



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

August 18, 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 209 and UM 1407

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/T", is written over a light gray background.

DOUGLAS C. TINGEY
Assistant General Counsel

DCT:cbm
Enclosures
cc: UE 209/UM 1407 Service Lists

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 209/UM 1407

In the Matter of Portland General Electric
Company's Application for Deferred
Accounting and Renewable Resources
Automatic Adjustment Clause (Advice No.
09-06, Schedule 122)

**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, the Industrial Customers of Northwest Utilities, and the Oregon Department of Transportation (collectively, the "Parties").

I. INTRODUCTION

In accordance with its tariff Schedule 122, PGE made its annual Renewable Resources Automatic Adjustment Clause (the "RAC") filing on April 1, 2009, Advice No. 90-06. The filing included PGE's initial testimony. Three renewable projects are included in PGE's filing: two solar projects called SunWay 1 and SunWay 2, and Phase 2 of the Biglow Canyon wind project. Also consistent with Schedule 122, on December 3, 2008, PGE filed a deferral request regarding the 2008 and 2009 costs of the two solar projects, docket UM 1407. All issues related to docket UM 1407 have been consolidated into this Stipulation.

On July 24, 2009, PGE filed supplemental testimony amending the revenue requirement request in this docket. Tariff Schedule 122 also requires PGE to file an update of the costs of these renewable resources by December 1, 2009. This update may further amend the revenue requirement request in this docket.

After PGE's initial filing in this docket the Parties sent and PGE responded to numerous data requests. Numerous workshops and settlement discussions have been held among the Parties. 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 UE 209 and consolidated docket UM 1407.
2. SunWay 1 and SunWay 2. The Parties agree as follows regarding SunWay 1 and SunWay 2:
 - a. Revenue Requirement: Funding from the Energy Trust of Oregon and the PGE Clean Wind Fund are offsets to the capital cost basis of the plant investment for SunWay 1 and SunWay 2. The Parties agree that this is the appropriate accounting treatment of third party contributions and is generally appropriate for future renewable projects.
 - b. For purposes of this docket, PGE also agrees to the use of a 10.0% ROE for the calculation of revenue requirement for both the deferral amount and the 2010 test year.
 - c. In settlement of this docket, PGE will reduce the 2010 test year revenue requirement for SunWay 1 by \$14,000 as an offset for the present value of above-market costs of SunWay 1 that create any increased revenue requirement over the life of the project.
 - d. With these adjustments the revenue requirements for SunWay 1 and SunWay 2 are as follows:

	2008 / 2009 Deferral	2010 Test Year
SunWay 1	\$18,555	\$7,249
SunWay 2	\$87,505	\$88,183

- e. The Parties agree that the December 1, 2009, update set forth in tariff Schedule 122 is not required for SunWay 1 and SunWay 2 because the revenue requirement costs above reflect actual costs, and are therefore not subject to change between the date of this stipulation and December 1, 2009.
- f. The Parties agree that PGE should attempt to minimize the cost to customers of complying with both the Renewable Portfolio Standard and the Solar Photovoltaic Capacity Standard. Except as required to meet the Solar Photovoltaic Capacity Standard, the costs to customers of any new solar resources acquired to meet the Renewable Portfolio Standard must be economically justifiable as compared to the costs of other qualifying renewable resources available at the time. Once PGE has met both the Solar Photovoltaic Capacity Standard and the Renewable Portfolio Standard, the costs to customers of any additional solar resources must be at or below the risk-adjusted market value of the delivered energy at the time the decision to invest was made.
3. Biglow Canyon Phase 2. The Parties agree as follows regarding Biglow Canyon Phase 2:
- a. The deferral period and 2010 test year revenue requirements are \$5.584 million and \$34.634 million respectively. These amounts are based upon an overall budget amount of \$325.4 million which includes approximately

\$10 million of contingency costs. These amounts are subject to change in the December 1 update. These amounts reflect the use of a 10.0% ROE.

- b. PGE will update its deferral and test year revenue requirement for Biglow Canyon Phase 2 on December 1, 2009, with known actual capital costs consistent with tariff Schedule 122. All actual costs are expected to be available at the time of the update. However, if complete actuals are not available, PGE will include forecasted costs. To the extent total revenue requirement is lower than stated in the preceding paragraph, PGE will provide information to support the reduction. To the extent updated costs are higher than stated in the preceding paragraph, PGE may file for deferred accounting for cost differences between the projected costs and prudently incurred actual costs.
4. The Parties recommend and request that the Commission approve the revenue requirements set forth above as appropriate and reasonable resolutions of the issues in this docket.
5. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable.
6. 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 for sub-sections 2.a, 2.f. and 3.b. 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.

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 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.
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 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).
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 ^{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
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OREGON DEPARTMENT OF
TRANSPORTATION

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DATED this 18th day of August, 2009.

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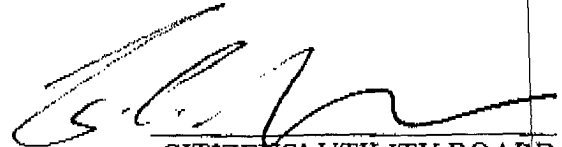
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- 11. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 17th day of August, 2009.

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DATED this ^{14th} ~~13th~~ day of August, 2009.

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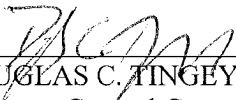


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CERTIFICATE OF SERVICE

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 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 Dockets No. UE 209 and UM 1407.

Dated at Portland, Oregon, this 18th day of August, 2009.



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**SERVICE LIST
OPUC DOCKET # UE 209**

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