportunity for Staff and Intervenors to respond to any updates to planned maintenance made between April 1 and July 1, and a reply opportunity by PGE.
- e. PGE will reduce its forecast net variable power costs for 2010 by \$1.0 million to account for changes in planned maintenance.

7. The same Parties have or will enter into a Stipulation in docket UM 1355 regarding several issues related to plant outages. The Parties agree that for purposes of this docket, the modeling changes proposed and agreed to in the UM 1355 Stipulation will be incorporated into the power cost model in this docket, even though the Commission has not issued a final order in UM 1355. If the Commission order in UM 1355 is not consistent with the Parties' Stipulation in that docket, such ordered changes will be reflected in future AUT dockets.

8. The Parties recommend and request that the Commission approve the adjustments described above to PGE's 2010 power costs as appropriate and reasonable resolutions of the issues in this docket.

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

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. Except as provided in this Stipulation, the Parties agree that they will not cite this Stipulation as precedent in any other proceeding other than a proceeding to enforce the terms of this Stipulation. Nothing in this paragraph precludes a party from stating as a factual matter what the parties agreed to in this Stipulation.

11. 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 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 Parties agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

12. 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.

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

14. 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.

15. 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 August, 2009.



PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

DATED this 17th day of August, 2009.

PORTLAND GENERAL ELECTRIC
COMPANY



STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

DATED this ^{17th} day of August, 2009.

PORTLAND GENERAL ELECTRIC
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STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON



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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **STIPULATION REGARDING ALL 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 208.

Dated at Portland, Oregon, this 19th day of August, 2009.



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**SERVICE LIST –
OPUC DOCKET # UE 208**

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