



Portland General Electric Company
Legal Department
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Douglas C. Tingey
Assistant General Counsel

December 14, 2005

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
PO Box 2148
Salem OR 97308-2148

Re: In the Matter of the Complaint of SP NEWSPRINT CO. against
PORTLAND GENERAL ELECTRIC COMPANY
OPUC Docket No. UM 1235

Attention Filing Center:

Enclosed for filing in the above-captioned docket are the following documents, which are being filed by electronic mail with the Filing Center:

- Stipulation of PGE and SP Newsprint Company;
- Joint Explanatory Brief of PGE and SP Newsprint in Support of Stipulation; and
- Motion of PGE to Set Deadline for Intervention and to Shorten Response Time to Stipulation.

An extra copy of this cover letter is enclosed. Please date stamp the extra copy and return it to me in the envelope provided.

Thank you in advance for your assistance.

Sincerely,

/s/ DOUGLAS C. TINGEY

DCT:am

cc: UM 1235 Service List

Enclosure

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1235

In the Matter of) **STIPULATION**
)
SP NEWSPRINT CO.)
)
v.)
)
PORTLAND GENERAL)
ELECTRIC COMPANY)

This Stipulation (“Stipulation”) is among Portland General Electric Company (“PGE”) and SP Newsprint Co. (“SP”) (collectively, the “Parties”). Capitalized terms used in this Stipulation have the meanings ascribed to them in this Stipulation.

BACKGROUND

1. SP is a customer of PGE, currently taking service under PGE’s Partial Requirements Service Tariff Schedule 75 at its Newberg Mill in Newberg, Oregon. SP has two gas turbine electric generators at its Newberg Mill that it has used to supply most of the electricity used at the mill since July 2003.

2. Since January 2005, SP’s Baseline Demand under Schedule 75 has been 2.0 megawatts. On October 28, 2005, SP sent a letter to PGE (a copy of which is attached as Exhibit 1 to the Complaint in this matter) requesting that PGE increase its Baseline Demand at the Newberg Mill from 2.0 megawatts to 20.0 megawatts, effective January 1, 2006.

3. Special Condition 9 of Tariff Schedule 75 states:

The Consumer's Baseline Demand may be modified as requested by the Consumer upon the addition of permanent energy efficiency measures, load shedding, or the removal of equipment. The Consumer's Baseline Demand may be modified by the Company if the Company determines that the level does not reflect load adjusted for the actual Consumer generation.

4. SP states that it has added permanent energy efficiency measures and made changes in its processes and production lines that decrease its energy needs and make uneconomic the dispatch of its second gas turbine. SP claims that as a result of such changes it has met the requirements to increase its Baseline Demand under Schedule 75.

5. On November 1, 2005, PGE notified SP that it did not qualify under Schedule 75 to raise its Baseline Demand as requested. (A copy of PGE's letter to SP is attached as Exhibit 2 to the Complaint in this docket.)

6. On or about November 15, 2005, SP elected the annual cost of service option for its Baseline Demand energy.

7. On December 2, 2005, SP filed the Complaint in this docket claiming that it met the requirements to increase its Baseline Demand under Schedule 75 effective January 1, 2006. PGE denies that SP has met the requirements, and further denies all other allegations that PGE has misapplied the tariff or otherwise acted improperly.

8. The level of SP's baseline demand has an effect on Schedule 125, Part A, rates for other large, non-residential customers.

9. The Parties have worked to resolve this issue both before and after the filing of the Complaint. To settle the matter and provide certainty with respect to SP's rates starting January

1, 2006, and also certainty with respect to the impact that a change in SP's Baseline Demand will have on other customers through Schedule 125 credits in 2006, the Parties have agreed on the compromise position set forth herein. The Parties agree to and request that the Commission adopt orders in this docket implementing and approving the following:

STIPULATION

10. From January 1, 2006, through December 31, 2006, SP's Baseline Demand under Schedule 75 will be 11.0 MW. The Baseline Demand will not be changed during 2006.

11. The Parties agree to seek expedited consideration of this Stipulation such that the rate effects can be implemented on January 1, 2006. This Stipulation does not affect SP's ability to give notice in 2006 for a change to its Baseline Demand effective in 2007 under Schedule 75; nor does it bind PGE to accept SP's interpretation of Schedule 75 provisions.

12. The Parties agree that this Stipulation resolves all the issues related to this Complaint docket.

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

14. The Parties shall file this Stipulation with the Commission. The Parties agree to support this Stipulation before the Commission and before any court in which this Stipulation may be considered. 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, or fails to utilize the results of this Stipulation in setting Schedule 125, Part A, rates in PGE's current RVM proceeding, Docket UE 172, each Party reserves the right to withdraw from this Stipulation upon

written notice to the Commission and the other Party within five (5) business days of service of the final order rejecting this Stipulation or adding such material condition.

15. Upon adoption of this Stipulation by the Commission, PGE will withdraw Advice Filing 05-17. PGE has agreed to extend the effective date of the Advice Filing until the Commission acts on this Stipulation.

16. 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.

17. The 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 Parties agree that a Commission order adopting this Stipulation will not be cited as precedent in other proceedings for the matters resolved in this Stipulation.

18. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR § 860-14-0085. The Parties agree to cooperate in drafting and submitting the explanatory brief or written testimony required by OAR § 860-14-0085(4).

19. 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.

DATED THIS 14th day of December, 2005.

PORTLAND GENERAL ELECTRIC
COMPANY

SP NEWSPRINT CO.

/s/ DOUGLAS C. TINGEY

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/s/ TAMARA L. FAUCETTE

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Of Attorneys for SP Newsprint

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the following documents:

- Stipulation of PGE and SP Newsprint Company;
- Joint Explanatory Brief of PGE and SP Newsprint in Support of Stipulation; and
- Motion of PGE to Set Deadline for Intervention and to Shorten Response Time to Stipulation

to be served by First Class US Mail, postage prepaid and properly addressed, and by electronic mail, upon each party on the following official service list in this proceeding:

<p>TAMARA FAUCETTE CABLE HUSTON BENEDICT HAAGENSEN & LLOYD LLP 1001 SW 5TH AVE STE 2000 PORTLAND OR 97204 tfaucette@chbh.com</p>	<p>CHAD M STOKES CABLE HUSTON BENEDICT HAAGENSEN & LLOYD, LLP 1001 SW 5TH - STE 2000 PORTLAND OR 97204 cstokes@chbh.com</p>
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Dated at Portland, Oregon, this 14th day of December, 2005.

/s/ DOUGLAS C. TINGEY
Douglas C. Tingey