



Portland General Electric Company
Legal Department
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(503) 464-8926 • Facsimile (503) 464-2200

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: UM 1355

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 dark ink, appearing to read "D. C. Tingey", is written over a light-colored background.

DOUGLAS C. TINGEY
Assistant General Counsel

DCT:cbm
Enclosures
cc: UM 1355 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1355

INVESTIGATION INTO FORECASTING FORCED OUTAGE RATES FOR ELECTRIC GENERATING UNITS)))	STIPULATION REGARDING ALL ISSUES FOR PGE
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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 “Stipulating Parties”).

I. INTRODUCTION

This docket was initiated to address issues regarding forced outage rate forecasting in ratemaking for electric utilities in Oregon. All of the Stipulating Parties filed testimony. Several workshops have been held, including a workshop with the Commissioners. The parties have also exchanged data requests and responses. The Stipulating Parties have reached agreement settling, with respect to PGE, all issues raised in this proceeding as set forth below. By entering into this Stipulation, the Stipulating Parties do not agree that the resolution of the issues set forth below for PGE is appropriate for any other utility.

The Parties request that the Commission issue an order adopting this Stipulation.

II. TERMS OF STIPULATION

1. This Stipulation is entered to settle all issues in this docket with respect to PGE.
2. For purposes of forecasting forced outage rates for PGE thermal generating

units, the following modifications will be made to PGE's Monet power cost model:

a. **EFORd for Beaver Plant:** The Stipulating Parties agree that, even though the Commission may not yet have issued its Order in UM 1355 based upon this Stipulation, beginning in UE 208, the EFORd concept should be applied to Beaver Units 1-7 and Unit 8. The Stipulating Parties agree that the standard NERC EFORd formula is not directly applicable to Beaver 1-7, in their current configuration and operation, and agree that a proxy should be used. The Stipulating Parties agree that the proxy formula will be to remove Forced Maintenance Hours from the derivation of the FOR. The Stipulating Parties agree that the calculation for Beaver Unit 8 will be modified similarly to Units 1-7. The Stipulating Parties further agree that this formula will be revisited in the event that Beaver plant operations change significantly.

b. **Wind Availability:** PGE agrees to provide the following wind data annually for its owned resource (Biglow Canyon) as part of its Minimum Filing Requirements (MFRs) in its Schedule 125 Annual Update Tariff filings:

- monthly projected and actual energy and capacity factor,
- energy and capacity factor variance, and
- wind availability as reported by the operator (with an operator definition of availability).

PGE agrees to request this same information from the operators of the Vansycle and Klondike wind farms, and from any future operator that sells wind energy to PGE under a purchased power agreement.

c. **High-Load and Low-Load Hours Split:** PGE agrees that, even though the Commission may not yet have issued its Order in this docket based

upon this Stipulation, for the 2010 AUT (Docket UE-208), it will include an estimate of the NVPC effect of Boardman's and Colstrip's high-load and low-load MOH split as an outboard calculation in an update filing, which will reduce power costs. For future AUTs, PGE will similarly include a NVPC estimate as an outboard calculation with the initial filing. To minimize the resources required, after the initial filing, no further updates to the outboard calculation will be made. PGE will continue working with Parties to incorporate this as an enhancement in Monet. Until it does so, PGE will use the outboard calculation.

- d. **FOR "Collar":** The Stipulating Parties agree that the Forced Outage Rate collar method using the 10th and 90th percentile figures of comparable NERC coal units results in an acceptable proxy for a unit's FOR, should that unit's annual FOR fall outside the 10th or 90th percentile. The percentiles will be based on the distribution of the merged NERC data for the most recently available four-year period. This methodology does not imply "imprudence," and it is not intended to be used in the future to determine imprudence. The Parties agree that, even though the Commission may not yet have issued its Order in this docket based upon this Stipulation, the FOR collar methodology will be included in the 2010 AUT (Docket UE-208) update filing and only applies to coal plants. The Stipulating Parties agree that, should the NERC sample change significantly, the efficacy of the collar will be revisited.
- e. **PMO Forecasting:** The Stipulating Parties agree that the issue of planned maintenance outage methodology for PGE will be dealt with in Docket UE 208, PGE's currently pending Annual Update Tariff proceeding. The

Stipulating Parties also agree that, with respect to PGE, this issue will not be addressed further in UM 1355.

- f. **Staff's Three Plant Availability Formulas (POF, FOR, MOR):** The Stipulating Parties agree that PGE's calculations can be used provided PGE demonstrates that these calculations are mathematically equivalent to Staff's proposed three plant availability formulas.
- g. **Global Settlement of all issues in UM 1355:** The Stipulating Parties agree that this settlement resolves all issues in UM 1355 for PGE, but not for any other utility.

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

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

5. 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. Except as provided in this Stipulation, the Stipulating 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.

6. If this Stipulation is challenged by any other party to this proceeding, or any other party seeks a resolution 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.


7. 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 Stipulating Party reserves the right to withdraw from this Stipulation upon written notice to the Commission and the other Stipulating 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.

8. 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, 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).

9. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Stipulating Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

10. 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 18th 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

10. 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 17th day of August, 2009.

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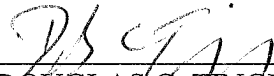


INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

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 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. 1355

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



DOUGLAS C. TINGEY

SERVICE LIST

OPUC DOCKET # UM 1355

<p>Citizen's Utility Board of Oregon OPUC Dockets dockets@oregoncub.org (*Waived Paper Service)</p>	<p>Citizen's Utility Board of Oregon Robert Jenks bob@oregoncub.org (*Waived Paper Service)</p>
<p>Citizen's Utility Board of Oregon Gordon Feighner gordon@oregoncub.org (*Waived Paper Service)</p>	<p>Citizen's Utility Board of Oregon G. Catriona McCracken catriona@oregoncub.org (*Waived Paper Service)</p>
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