



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

April 2, 2013

via US Mail and Electronics
puc.filingcenter@state.or.us

Vikie Malkasian, Administrator
Oregon Public Utility Commission
550 Capitol Street, N.E., Ste 215
Salem, OR 97301-2551

ATTN: *Commission Filing Center*

**Re: Steam Contract between PGE and Upper Columbia Mill, LLC.
Advice 2013-S1**

Per ORS 757.005, 757.007, and 757.009, enclosed for filing is an original executed version of a steam contract between Portland General Electric Company ("PGE") and Upper Columbia Mill, LLC, along with three additional hardcopies per the request of OPUC personnel.

This is one of four separate amended agreements for delivery of steam from Coyote on a continuing basis since the start of commercial operations of the Coyote Springs I plant. These four amendments reduce the steam capacity available to two customers (JSH Farms and Upper Columbia Mill) and increase it for two others (ConAgra Lamb Weston and Columbia River Processing). The reductions offset the increases and the amendments should not impact PGE customers.

PGE asks that the Oregon Public Utility Commission ("Commission") approve this amendment of contract for the following reasons: (1) the revenue generated from this steam sale is sufficient to cover relevant costs; (2) this contract is not discriminatory; and (3) PGE customers are held harmless, as this contract incorporates opportunity-cost pricing (i.e., the steam pricing is based on the market value of power that would otherwise be used for electric production). *See Commission Order No. 01-489; docket UE 125.*

We also ask that this matter be considered at the May 21, 2013 Public Meeting, as the steam customer has requested that service begin under the contract on or about May 31, 2013. Therefore, PGE requests that the contract become effective with meter readings on and after May 31, 2013.

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PGE Steam Contract between PGE and Upper Columbia Mill, LLC
April 2, 2013

If you have any questions or require further information, please call me at (503) 464-7580. Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in blue ink that reads "Patrick Hager". The signature is written in a cursive style with a large initial "P".

Patrick Hager
Manager, Regulatory Affairs

PGH/lbh

Attachs: via Electronics and US Mail

cc: OPUC (via electronics)

advice 2013-s1_pge steam contract_upper columbia mill cvrltr_(4-4-13).doc

FIRST AMENDMENT TO ENERGY SALE AGREEMENT

THIS FIRST AMENDMENT TO THE ENERGY SALES AGREEMENT (this "Amendment") is made and entered into as of this 3/21/2013, by and between PORTLAND GENERAL ELECTRIC COMPANY ("Seller" or "PGE") and Upper Columbia Mill, LLC ("Buyer" or "UCM"). PGE and UCM are sometimes referred to in this Amendment in the singular as "Party" and in the plural as the "Parties."

WITNESSETH

WHEREAS, UCM and PGE entered into that certain Energy Sales Agreement dated July 14, 2008 (the "Agreement") pursuant to which PGE agreed to sell steam to UCM and UCM agreed to purchase steam from PGE for the purpose of using steam for industrial purposes.

WHEREAS, UCM desires to purchase decreased quantities of Base Steam by 20,000 pounds per hour at the Steam Delivery Point.

WHEREAS, in connection with a decrease in Base Steam quantities, the Parties now desire to amend the Agreement pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of recitals and covenants set forth in this Amendment, the Parties agree to amend the Agreement as follows:

1. All capitalized terms used in this Amendment, to the extent not otherwise expressly defined herein, shall have the same meanings ascribed to such terms in the Agreement
2. This amendment will become effective on the date of the last Party to sign, but no later than _____ pursuant to Oregon Public Utility approval, and will remain in effect through the terms of the Agreement.
3. Section 5.2 (b) of the Agreement is modified by deleting the second sentence in its entirety.
4. Section 5.2 (d) of the Agreement is modified by deleting the second sentence in its entirety.
5. Section 5.2 (e) of the Agreement is modified by deleting ", (or 63,000 pounds per hour if the additional 20,000 pounds per hour Base Steam are added)" in the last sentence of the paragraph.
6. Section 5.3 (c) of the Agreement is modified by deleting "20,000" pounds per hour and replacing it with "4,000" pounds per hour.
7. Except as amended herein, the terms and conditions of the Agreement shall continue in full force and effect and are hereby ratified in their entirety.

- 8. Each Party to this Amendment represents to the other party that it has the full legal right, power and authority to enter into this Amendment and that this Amendment shall constitute a valid legally binding obligation of the Parties enforceable against such individual Party in accordance with its terms.
- 9. This Amendment may be executed in one (1) or more counterparts, each of which when taken together shall constitute but one and the same Amendment. Counterparts bearing facsimile signatures shall be deemed to constitute originals.

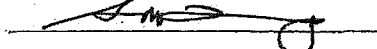
IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused this Agreement to be signed by their respective officers who are duly authorized as of the day and year first set forth above.

Seller:

Buyer:

PORTLAND GENERAL ELECTRIC
COMPANY

UPPER COLUMBIA MILL, LLC.

By: 

By: 

Title: Stephen M. Quennoz
VP Power Supply &
Generation

Title: PRESIDENT & CEO
Collins Management Company

Date: 3/21/13

Date: for Upper Columbia mill
11-21-2012