

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 180/ UE 181/ UE 184

In the Matter of )  
)  
PORTLAND GENERAL ELECTRIC )  
COMPANY )  
)  
Request for a General Rate Revision (UE 180), )  
\_\_\_\_\_ )

In the Matter of )  
)  
PORTLAND GENERAL ELECTRIC )  
COMPANY )  
)  
Annual Adjustments to Schedule 125 (2007 )  
RVM Filing) (UE 181), )  
\_\_\_\_\_ )

STIPULATION REGARDING  
REVENUE REQUIREMENT  
ISSUES

In the Matter of )  
)  
PORTLAND GENERAL ELECTRIC )  
COMPANY )  
)  
Request for a General Rate Revision relating to )  
the Port Westward Plant (UE 184). )  
\_\_\_\_\_ )

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

**I. INTRODUCTION**

On March 15, 2006, PGE filed Advice No. 06-8 for a general rate revision to increase its retail rates by about \$98 million. The filing was based on a projected test year of 2007 and was

docketed as UE 180. The advice filing was suspended by the Commission, and on April 4, 2006, the Administrative Law Judge held a Prehearing Conference and established a procedural schedule. On April 24, 2006, PGE filed Advice No. 06-10, to reflect in rates the Port Westward generation plant when it comes into service for customers, currently anticipated to be about March 1, 2007. That filing was docketed as UE 184, and was also suspended by the Commission. Dockets UE 180, UE 184 and UE 181 (PGE's 2007 RVM filing), have all been consolidated.

Pursuant to the procedural schedule adopted by the Administrative Law Judge, Staff and Intervenors published settlement proposals on July 6, 2006. Staff also published a revised settlement proposal on July 12, 2006. Settlement Conferences were commenced on July 13, 14 and 17, 2006, and were continued on July 20 and 24. The Settlement Conferences were open to all parties. As a result of those settlement discussions, the Stipulating Parties have agreed to a reduction in PGE's requested revenue requirement with respect to specified adjustments. 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 all revenue requirement issues except cost of capital, power costs, Port Westward, and AMI.
2. The Stipulating Parties agree that PGE will reduce its revenue requirement request, and make rate base modifications, to reflect the adjustments listed in Attachment A to this Stipulation. The parties agree to calculate the revenue requirement impact of the adjustments listed in Attachment A consistent with the final Commission approved cost of capital in this case.

3. The Stipulating Parties recommend that the Commission approve the various tariff, rate base, expense and other revenue adjustments described in Attachment A.

4. 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. The Stipulating Parties agree that they will not cite this Stipulation as precedent in any other proceeding other than a proceeding to enforce the terms of this Stipulation.

5. The Parties agree that this Stipulation is in the public interest and will result in rates that are fair, just and reasonable.

6. If this Stipulation is challenged by any other party to this proceeding, or any other party seeks a revenue requirement for PGE 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 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.

7. 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.

8. 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, 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).

9. 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.

10. 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 <sup>24<sup>th</sup></sup> day of August, 2006.

  
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PORTLAND GENERAL ELECTRIC  
COMPANY

\_\_\_\_\_  
STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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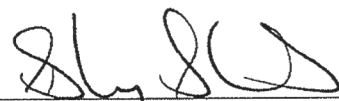
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PORTLAND GENERAL ELECTRIC  
COMPANY



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STAFF OF THE PUBLIC UTILITY  
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CITIZENS' UTILITY BOARD OF OREGON

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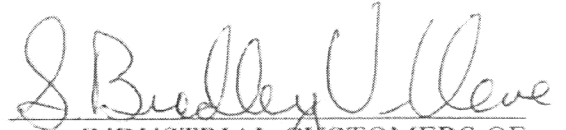
INDUSTRIAL CUSTOMERS OF  
NORTHWEST UTILITIES

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FRED MEYER STORES

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CITIZENS' UTILITY BOARD OF OREGON

  
INDUSTRIAL CUSTOMERS OF  
NORTHWEST UTILITIES

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CITIZENS' UTILITY BOARD OR OREGON

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INDUSTRIAL CUSTOMERS OF  
NORTHWEST UTILITIES



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FRED MEYER STORES



## Attachment "A"

The Stipulated adjustments to PGE's advice filing are described below. The revenue requirement impact of each adjustment will be determined once the Cost of Capital issue is decided.

- S-1 Taxes Other Than Income: Reduce O&M costs by \$2,267,000.
- S-3 O&M / A&G: Reduce O&M costs by \$6,551,000, which consists of \$34,000 in Transmission O&M, \$1,623,000 in Distribution O&M, and \$4,894,000 in A&G.
- S-5 Incentives: Reduce O&M costs by \$4,366,000, and reduce rate base by \$1,271,000.
- S-6 Wages/Salaries: Reduce O&M costs by \$3,534,000, and to reduce rate base by \$1,029,000.
- S-8 Other Revenue: Increase Other Revenue by \$40,000.
- S-9 Capital Expenditures: Reduce rate base by \$7,000,000.
- S-11 System Losses: No change to PGE's filed Line Loss Study.
- S-12 Memberships: Reduce O&M costs by \$82,000.
- S-13 Tenant Improvements: No change to PGE filed case.
- S-14 Weatherization: Reduce O&M costs by \$69,000, with the ability of PGE and other parties to present testimony and argument, and seek a Commission decision, regarding the policy behind these expenses.
- S-15 Customer Service/Accounts: Reduce O&M costs by \$1,575,000.