



**Portland General Electric Company**  
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(503) 464-8926 • Facsimile (503) 464-2200

**Douglas C. Tingey**  
Assistant General Counsel

June 21, 2010

***Via Electronic Filing and U.S. Mail***

Oregon Public Utility Commission  
Attention: Filing Center  
550 Capitol Street NE, #215  
PO Box 2148  
Salem OR 97308-2148

**Re: UM 1252**

Attention Filing Center:

Enclosed for filing in the captioned docket are an original and five copies of:

- **STIPULATION & EXPLANATORY BRIEF**

This is being filed by electronic mail with the Filing Center.

An extra copy of the cover letter is enclosed. Please date stamp the extra copy and return to me in the envelope provided. Thank you in advance for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "DCT", is written over a faint, larger version of the signature.

**DOUGLAS C. TINGEY**  
Assistant General Counsel

DCT:cbm  
Enclosures  
cc: UM 1252 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1252**

In the Matter of	)	
PORTLAND GENERAL ELECTRIC COMPANY	)	<b>STIPULATION</b>
Application for Deferred Accounting of Savings associated with the 2005 Oregon Corporate Tax Kicker	)	

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

On March 6, 2006, PGE filed an application to defer savings associated with the 2005 Oregon Corporate Tax Kicker (the “Deferred Amount”). Staff recommended that the Commission approve PGE’s request and that the ratemaking treatment be reserved for a later ratemaking proceeding. Staff also proposed that the earnings test associated with the potential amortization of the Deferred Amount be considered prior to amortization. In Order No. 06-183, the Commission adopted Staff’s recommendations and approved PGE’s deferred accounting application.

On January 29, 2010, PGE filed direct testimony concluding that an earnings test is required by ORS 757.259, that PGE’s earnings during the relevant period were substantially below PGE’s authorized level, and that no amortization of the Deferred Amount should therefore occur. PGE/100, Hager-Tinker/3. A procedural schedule was adopted on March 4, 2010, and amended on March 30, 2010. The Stipulating Parties participated in a settlement conference on

June 2, 2010. Those discussions resulted in a settlement among the Stipulating Parties described in detail below.

### **TERMS OF STIPULATION**

1. This Stipulation resolves all issues in this docket.
2. Staff, ICNU, and CUB have independently reviewed PGE's direct testimony, exhibits, and work papers and agree that PGE's earnings during the deferral period are insufficient to support amortization of the Deferred Amount and that no amortization of the Deferred Amount should occur.
3. The Stipulating Parties recommend and request that the Commission approve the Stipulation as appropriate and reasonable resolutions of all issues in this proceeding. The Stipulating Parties agree that this Stipulation is in the public interest and since no amortization of the deferred amount will occur, this action will not have an impact on current or future rates.
4. The Stipulating Parties agree that this Stipulation represents a settlement of 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.
5. 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 Stipulating Party reserves the right to withdraw from this Stipulation upon written notice to the Commission and the other Stipulating Parties within fifteen (15) business days of service of the final order that rejects this Stipulation or adds such material condition. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.
6. 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 (if necessary), and recommend that the Commission issue an order adopting the settlement

contained herein. The Stipulating Parties also agree to cooperate in drafting and submitting the written testimony or explanatory brief required by OAR § 860-14-0085(4).

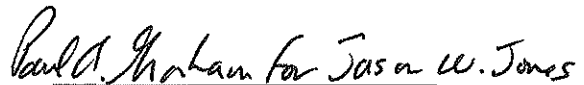
7. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Party in arriving at the terms of this Stipulation, other than those specifically identified in the Stipulation. Except as provided 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.

8. 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 16<sup>th</sup> day of June, 2010.



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PORTLAND GENERAL ELECTRIC  
COMPANY



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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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CITIZENS' UTILITY BOARD  
OF OREGON

\_\_\_\_\_  
INDUSTRIAL CUSTOMERS OF  
NORTHWEST UTILITIES

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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1252**

In the Matter of	)	
	)	
PORTLAND GENERAL ELECTRIC COMPANY	)	<b>EXPLANATORY BRIEF</b>
	)	
Application for Deferred Accounting of Savings Associated with the 2005 Oregon Corporate Tax Kicker	)	

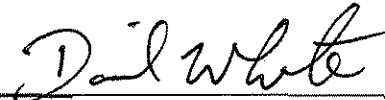
This Explanatory Brief is filed pursuant to OAR § 860-14-0085(4) in support of the Stipulation (the “Stipulation”) entered into between Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon (“Staff”), the Citizens’ Utility Board of Oregon (“CUB”), and the Industrial Customers of Northwest Utilities (“ICNU”) (collectively, the “Stipulating Parties”).

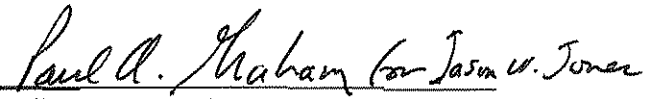
On March 6, 2006, PGE filed an application to defer savings associated with the 2005 Oregon Corporate Tax Kicker (the “Deferred Amount”). Staff recommended that the Commission approve PGE’s request and that the ratemaking treatment be reserved for a later ratemaking proceeding. Staff also proposed that the earnings test associated with the potential amortization of the Deferred Amount be considered prior to amortization. In Order No. 06-183, the Commission adopted Staff’s recommendations and approved PGE’s deferred accounting application. On January 29, 2010, PGE filed direct testimony concluding that an earnings test is required by ORS 757.259, that PGE’s earnings during the relevant period were substantially below PGE’s authorized level, and that no amortization of the Deferred Amount should therefore occur. PGE/100, Hager-Tinker/3. Similarly, in UM 1224, the Commission concluded that PGE’s earnings during a similar period were too low to support refunding of amounts deferred in that proceeding. Commission Order No. 09-316.

Staff, ICNU, and CUB have independently reviewed PGE's direct testimony, exhibits, and work papers. Stipulation, §2. They agree that PGE's earnings during the deferral period are insufficient to support amortization of the Deferred Amount and therefore, no amortization of the Deferred Amount should occur. *Id.*

Accordingly, the Stipulating Parties recommend and request that the Commission approve the Stipulation as an appropriate and reasonable resolution of all issues in this proceeding. The Stipulating Parties agree that this Stipulation is in the public interest and since there will be no amortization, there will be no impact on current or future rates. *Id.* at §3

DATED this 18<sup>th</sup> day of June, 2010.

  
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PORTLAND GENERAL ELECTRIC  
COMPANY

  
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STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

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DATED this 16 day of June, 2010.

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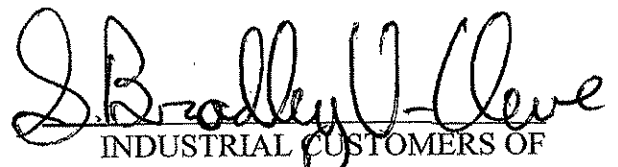
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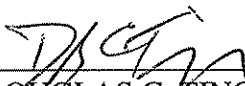
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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day caused **STIPULATION AND EXPLANATORY BRIEF** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No. UM 1252.

Dated at Portland, Oregon, this 21<sup>st</sup> day of June, 2010.

  
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Portland General Electric Company  
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Portland, OR 97204  
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OPUC DOCKET # UM 1252

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