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Douglas C. Tingey
Associate General Counsel

September 25, 2014

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
P.O. Box 1088
Salem OR 97308-1088

Re: UE 283 – PGE’s General Rate Revision

Attention Filing Center:

On behalf of Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon, the Citizen’s Utility Board of Oregon, the Industrial Customers of Northwest Utilities, Fred Meyer Stores and Quality Food Centers, Division of Kroger Company, and the NW Energy Coalition, PGE is filing an original and five copies of the following documents:

- **Third Partial Stipulation;** and
- **Joint Explanatory Brief in Support of Third Partial Stipulation.**

Please note that original Stipulation signature pages are included for PGE, Staff of the Public Utility Commission of Oregon (“Staff”), and the Citizen’s Utility Board. Original Joint Explanatory Brief signature pages are also enclosed for PGE and Staff. Additional original signature pages will be forwarded to the Filing center upon receipt by our office.

A copy of this filing was electronically served on the UE 283 Service List. Thank you in advance for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "DCT", is written over a faint, larger version of the signature.

Douglas C. Tingey
Associate General Counsel

DCT:qal
Enclosures
cc: Service List-UE 283

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 283

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	THIRD PARTIAL STIPULATION
)	
Request for a General Rate Revision.)	

This Third Partial Stipulation ("Third Partial Stipulation") is between Portland General Electric Company ("PGE"), Staff of the Public Utility Commission of Oregon ("Staff"), the Citizens' Utility Board of Oregon ("CUB"), the Industrial Customers of Northwest Utilities ("ICNU"), Fred Meyer Stores and Quality Food Centers, Division of Kroger Co. ("Kroger"), and the NW Energy Coalition ("NW Energy") (collectively, the "Stipulating Parties").

Some of the Stipulating Parties previously submitted two Partial Stipulations that between them resolved all contested issues in this docket with the exception of CUB's proposal to include energy efficiency in the marginal cost of service study. This Third Partial Stipulation resolves, for purposes of this docket only, that remaining issue.

TERMS OF THIRD PARTIAL STIPULATION

1. In consideration of the other Stipulating Parties' agreement to jointly request with CUB that an investigatory docket be opened to consider the question of whether customers with loads greater than 1 aMW are receiving a direct benefit from conservation measures funded by amounts collected pursuant to Senate Bill ("SB") 838, CUB has now agreed to resolve the outstanding marginal cost/rate spread issue in this UE 283 PGE General Rate

Case docket. CUB further agrees to the posing of several additional questions proposed by the other Stipulating Parties.

2. The Stipulating Parties request that the investigatory docket be opened to address the following questions:
 - Are customers with loads greater than 1 aMW receiving a direct benefit from conservation measures funded by amounts collected pursuant to SB838?
 - What is the meaning of “any direct benefit” as used in ORS 757.689(2)(b)?
 - Are there any barriers that prevent the ETO from obtaining all cost-effective energy efficiency?
 - If such barriers exist, what other options exist to gain all cost effective energy efficiency, including from customers with loads greater than 1 aMW?
 - Should the ETO approach to funding energy efficiency be flexible to take advantage of energy efficiency savings brought about by changes in technology and the economy?
 - Should there continue to be a cap of 18.4% on energy efficiency funding provided by the ETO to PGE customers with loads greater than 1 aMW, and if so, what criteria should be used to set such a cap?

3. As a part of this settlement, CUB no longer requests that the Commission implement its energy efficiency related marginal cost/rate spread proposal in this docket. The Second Partial Stipulation filed in this docket stated in paragraph 1(n):

For purposes of settlement, the results of Staff’s proposed generation marginal cost methodology, adjusted to account for using RECs to meet a portion of the RPS requirements, will be used in this docket with the caveat that CUB’s proposal to include energy efficiency in the marginal cost of service study, if adopted, would modify the Staff marginal cost study.

All Stipulating Parties agree that as a result of the agreement in this Third Partial Stipulation, Staff's proposed generation marginal cost methodology, adjusted to account for using RECs to meet a portion of the RPS requirements, should be implemented in this docket.

4. The Stipulating Parties agree that testimony and data responses in this UE 283 docket that are relevant to the questions to be addressed in the requested investigatory docket, may be submitted into evidence in the investigatory docket.
5. The Stipulating Parties recommend and request that the Commission approve this Third Partial Stipulation, which together with the Partial Stipulation and Second Partial Stipulation previously filed in this docket, result in an appropriate and reasonable resolution of the identified issues in this docket. The Stipulating Parties agree that together, the Partial Stipulation, Second Partial Stipulation and Third Partial Stipulation resolve all contested issues in this docket.
6. The Stipulating Parties agree that this Third Partial Stipulation is in the public interest, and will contribute to rates that are fair, just and reasonable, consistent with the standard in ORS 756.040.
7. The Stipulating Parties agree that this Third Partial Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all of the Stipulating Parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

8. The Stipulating Parties have negotiated this Third Partial Stipulation as an integrated document. The Stipulating Parties will request Commission approval of this Third Partial Stipulation. If the Commission rejects all or any material part of this Third Partial Stipulation, or adds any material condition to any final order that is not consistent with this Third Partial Stipulation, each Stipulating Party reserves its right: (i) to withdraw from the Third Partial 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 Third Partial Stipulation, in whole or material part, or adds such material condition; (ii) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Third Partial Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (iii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or, pursuant to ORS 756.610, to appeal the Commission's final order. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Third Partial Stipulation as a result of the Commission's resolution of issues that this Third Partial Stipulation does not resolve.
9. This Third Partial Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Third Partial Stipulation throughout this proceeding and in any appeal, and provide witnesses to support this Third Partial Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Third Partial 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 Third Partial 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 Third Partial 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 24th day of September, 2014.



PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY

COMMISSION OF OREGON

CITIZENS' UTILITY BOARD
OF OREGON

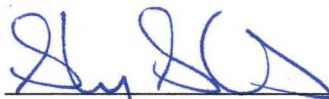
INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

THE KROGER COMPANY

NW ENERGY COALITION

DATED this 18th day of September, 2014.

PORTLAND GENERAL ELECTRIC
COMPANY



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COMMISSION OF OREGON

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NORTHWEST UTILITIES

THE KROGER COMPANY

NW ENERGY COALITION

DATED this 22nd day of September, 2014.

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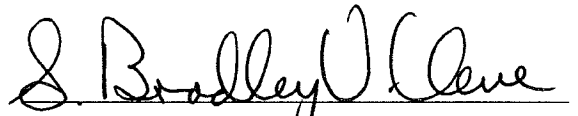
NW ENERGY COALITION

DATED this _____ day of September, 2014.

PORTLAND GENERAL ELECTRIC
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OF OREGON



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NW ENERGY COALITION

DATED this _____ day of September, 2014.

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NW ENERGY COALITION

DATED this 2nd day of September, 2014.

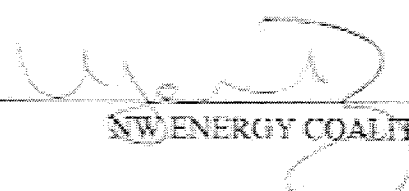
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THE KROGER COMPANY


NW ENERGY COALITION

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 283

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	JOINT EXPLANATORY BRIEF (Third Partial Stipulation)
)	
Request for a General Rate Revision.)	

This brief explains the Third Partial Stipulation (“Stipulation”), dated September 24, 2014 among Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon (“Staff”), the Citizens’ Utility Board of Oregon (“CUB”), the Industrial Customers of Northwest Utilities (“ICNU”), Fred Meyer Stores and Quality Food Centers, Division of Kroger Co. (“Kroger”), and the NW Energy Coalition (“NW Energy”) (collectively, the “Stipulating Parties”). The Stipulating Parties submit this third brief in support of the Third Partial Stipulation pursuant to OAR §860-001-0350(7).

Discussion

The two prior Partial Stipulations, filed July 17, 2014, and September 2, 2014, resolved all contested issues in this docket with the exception of one issue raised by CUB. The one remaining issue was CUB’s proposal to include energy efficiency in the marginal cost of service study.

This remaining issue was addressed by five parties in testimony in this docket. The specific exhibits were:

CUB Opening Testimony (CUB 100 and Exhibits 103-106), and Rebuttal Testimony (CUB 200 and Exhibits 201-202);

PGE Reply Testimony (PGE 1600), and Revised Surrebuttal Testimony (PGE 2200);
Staff Rebuttal Testimony (Staff 1300);
Northwest Energy Coalition Rebuttal Testimony (NWECC 100); and
ICNU Rebuttal Testimony (ICNU 300 and 400).

The parties identified disputed policy issues, and some parties discussed potential legal issues related to CUB's proposal and SB 838 energy efficiency funding in general. The legal issues raised included the scope of the authority of the Commission.

Because disagreement over these issues remains - among the Stipulating Parties - the Stipulating Parties have agreed to request that an investigatory docket be opened to address the energy efficiency issues rather than having the issues be narrowly resolved in the PGE General Rate Case. The Stipulating Parties are agreeing to do this because they recognize that the policy and legal issues at issue here may in fact affect the customers of other utilities. Other utilities and other customers or customer groups that are not part of this rate case may want to participate in a deeper investigation into the energy efficiency issue.

Accordingly, the Stipulating Parties have reached a settlement in this docket that removes the Senate Bill 838 energy efficiency issue from this UE 283 docket, and the Stipulating parties request that the Commission open an investigatory docket to review such issues. As part of the settlement agreement, the Stipulating Parties at Third Partial Stipulation ¶ 1 have agreed to the positing of the following six questions:

- Are customers with loads greater than 1 aMW receiving a direct benefit from conservation measures funded by amounts collected pursuant to SB 838?
- What is the meaning of "any direct benefit" as used in ORS 757.689(2)(b)?
- Are there any barriers that prevent the ETO from obtaining all cost-effective energy efficiency?

- If such barriers exist, what other options exist to gain all cost effective energy efficiency, including from customers with loads greater than 1 aMW?
- Should the ETO's approach to funding energy efficiency be flexible to take advantage of energy efficiency savings brought about by changes in technology and the economy?
- Should there continue to be a cap of 18.4% on energy efficiency funding provided by the ETO to PGE customers with loads greater than 1 aMW, and if so, what criteria should be used to set such a cap?

As part of the settlement agreement, and as reflected in the Third Partial Stipulation, CUB no longer requests implementation in this UE 283 docket of CUB's proposal to include energy efficiency in the marginal cost of service study in this docket. Third Partial Stipulation ¶ 2. The parties agree that Staff's proposed marginal cost methodology, adjusted to account for using RECs to meet a portion of the RPS requirements, as described in the Second Partial Stipulation, will be used to determine rates in this UE 283 docket. Third Partial Stipulation ¶ 2.

The Third Partial Stipulation also provides that testimony and data requests created in this docket that are relevant to the questions to be addressed in the requested investigatory docket, may be submitted into evidence in the requested investigatory docket to prevent the need for duplicative work across the dockets. Third Partial Stipulation ¶ 3.

The Third Partial Stipulation settles the one remaining issue in this docket. The Stipulating Parties recommend approval of the Third Partial Stipulation and agree that the Third Partial Stipulation is in the public interest and, together with the Partial Stipulation and Second Partial Stipulation, will produce rates that are fair, just and reasonable. Third Partial Stipulation ¶¶ 4-5. The Third Partial Stipulation also contains a number of provisions typically contained in stipulations filed with the Commission. Third Partial Stipulation ¶¶ 6-9.

Conclusion

The Third Partial Stipulation is among Staff, CUB, ICNU, Kroger, NW Energy and PGE. Each of the Stipulating Parties, representing their respective interests, agree that the settlement contained in the Third Partial Stipulation results in fair, just and reasonable rates in this general rate case. The requested investigatory docket will allow the energy efficiency funding question to be addressed more fully. For the reasons set forth above, the Stipulating Parties request that the Commission approve the Third Partial Stipulation.

DATED this 24th day of September, 2014.



PORTLAND GENERAL ELECTRIC
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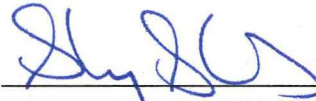
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THE KROGER COMPANY

NW ENERGY COALITION

DATED this 18th day of September, 2014.

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NW ENERGY COALITION

DATED this 3rd day of September, 2014.

PORTLAND GENERAL ELECTRIC
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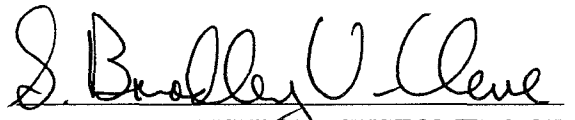
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DATED this ____ day of September, 2014.

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THE KROGER COMPANY

NW ENERGY COALITION

DATED this 5th day of September, 2014.

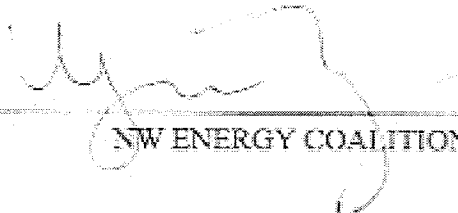
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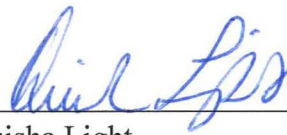


NW ENERGY COALITION

CERTIFICATE OF SERVICE

I hereby certify that I served the **THIRD PARTIAL STIPULATION AND JOINT EXPLANATORY BRIEF IN SUPPORT OF THIRD PARTIAL STIUPLATION** on behalf of the Stipulating Parties, by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UE 283.

DATED at Portland, Oregon, this 25TH day of September, 2014.



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