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May 3, 2011

Public Utility Commission of Oregon  
Attn: Filing Center  
550 Capitol St. N.E., #215  
P. O. Box 2148  
Salem, OR 97308-2148

Attention: Administrative Hearings Division

Re: UM 926 – Request for Order to Sign Bonneville Power Administration Revised Residential Exchange Program Settlement Agreement

Dear Sir or Madam:

Pursuant to ORS 757.663, Portland General Electric Company ("PGE") hereby requests that the Commission require it to sign the Revised Residential Exchange Program Settlement Agreement (the "Revised REP Settlement Agreement") by and between Bonneville Power Administration ("BPA"), PGE, certain investor-owned utilities ("IOUs"), certain state public utility commissions, the Citizens' Utility Board of Oregon ("CUB"), certain consumer-owned utilities ("COUs"), and consumer-owned utility associations (the form of which is attached as Exhibit 1). The Revised REP Settlement Agreement requires parties, except for BPA, to sign on or before June 3, 2011. Accordingly, PGE respectfully requests that the Commission treat this application on an expedited basis to ensure that execution of the Revised REP Settlement Agreement can occur by June 3, 2011.

On March 22, 2011, PGE filed a request (the "Initial Request") asking that the Commission require it to sign the Residential Exchange Program Settlement Agreement ("Original REP Settlement Agreement") offered by BPA. On April 11, 2011, the Commission issued Order No. 11-114, ordering PGE to sign the Original REP Settlement Agreement. On April 13, 2011, PGE delivered to BPA a signed copy of the Original REP Settlement Agreement.

The Original REP Settlement Agreement provided that unless COUs equal to or greater than 91 percent of the total Transition High Water Marks of all COUs executed and

delivered the Original REP Settlement Agreement to BPA by April 15, 2011, the agreement is void. Original Settlement Agreement at §1.2.2. On April 15, BPA announced that it had received signatures of COUs with an aggregate Transition High Water Mark percentage of 81.5%, and, therefore, the Original REP Settlement Agreement was void.

After BPA's announcement, the principal parties who had signed the Original REP Settlement Agreement (the "Regional Parties") met to evaluate the alternatives given that there was strong regional support for the Original REP Settlement Agreement. The Regional Parties agreed to propose the attached Revised REP Settlement Agreement, which makes the following three changes to the provisions of the Original REP Settlement Agreement:

- (1) the date by which parties must sign and deliver signatures is extended from April 15, 2011, to June 3, 2011;
- (2) the minimum aggregate Transition High Water Mark percentage for COU participation is reduced from 91% to 75%; and
- (3) the date by which BPA must provide notice regarding the level of participation is extended from April 25, 2011, to June 6, 2011.

The Revised REP Settlement Agreement incorporates by reference all of the provisions of the Original REP Settlement Agreement with the above revisions. If BPA determines that it will execute the Revised REP Settlement Agreement, then BPA will deliver to each party to the Revised REP Settlement Agreement a conformed copy of the settlement agreement entitled "REP Settlement Agreement" (the "REP Settlement Agreement") that will consist of the provisions of the Original REP Settlement Agreement as revised by the Revised REP Settlement Agreement with conformed signatures. PGE will submit in this docket a signed conformed copy of the REP Settlement Agreement upon receipt from BPA.

The Regional Parties committed to the Revised REP Settlement Agreement reflect board regional support for settlement. The Regional Parties serve more than 90% of the electric load in the Pacific Northwest. The COUs proposing the Revised REP Settlement Agreement are confident that its members can secure signatures from a substantial majority of BPA's public power customers – more than enough to reach the 75% threshold. In addition, the Regional Parties have recommitted to working together to promote the settlement among public power members and to seek ratification from the U.S. Congress as provided under the Original REP Settlement Agreement and the Revised REP Settlement Agreement. *See* Initial Request, § II.E.

PGE recommends that the Commission order it to sign the Revised REP Settlement Agreement. For the reasons set forth in the Initial Request, the benefits of the Original REP Settlement Agreement to PGE's residential and small farm customers outweighed the risks. The only change proposed to the settlement (other than timing) is the reduction in the COUs' load required to sign. This reflects a modest increase in overall uncertainty given that

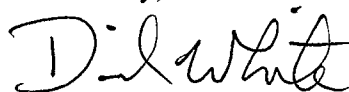
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REP Settlement Benefits, as defined in the Initial Request, may be adjusted based on the outcome of litigation and such adjustment is proportional to the level of COU participation in the settlement. *See* Initial Request, § III(A). It also reflects a slight reduction in the benefits associated with settlement of the currently pending Ninth Circuit litigation. The other terms of the Original REP Settlement Agreement remain the same, including the positive near-term customer impacts (an expected near-term increase in REP benefits for 2012, as compared to 2011, from approximately \$49 million to approximately \$58 million).

It is PGE's recommendation that that the Commission conclude that the revisions are not material. Even with the proposed revisions, the substantial benefits of the settlement (fixed amount of REP Settlement Benefits for allocation among the IOUs, a share of the RECs from the BPA system, interim true-up payment, reduction in litigation risk, and fostering positive regional relationships) outweigh the risks.

PGE appreciates the contributions from Commission Staff (Marc Hellman) and the Citizens' Utility Board of Oregon (Bob Jenks) and their respective counsel (Stephanie Andrus for Commission Staff and Catriona McCracken for CUB) throughout this settlement process, particularly their work on the Revised REP Settlement Agreement. We respectfully request that the Commission order PGE to sign the Revised REP Settlement Agreement.

Sincerely,



David F. White, On Behalf of  
Portland General Electric Company

DFW/cmc/kw  
Enclosure

cc: UM 926 Service List

001991/00314/2849297v3

# **EXHIBIT 1**

## REVISED REP SETTLEMENT AGREEMENT

This Revised REP Settlement Agreement (“Revised REP Settlement Agreement”) is entered into by and among the Bonneville Power Administration (“BPA”) and the undersigned investor-owned utilities, state public utility commissions, Citizens’ Utility Board of Oregon, consumer-owned utilities, consumer-owned utility associations, and other BPA power customers:

1. As used in paragraphs 2, 3, and 4 herein, the term “Document” means that certain document entitled “REP Settlement Agreement” and identified as Contract No. 11PB-12322, which has also been marked as REP-12-E-BPA-11 in the BPA’s REP-12 proceeding, together with all exhibits thereto.

2. Section 1.2.2 of the Document, “Conditions Precedent to Initial Obligations,” is hereby revised as follows:

(a) the phrase “April 15, 2011” in item (i) of Section 1.2.2 is revised to “June 3, 2011”;

(b) the phrase “91 percent” in item (i) of Section 1.2.2 is revised to “75 percent”;  
and

(c) the phrase “April 25, 2011” in item (ii) of Section 1.2.2 is revised to “June 6, 2011”;

and no other provision of the Document is revised hereby.

3. The Document, as revised as described in the preceding paragraph, is incorporated into this Revised REP Settlement Agreement by reference, as if set forth fully herein.

4. Each signatory represents that he or she is authorized to enter into this Revised REP Settlement Agreement on behalf of the party hereto for whom he or she signs. For the convenience of the parties hereto, this Revised REP Settlement Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts together constituting the same agreement. If the Administrator executes this Revised REP Settlement Agreement as specified in section 1.4 of the Document as revised and incorporated herein, BPA will promptly deliver to each party hereto a conformed copy of this Revised REP Settlement Agreement in the form of the Document as revised hereby and dated as of the date on which the Administrator executes this Revised REP Settlement Agreement. Each signatory authorizes BPA to reflect such signatory’s conformed signature on the signature pages of such conformed copy.

5. The conformed copy as described in paragraph 4 hereof will, for all purposes, constitute the "REP Settlement Agreement," and will be binding on the parties hereto according to its terms.

FULL NAME OF PARTY

\_\_\_\_\_  
*(Print / Type)*

By \_\_\_\_\_

Title \_\_\_\_\_

Name \_\_\_\_\_  
*(Print / Type)*

Date \_\_\_\_\_

## CERTIFICATE OF SERVICE

I hereby certify that on the 3rd day of May, 2011, I served the foregoing UM 926 - Request for Order to Sign Bonneville Power Administration Revised Residential Exchange Program Settlement by e-mail and/or mailing a copy thereof, to each party that has not waived paper service, in a sealed, first-class postage prepaid envelope, addressed to each party listed below and depositing in the US mail at Portland, Oregon.

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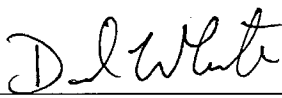
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By:   
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