

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 249, UM 1574

In the Matters of

PORTLAND GENERAL ELECTRIC
COMPANY Renewable Resource
Automatic Adjustment Clause
(Schedule 122) (UE 249)

ORDER

and

PORTLAND GENERAL ELECTRIC
COMPANY Application for an Order
Approving the Deferral of Incremental
Costs Associated with Baldock Solar
Project (UM 1574)

DISPOSITION: STIPULATION ADOPTED

I. BACKGROUND

On March 29, 2012, Portland General Electric Company (PGE) filed its annual Renewable Resources Automatic Adjustment Clause update pursuant to PGE tariff Schedule 122, including revised tariff sheets, testimony and work papers. The filing, docketed as UE 249, primarily requested recovery of revenue requirements for one qualifying renewable generating project through PGE's Schedule 122: the Baldock Solar Project.

Prior to being addressed in the UE 249 filing, the Baldock Solar Project had been addressed in two other dockets. In docket UP 278, PGE sought authorization to sell the Baldock Solar Project as part of a sale/lease-back financing structure. PGE proposed amortization of proceeds from the sale in rates beginning in 2013. On January 10, 2012, we approved the sale in Order No. 12-006, providing for the review of the reasonableness of all financial aspects of the transaction in any rate proceeding or earnings review. Sale of the Baldock Solar Project was closed on January 19, 2012.

On January 18, 2012, PGE filed an Application for Deferral of Revenue Requirement of Incremental Costs Associated with the Baldock Solar Project (docket UM 1574). The application sought deferral of the revenue requirement associated with the 2012

incremental costs of the Baldock Solar Project and the estimated gain on the sale transaction. We granted the deferral application in Order No. 12-063 on February 28, 2012.

PGE's application in this docket provides for the inclusion of costs for the Baldock Solar Project in rates, and presents estimated 2012 and 2013 revenue requirements and the gain on the sale transaction for the Baldock Solar Project for a proposed net credit to customers of approximately \$1.26 million in 2013. The application indicates that PGE will file an update reflecting then-current costs of the project by December 1, 2012. PGE states an expectation that the update will not be significant.

On May 14, 2012, a prehearing conference was held in this docket and a schedule was adopted for the proceeding, including dates for settlement conferences. The Citizens' Utility Board of Oregon (CUB) noticed its intervention, and the Industrial Customers of Northwest Utilities (ICNU) intervened.

On June 25, 2012, a settlement conference was held and an agreement was reached to settle all issues in the docket. On August 8, 2012, a stipulation between PGE, Commission Staff, CUB, and ICNU (the stipulating parties) was filed ahead of the due date for testimony by Staff and intervenors. The stipulation is attached to this order as Appendix A.

II. THE STIPULATION AND SUPPORT FOR THE STIPULATION

The stipulating parties agree that the stipulation settles all issues in the docket in a manner that is in the public interest, and request that the Commission adopt it. The Stipulating Parties conclude that the costs and revenues associated with the Baldock Solar Project, resulting in a likely credit to customers in 2013, are appropriate and should be approved by the Commission to be incorporated into Schedule 122 rates beginning January 1, 2013.

Consistent with Schedule 122, the stipulating parties agree that PGE will update its 2012 deferred costs, with the actual deferred revenue requirement, by December 1, 2012. The update will include projected power costs and benefits for November and December. The stipulation indicates that any variances between the estimate in the December 1 update and the actual benefits for November and December will be the basis of a deferred amount that will be refunded or collected in a future period. The stipulation provides that there will be an opportunity to review and potentially challenge the reasonableness or prudence of the actual costs.

Under the stipulation, the updated deferred costs and estimated 2013 costs, plus the amortized gain from the sale of the Baldock Solar Project, will provide the basis of Schedule 122 prices for 2013. The stipulation acknowledges PGE's estimates that the net of these costs and sale proceeds will result in a credit of approximately \$1.26 million to customers in 2013.

III. DISCUSSION

The Commission encourages parties to voluntarily resolve the issues in proceedings to the extent that settlement is in the public interest. The active participants in this docket entered into a stipulation that resolves all outstanding issues. No party has filed an objection to the stipulation.

The Commission has examined the stipulation, the joint explanatory brief, and the pertinent record in the case. The Commission concludes that the stipulation, attached as Appendix A, provides an appropriate resolution of all the pending issues in this docket and adopts the stipulation in its entirety without modification.

IV. ORDER

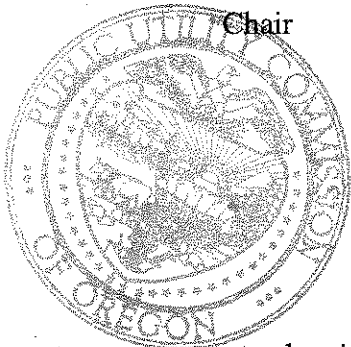
IT IS ORDERED that:

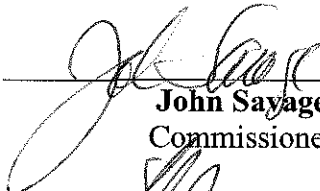
1. The stipulation, executed by and between Portland General Electric Company, the Industrial Customers of Northwest Utilities, the Citizens' Utility Board of Oregon, and the Public Utility Commission of Oregon Staff, attached as Appendix A, is adopted.
2. Consistent with Schedule 122, Portland General Electric Company will update its 2012 deferred costs, with the actual deferred revenue requirement, by December 1, 2012.


Made, entered, and effective SEP 20 2012.

COMMISSIONER ACKERMAN WAS
UNAVAILABLE FOR SIGNATURE

Susan K. Ackerman
Chair




John Sayage
Commissioner


Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 249/UM 1574

In the Matter of Portland General Electric)
 Company's Renewable Resources Automatic)
 Adjustment Clause (Advice No. 12-09, Schedule)
 122) (UE 249))
)

In the Matter of Application of PORTLAND)
 GENERAL ELECTRIC COMPANY for an Order)
 Approving the Deferral of Incremental Costs)
 Associated with Baldock Solar Project)
 (UM 1574))
)

STIPULATION REGARDING ALL
ISSUES

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 "Parties").

On March 29, 2012, PGE filed its annual Renewable Resources Automatic Adjustment Clause update pursuant to PGE tariff Schedule 122. That filing was docketed as UE 249. PGE's filing included one renewable generating project: the Baldock Solar Project. The filing included revised tariff sheets, and testimony and work papers explaining the renewable resource costs included in the update. On May 14, 2012, a Prehearing Conference was held during which a schedule was adopted for this docket.

PGE had previously sought, in Docket UP 278, Commission authorization to sell the Baldock Solar Project as part of a sale/lease-back financing structure. PGE proposed to amortize in rates the proceeds of the sale in one year beginning in 2013. On January 10, 2012, the

Commission approved that sale in Order 12-006. The Commission's order allowed for the review of the reasonableness of all financial aspects of the transaction in any rate proceeding or earnings review. The sale transaction was closed on January 19, 2012.

Consistent with Schedule 122, on January 18, 2012, PGE filed its Application for Deferral of Revenue Requirement of Incremental Costs Associated with the Baldock Solar Project (UM 1574). That application sought a deferral, pursuant to ORS 469A.120, of the revenue requirement associated with the 2012 incremental costs of the Baldock Solar Project as well as the estimated gain on the sale transaction. The deferral application was granted on February 28, 2012, in Order No. 12-063.

PGE's application in the current docket presented the estimated 2012 and 2013 revenue requirements and gain on the sale transaction for the Baldock Solar Project, which result in a net credit to customers of approximately \$1.26 million in 2013. Pursuant to Tariff Schedule 122, PGE will file an update reflecting then-current costs of this renewable resource by December 1, 2012. PGE expects that the updates will not be significant.

On June 25, 2012, the Parties held a Settlement Conference. The Parties reached agreement settling all issues in this docket. The Parties agree as follows:

TERMS OF STIPULATION

1. This Stipulation is entered to settle all issues in this docket.
2. PGE will update its 2012 deferred costs and benefits for the Baldock Solar Project by December 1, 2012, with known actual deferred revenue requirement consistent with tariff Schedule 122. The update will include projected power cost and other benefits for November and December. However, any variances between the actual benefits received during November and December, and the estimate in the December 1 update, will be the basis of a deferred

amount. Such differences will be refunded/collected in a future period. Parties will be provided an opportunity to review and challenge the reasonableness or prudence of the actual costs.

3. These updated deferred costs and estimated 2013 costs, plus the amortized gain from the sale of the Baldock Solar Project, will form the basis of Schedule 122 prices for 2013. PGE's application in this docket estimates that the net of these costs and sale proceeds will result in a credit to customers in 2013 of approximately \$1.26 million.

4. The Parties recommend and request that the Commission approve the terms of this Stipulation as appropriate and reasonable resolutions of the issues in these dockets.

5. The Parties agree that this Stipulation is in the public interest and will result in rates that will meet the standard in ORS 756.040.

6. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. 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.

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 disadvantaged by such action shall have the rights provided in OAR 860-001-0350 and OAR 860-001-0720, including the right to withdraw from the stipulation and to seek reconsideration of the Commission's order. Nothing in this paragraph provides any Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

8. This Stipulation will be offered into the record in this proceeding as evidence pursuant

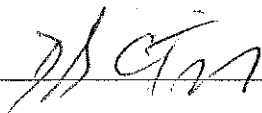
to OAR § 860-001-0350. The Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to sponsor this Stipulation at the hearing (if necessary), and recommend that the Commission issue an order adopting the settlements contained herein. The Parties also agree to cooperate in drafting and submitting a joint explanatory brief required by OAR § 860-001-0350(7).

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, 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.

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 8th day of August, 2012.

PORTLAND GENERAL ELECTRIC
COMPANY



STAFF OF THE OREGON PUBLIC
UTILITY COMMISSION

CITIZENS' UTILITY BOARD OF
OREGON

INDUSTRIAL CUSTOMERS OF
NORTHWEST UTILITIES

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DATED this day of August, 2012.

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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 7th day of August, 2012.

PORTLAND GENERAL ELECTRIC
COMPANY

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