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January 14, 2011

**VIA E-FILING & FIRST CLASS MAIL**

Oregon Public Utility Commission  
Attn: Filing Center  
550 Capitol St. NE, Suite 215  
P. O. Box 2148  
Salem, Oregon 97308-2148

Re: *UE 178(4)*

Attention Filing Center:

Enclosed for filing in the above-referenced docket are the original and five copies of the following documents filed on behalf of Portland General Electric Company:

1. Motion to Admit Stipulation and Testimony;
2. Stipulation;
3. Joint Testimony in Support of Stipulation – Bird – Feighner – Tinker;
4. Affidavit of Jay Tinker; and
5. Affidavit of Gordon Feighner.

An original Affidavit for Mr. Tinker is being filed. PGE will file the original of Mr. Feighner's Affidavit upon receipt. The Affidavit of Carla Bird will be filed during the week of January 17. Confidential Exhibit 104 will be filed separately.

These documents are being filed electronically per the Commission's eFiling policy to the electronic address [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us), with copies being served on all

Oregon Public Utility Commission  
January 14, 2011  
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parties on the service list via e-mail and, if they have not waived paper service, by U.S. Mail. Photocopies of the PUC tracking information will be forwarded with the hard copy filings.

Very truly yours,



David F. White

DFW/ldh  
Enclosures  
cc: Service List

001991/00252/2667008v1

## CERTIFICATE OF SERVICE

I hereby certify that on this day I served the foregoing **STIPULATION** 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.

Carla Bird –Confidential  
Oregon Public Utility Commission  
P.O. Box 2148  
Salem, OR 97308-2148

OPUC Dockets  
610 SW Broadway, Suite 308  
Portland, OR 97205  
Email: dockets@oregoncub.org

Deborah Garcia –Confidential  
Public Utility Commission of Oregon  
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Citizens' Utility Board of Oregon  
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Robert Jenks  
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Regulated Utility & Business Section  
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Portland General Electric Company  
Rates & Regulatory Affairs  
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G. Catriona McCracken  
Legal Counsel/Staff Attorney  
610 SW Broadway, Suite 400  
Portland, OR 97205  
Email: catriona@oregoncub.org

DATED this 14<sup>th</sup> day of January, 2011.

TONKON TORP LLP

By David White

DAVID F. WHITE, OSB No. 01138  
Attorneys for Portland General Electric Company

001991/00252/2654035v3001991/00252/2654035v3

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UE 178(4)**

In the Matter of

OREGON PUBLIC UTILITY  
COMMISSION STAFF

Requesting the Commission Direct  
PORTLAND GENERAL ELECTRIC  
COMPANY

To file tariffs establishing automatic  
adjustment clauses under the terms of  
SB 408

**STIPULATION**

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

**I. INTRODUCTION**

Pursuant to ORS 757.268 and OAR 860-022-0041, on October 15, 2010, PGE filed its tax report for calendar-years 2007, 2008 and 2009 ("2009 Tax Report"). Staff, CUB, ICNU, and PGE conducted workshops and settlement conferences on November 2, December 9, and December 15, 2010, and January 4, 2011. On December 23, 2010, Staff filed an issues list. On December 28, 2010, Staff filed a revised issues list. In addition, PGE has responded to a number of data requests issued by Staff and ICNU.

As a result of the settlement discussions, the Stipulating Parties have agreed to the terms of this Stipulation and to submit the Stipulation to the Commission. The

Stipulating Parties request that the Commission issue an order approving the Stipulation and implementing its terms.

## II. SPECIFIC TERMS

A. The Stipulating Parties agree for the purpose of settlement that PGE will file a revised 2009 Tax Report in conjunction with the filing of this Stipulation for calendar year 2009 that makes the following adjustments:

- “Federal Income Taxes Paid by Taxpayer” on page two, line one is reduced by approximately \$61 million to reflect two tentative refunds for 2009 (the “2009 Tax Refunds”).
- “Revenue Collected” on page 1, line 7 is increased by approximately \$13.4 million to reflect supplemental tariffs for AMI and Biglow Canyon 1 Adjustment.
- Page six, line 26 is increased by \$673,822 to correct an error related to the iterative effect for the consolidated method.
- Page two, line 11 is revised to remove the “Utility Oregon tax rate change” of \$3.4 million deferred true-up amount. This adjustment reflects a true-up of previously booked deferred amounts for the change in Oregon tax rate. This amount is moved to page six, lines 4a, 13a, and 22a.

B. The Stipulating Parties agree that the 2009 Tax Report reflects the 2009 Tax Refunds and such refund amounts will not be recognized in future tax reports for any purpose including (i) under any of the methods used for calculating “taxes paid” or (ii) for determining the normalization floor pursuant to OAR 860-022-0041(4)(d). Any adjustments ordered by the Internal Revenue Service with respect to the 2009 Tax Refunds may be recognized in future tax reports.

C. The Stipulating Parties recognize that the impact of the losses leading to the 2009 Tax Refunds upon PGE’s Oregon state tax liability will be recognized in a future tax report as a carry-forward benefit through a reduction of utility tax expenses.

D. The Stipulating Parties agree that PGE will, to the extent consistent with

governing Commission rules, use a "filed, and (i) received or (ii) paid" standard for the timing of recognition of prior year tax adjustments. Under this standard, prior year tax adjustments will be included in a tax report if the adjustment is filed with the taxing authorities and payment is made or received by the utility before the filing of the tax report. The Stipulating Parties acknowledge that a portion of the 2009 Tax Refund (approximately \$8.1 million) has not yet been received by PGE but is included in the 2009 Tax Refunds and reflected in the 2009 Tax Report for settlement purposes.

E. The Parties agree that in future tax reports PGE will include in "revenue collected" revenues from supplemental tariffs that contain an income tax component in the rate calculation.

F. The Parties agree that for settlement purposes Staff and CUB support a true-up to the deferred tax balance of approximately \$3.4 million that represents an adjustment for the change in the Oregon tax rate. However, Staff and CUB reserve the right to review in future tax report proceedings the appropriate impact of tax rate changes on deferred taxes.

G. A copy of the tax report for calendar year 2009 making these adjustments is being filed in this docket as Joint Stipulation Exhibit 104 (the "Amended 2009 Tax Report").

H. The Stipulating Parties agree that the Amended 2009 Tax Report properly reflects a Federal & State refund of \$7.9 million and a Local surcharge of \$284,881 and that such adjustment amounts are consistent with the applicable statutes and rules. The Stipulating Parties further agree that rates reflecting such rate adjustments are just, reasonable and fair.

I. The federal and state tax adjustment reflected in the Amended 2009 Tax Report will be implemented through Schedule 140. The local tax adjustment reflected in the Amended 2009 Tax Report will be implemented through PGE's existing Multnomah County Business Income Tax Schedule 106.

### III. GENERAL TERMS

A. The Stipulating Parties agree that the Stipulation represents a compromise of the positions of the parties for the purpose of this docket. Without the written consent of all 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. Nothing in this paragraph precludes a party from stating as a factual matter what the parties agreed to in this Stipulation.

B. If this Stipulation is challenged by any other party to this proceeding, or any other party seeks an adjustment amount that departs from 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 explain or describe the terms of this Stipulation. Notwithstanding this reservation of rights, the Stipulating Parties agree they will continue to support the Commission's adoption of the terms of this Stipulation.

C. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves its right (i) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation and (ii) pursuant to OAR 860-001-0720, to seek rehearing or reconsideration.

D. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support the Stipulation at



the hearing, and recommend that the Commission issue an order implementing the terms of the Stipulation.

E. By entering into this 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 Stipulation, no Stipulating Party shall be deemed to have agreed to any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

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

DATED this 14<sup>th</sup> day of January, 2011.

PORTLAND GENERAL ELECTRIC  
COMPANY

By Dan White  
Its Legal Counsel

STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

By Paula Graham for Jason W. Jones  
Its Legal Counsel

CITIZENS' UTILITY BOARD OF OREGON

By [Signature]  
Its Legal Counsel

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE 178(4)

In the Matter of

OREGON PUBLIC UTILITY COMMISSION  
STAFF

Requesting the Commission Direct  
PORTLAND GENERAL ELECTRIC  
COMPANY

To file tariffs establishing automatic adjustment  
clauses under the terms of SB 408

**MOTION TO ADMIT STIPULATION  
AND TESTIMONY**

Pursuant to OAR 860-001-0350(7), Portland General Electric Company ("PGE") moves for admission of the attached Stipulation, dated January 14, 2011, submitted herewith as evidence in this proceeding. PGE also moves that the following testimony and exhibit(s) in support of that Stipulation be admitted into the record of this proceeding:

Testimony	Witness(es)
Joint Testimony in Support of Stipulation/100-103, 104HC, 105	Carla Bird Gordon Feighner Jay Tinker

The affidavit(s) for Messrs. Tinker and Feighner attesting to the truth and accuracy of the testimony and exhibits are attached. We will file Ms. Bird's affidavit during the

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week of January 17, 2011. An original affidavit for Mr. Tinker is being filed. PGE will file the original of Mr. Feighner's Affidavit with the OPUC Filing Center upon receipt.

DATED this 14<sup>th</sup> day of January, 2011.

Respectfully submitted,



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david.white@tonkon.com

## CERTIFICATE OF SERVICE

I hereby certify that on this day I served the foregoing **MOTION TO ADMIT STIPULATION AND TESTIMONY** 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.

Carla Bird –Confidential  
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P.O. Box 2148  
Salem, OR 97308-2148

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DATED this 14th day of January, 2011.

TONKON TORP LLP

By David White  
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Attorneys for Portland General Electric Company

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