



**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*

March 11, 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 204**

Attention Filing Center:

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

- **STIPULATION REGARDING DEPRECIATION ISSUES**

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

The parties intend to file a joint brief 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. Tingey", written in a cursive style.


DOUGLAS C. TINGEY  
Assistant General Counsel

DCT:cbm  
Enclosures  
cc: UE 204 Service List

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **STIPULATION REGARDING DEPRECIATION 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. UE 204.

Dated at Portland, Oregon, this 11<sup>th</sup> day of March, 2009.

  
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DOUGLAS C. TINGEY, OSB # 044366  
Assistant General Counsel  
PORTLAND GENERAL ELECTRIC COMPANY  
121 SW Salmon Street, 1WTC1301  
Portland, Oregon 97204  
(503) 464-8926 (telephone)  
(503) 464-2200 (telecopier)  
[doug.tingey@pgn.com](mailto:doug.tingey@pgn.com)

**SERVICE LIST**  
**OPUC DOCKET # UE 204**

G. Catriona McCracken CITIZEN'S UTILITY BOARD OF OREGON <a href="mailto:catriona@oregoncub.org">catriona@oregoncub.org</a> (*Waived Paper Service)	Robert Jenks CITIZEN'S UTILITY BOARD OF OREGON <a href="mailto:bob@oregoncub.org">bob@oregoncub.org</a> (*Waived Paper Service)
Carla Owings OREGON PUBLIC UTILITY COMMISSION PO Box 2148 Salem, OR 97308-2148 <a href="mailto:carla.m.owings@state.or.us">carla.m.owings@state.or.us</a>	Jason W. Jones, Assistant Attorney General DEPARTMENT OF JUSTICE Regulated Utility & Business Section 1162 Court St NE Salem, OR 97301-4096 <a href="mailto:Jason.w.jones@state.or.us">Jason.w.jones@state.or.us</a>
S. Bradley Van Cleve ICNU 333 SW Taylor Street Suite 400 Portland, OR 97204 <a href="mailto:mail@dvclaw.com">mail@dvclaw.com</a>	

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 204**

In the Matter of Revised Tariff Schedules  
filed by Portland General Electric  
Company Regarding the Selective Water  
Withdrawal Project

**STIPULATION REGARDING  
DEPRECIATION ISSUES**

This Stipulation (“Stipulation”) is among Portland General Electric Company (“PGE”), Staff of the Oregon Public Utilities Commission (“Staff”), and the Citizens’ Utility Board of Oregon (“CUB”) (collectively, the “Stipulating Parties”).

**I. INTRODUCTION**

This docket will result in the inclusion in rates of the Selective Water Withdrawal (“SWW”) capital additions and related expenses. PGE is constructing the SWW at the Pelton Round Butte hydro generation facility in compliance with the new 50-year license of the facility.

Settlement conferences have been held in this docket. As a result of those discussions, the Stipulating Parties have agreed to two changes to depreciation-related expenses for the SWW. The specific changes are set forth below. 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. For purposes of rates set in this docket, depreciation rates for the SWW should be set separately from other Round Butte assets in the 332 Account Reservoirs,

Dams, and Waterways, using an S3-95 curve and average life combination. Depreciation will begin the date the plant is closed to books, with rates established at the closing date. The 2009 rate would then be consistent with the test year depreciation expense calculated for 2010, which included the SWW in the derivation.

3. For purposes of rates set in this docket, net salvage rate for the SWW assets should be reduced to negative 50% from negative 100%. The Stipulating parties agree that the issue of the appropriate net salvage rate will be addressed in PGE's next depreciation study for subsequent ratemaking.

4. The impact of these changes is a reduction in book depreciation expense of approximately \$1,000,000 from that originally proposed in this docket, using the currently projected plant amount. The actual impact on book depreciation will depend on the actual plant balance closed to book, and the date it is closed to book.

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 10<sup>th</sup> day of March, 2009.

/s/: Douglas C. Tingey

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PORTLAND GENERAL ELECTRIC  
COMPANY

/s/: Jason W. Jones

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STAFF OF THE PUBLIC UTILITY  
COMMISSION


/s/: G. Catriona McCracken

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CITIZENS' UTILITY BOARD  
OF OREGON

one and the same agreement.

DATED this 10<sup>th</sup> day of March, 2009.

  
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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION

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CITIZENS' UTILITY BOARD  
OF OREGON



one and the same agreement.

DATED this 10<sup>th</sup> day of March, 2009.

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PORTLAND GENERAL ELECTRIC  
COMPANY



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STATE OF THE PUBLIC UTILITY  
COMMISSION

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CITIZENS' UTILITY BOARD  
OF OREGON

one and the same agreement.

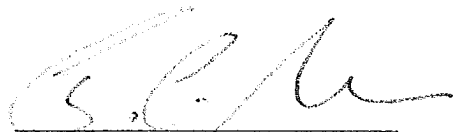
DATED this     day of March, 2009.

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PORTLAND GENERAL ELECTRIC  
COMPANY

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STAFF OF THE PUBLIC UTILITY  
COMMISSION

A handwritten signature in black ink, appearing to be "C. C. W.", written over a horizontal line.

CITIZENS' UTILITY BOARD  
OF OREGON