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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP 173

In the Matter of the Application of PORTLAND)	
GENERAL ELECTRIC COMPANY in Regard)	ORDER
to the Sale of Property at Coyote Springs and an)	
Associated Contract with an Affiliate.)	
)	

DISPOSITION: AMENDED APPLICATION APPROVED; STIPULATION ADOPTED

On April 3, 2000, the Commission received an amended application from Portland General Electric Company (PGE or the Company), requesting approval of certain limited revisions to the Project Implementation Agreement between Enron North America (ENA), an affiliate of PGE. The Project Implementation Agreement (subject to certain stipulated conditions) and the Asset Transfer Agreement were approved by the Commission by Order No. 00-115. On February 25, 2000, the prospective buyer withdrew its offer. Subsequently, a new buyer was located.

Based on a review of the amended application and the Commission's records, the Commission finds that the amended application satisfies applicable statutes and administrative rules. At its Public Meeting on April 11, 2000, the Commission adopted the Staff's recommendation to approve the amended application and adopt the stipulation entered into among PGE, ENA and Staff on April 4, 2000. Staff's recommendation is attached as Appendix A and is incorporated by reference.

OPINION

Jurisdiction

ORS 757.005 defines a public utility as anyone providing heat, light, water, or power service to the public in Oregon. The Company is a public utility subject to the Commission's jurisdiction.

Applicable Law

ORS 757.480 provides that a public utility doing business in Oregon shall first obtain Commission approval for any transaction to sell, lease, assign or otherwise dispose of property of such public utility necessary or useful in the performance of its duties to the public or any part thereof of a value in excess of \$10,000.

OAR 860-027-0025 specifies the information a public utility must submit when it makes application to sell or lease its property. This application contains the necessary information.

The proposed sale involves property which has a value in excess of \$10,000 and is no longer useful for providing utility services to the public. Commission approval of the accounting treatment for this transaction does not constitute approval for ratemaking purposes. There is no indication that the proposed sale will impair the Company's ability to provide public utility service in Oregon.

CONCLUSIONS

1. The Company is a public utility subject to the jurisdiction of the Public Utility Commission of Oregon.
2. The Company's proposed transaction meets the requirements of ORS 757.480.
3. The amended application should be granted.

ORDER

IT IS ORDERED that:

1. The amended application of Portland General Electric Company in regard to the sale of property at Coyote Springs and an associated contract with an affiliate is granted, subject to conditions, if any, stated in Appendix A.
2. The stipulation entered into April 4, 2000, among Portland General Electric Company, Enron North America, and Staff is approved.

Made, entered, and effective _____.

BY THE COMMISSION:

Vikie Bailey-Goggins
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order pursuant to ORS 756.580.

up173ord2.doc

ITEM NO. 4

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 11, 2000**

REGULAR AGENDA X CONSENT AGENDA EFFECTIVE DATE April 18, 2000

DATE: June 1, 2000

TO: Bill Warren through Marc Hellman and Bryan Conway

FROM: Stefan Brown

SUBJECT: UP 173 - Portland General Electric's Application for Approval to: Sell Property at Coyote Springs and an Associated Contract with an Affiliate

SUMMARY RECOMMENDATION:

I recommend the Commission approve the amended application and adopt the Stipulation attached as Attachment 1.

DISCUSSION:

Portland General Electric (PGE) submitted an application dated December 23, 1999, requesting approval to enter into certain agreements with an affiliate, Enron North America (ENA). These agreements are to sell PGE's rights, title and interest to a second generating unit located, and not yet constructed, at the Coyote Springs generating station along with a 50% interest in the site's common facilities. Coyote Springs Unit 1 was completed in 1995 and was designed with facilities that allow for a second unit to be built and jointly operated adjacent to Unit 1. In 1993, when Unit 1 was being constructed, PGE decided against developing the second unit at that time. This application to sell Coyote Springs unit 2 was docketed as UP 173.

As proposed in the amended application, PGE's rights, title and interest in the undeveloped Coyote Springs site, as well as 50 percent of the common facilities will be transferred to Coyote Springs 2 L.L.C. (CS2), a subsidiary of ENA. ENA will then sell CS2 to the final buyer, with that buyer being responsible for construction of the facility. However, the final owner of the site will not be an affiliate of Enron.

On February 22, 2000 the Commission approved PGE's original application and subsequently issued Order 00-115. On February 25, 2000 the perspective buyer withdrew its offer. Subsequently, ENA

and PGE located a new buyer. The new buyer was one of the bidders identified in the initial auction for the project.

An Amended Application has been filed because the conditions of this proposed sale are substantially different than the proposed sale the Commission approved. In particular, the previous application anticipated that the buyer would supply the combustion turbine for the project. However, the new proposed buyer does not have access to a turbine. As a result, ENA needs to provide a turbine to CS2 for the project to go forward. ENA does have access to a turbine, and is willing to provide it to CS2 so that the sale may be completed. In addition, the original application specified that all assets to be transferred to CS2 revert to PGE if a sales agreement is not completed by April 15, 2000. In the amended application the deadline for completion of the sale has been changed to July 1, 2000 to reflect the continuing negotiations necessary to complete the sale.

Once PGE and ENA identified a new buyer, Staff, ENA, PGE and CUB met, either in person, or through conference call to discuss a framework that would allow the project to be completed, protect the interests of consumers, and meet the statutory tests for property sales and affiliate transactions. A settlement meeting was held on March 29, 2000. At this meeting, Staff and applicants reached an agreement that would allow the project to go forward. Prior to the settlement meeting, CUB was apprised of Staff's position, and chose not to attend. Following the settlement meeting, Staff called CUB to apprise them of the agreement. CUB stated that they did not oppose the agreement. Staff believes that this agreement is more favorable to PGE customers than the previous agreement.

THE STIPULATION

The Stipulation contains six paragraphs. Each of them will be summarized below:

Paragraph 1

This paragraph expresses support by the signatories that the transaction is in the public interest and meets statutory requirements pertaining to property transfers and affiliate transactions.

Paragraph 2

This paragraph describes what PGE and ENA will bring to the transaction with regards to facilities and expertise. The paragraph also notes that ENA or an affiliate will not be the final buyer of the facility and that PGE will be the joint plant operator.

Paragraph 3

This paragraph describes the allocation of the proceeds from the sale. From the gross proceeds, PGE's net book for one-half of the common facilities is recovered along with PGE's and ENA's project

development costs. ENA then receives its costs of the combustion turbine provided to CS2. After these payments are made, the net proceeds are disbursed as follows. PGE receives the first \$10.47 million. If there are remaining net proceeds, ENA receives the next \$12 million. Any remaining net proceeds would be shared between PGE and ENA on a 60/40 basis. That is, 60 cents of each additional dollar flows to PGE and 40 cents flows to ENA.

Paragraph 4

This paragraph provides that PGE will make accounting entries consistent with Paragraph 3 and Appendix A to the Stipulation. PGE also agrees to request ratemaking treatment consistent with the accounting entries, and will receive Staff support. PGE also agrees to defer any O&M cost savings and to make those available to customers as directed by the Commission. PGE also agrees to incorporate projected cost savings associated with Unit 2 being operational in PGE's SB 1149 rate filing. PGE and ENA will submit their development costs for PUC audit.

Paragraph 5

This paragraph again states that the signatories support the application and that it meets statutory requirements. This paragraph also recommends the Commission issue an order approving the accounting treatment.

Paragraph 6

This paragraph has standard provisions regarding Stipulations and settlements.

STAFF ANALYSIS

In the course of reviewing this application, Staff concluded that the relevant question was to compare two alternative options. One option is to go forward with a sure sale today. The other option is to sell the second site at a later date. This latter option had different on-line dates, dependent, in part, on the availability of a turbine. In weighing these alternatives, staff concluded that one benefit that would be forgone in the PGE-sell-later case is the O&M savings due to joint operation with another generator. These savings would be lost during the interim period between the current sale and the future sale. The longer the delay in building the second unit, the greater the lost O&M savings. Another benefit of the current application is that a power plant is built sooner which increases available generation to meet loads. There have been regional discussions and studies identifying the need for additional resources to meet load requirements. Also, this plant will be a merchant plant thereby potentially increasing the supply of electricity in the bulk power markets. These qualitative considerations provide benefits to PGE customers and the region.

Potential benefits to PGE and its customers of developing the project at a later time are that a better price may be available, or that some of the monies currently shared with ENA would accrue to PGE. However, there is considerable uncertainty about when, or even if, PGE would develop the project. This is especially true given that the Commission is currently developing policies to implement SB 1149, and utilities will need to assess their impact on company business risk. Therefore, Staff assigned different probabilities to the unit being developed at various dates. These probabilities were then used to weight the costs and benefits associated with developing the site. Staff also used a range of potential prices. The analysis provided Staff with a rough estimate of the minimum net value that PGE would need to receive from this proposed sale in order for the sale to be consistent with the public interest.

For informational purposes, Staff also provides a comparison of the distribution in net revenue between PGE and ENA under the previously approved application–Stipulation and the amended application–Stipulation. Assuming a price of \$16 million, the approved application as modified by the Stipulation had PGE receiving \$6.5 million and ENA receiving approximately \$1.7 million. Assuming a sales price of \$59.5 million for the project including the turbine, PGE would receive the first \$10.47 million and ENA would receive up to \$12 million. PGE would also receive the net book value, its project development costs and the O&M cost savings in both cases.

ENA has faced various risks during the development of this project. Project development required ENA to devote staff resources and funds to arrange for the auction process, meet with Staff and interested parties, renegotiate contracts, hold discussions with the project bidders and EPC bidders, and seek PUC and Oregon Office of Energy (OOE) approval. If the project sale is not completed, ENA can not recover its development costs. The project sale could fail for any number of reasons, such as the Commission rejecting the application, the OOE rejecting the siting permit, or insufficient interest in the project by bidders. As such, ENA faced, and continues to face, the risk of spending money to develop the project without knowing whether it will be able to recover its development costs.

DETAILED RECOMMENDATION:

I recommend the Commission approve, as modified in the Stipulation, PGE's amended application to sell its rights, title and interest in the undeveloped portion of the Coyote Springs site, and an undivided 50% interest in the assets and rights currently associated with Coyote Springs Unit 1 that are necessary for the development and joint operation of the potential second unit.

I also recommend the Commission approve the proposed accounting treatment as illustrated in Appendix A to the Stipulation, while reserving ratemaking for a future proceeding.

Finally, I recommend the Commission adopt the attached Stipulation.

Bill Warren
April 4, 2000
Page 1

ORDER NO. 00-214

NOTE: Attachment A consists of the amended application and the stipulation. The stipulation follows this memo. To receive a copy of the amended application and/or Appendix A, contact Judy Ogilvie (503) 378-5763 or judy.ogilvie@state.or.us.

**BEFORE THE PUBLIC UTILITY COMMISSION
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UP 173

In the Matter of the Application)	
of Portland General Electric)	STIPULATION AMONG OPUC
Company for Approval to Sell)	STAFF, ENA AND PGE
Property at Coyote Springs)	

This Stipulation (Stipulation) is entered into among Portland General Electric Company (PGE), Enron North America (ENA), and the Staff of the Public Utility Commission of Oregon (Staff). ENA and PGE are affiliated corporations who are jointly packaging and selling the development rights for a second generating unit at Coyote Springs through a special purpose entity owned by ENA called Coyote Springs 2 L.L.C. (CS2). PGE, ENA, and Staff are referred to collectively as the “Parties.”

The Parties request that the Commission amend Order Number 00-115 entered on February 24, 2000. The Commission approved the accounting treatment of sale proceeds and deferred O&M savings, the Project Implementation Agreement as modified by the Parties’ February 16, 2000 Stipulation, and approved the transfer of the Transferred Facilities.

The Parties request this amendment because: (1) the compensation structure for sharing the value produced by the sale of CS2 does not fit with the transaction contemplated by the final bidder selected for the sale of CS2; and (2) the termination date for the Project Implementation Agreement approved by the Commission in Order 00-115 has to be extended to accommodate the closing of the transaction with the final bidder.

Staff investigated the proposed sale to the new buyer and supports approval of the Amended Application. The Parties have resolved all issues in this Docket and seek approval of the Amended Application at the Commission's April 11, 2000, Public Meeting without a hearing.

1. Terms of Stipulation.

The terms and conditions of this Stipulation are set forth below. The Parties agree the proposed sale of the property described in the Amended Application is in the public interest and meets the standards and requirements set forth in OAR 860-027-0025 and 860-027-0041 and ORS 757.480, 757.015, and 757.495 pertaining to property transfers and affiliate transactions.

2. Background.

PGE filed the Amended Application with the Commission on April 4, 2000. In the Amended Application, PGE seeks approval to modify the Project Implementation Agreement to reflect a modified formula for sharing the value gained from a sale of CS2 and the extension of the termination date for the Project Implementation Agreement. PGE also seeks to incorporate by reference its earlier application on this matter, which was filed on December 23, 1999. In that December Application, PGE sought approval of a prior version of the Project Implementation Agreement and an Asset Transfer Agreement.

Together, these agreements: (a) provide that PGE will transfer an undivided fifty percent interest in certain equipment, real property, licenses and permits currently part of Coyote Springs ("Transferred Assets"); and (b) ENA will provide a turbine to CS2 and provide its expertise and commit capital to develop the Transferred Assets for the purposes of selling the development as a "packaged plant." A packaged plant is a plant that is sold before construction and operation with all

permits, agreements, and equipment necessary for construction and operation, either acquired or in process.

If ENA is successful in developing and selling the second unit at Coyote Springs, PGE customers will enjoy the benefits of a reduction in the Coyote Spring's rate base equal to the net book value of the Transferred Assets, as well as enjoy a share of the proceeds from the sale of CS2. Further, if the second unit at Coyote Springs is developed, PGE ratepayers will enjoy savings as a result of sharing the O&M costs of the first unit at Coyote Springs with the owners of the second unit.

In the Amended Application, PGE restated that ENA will not be a final owner of the plant and that ENA contracted with Donaldson Lufkin and Jenrette for an independent process to auction the second unit as a packaged plant. The final bidder for CS2 was one of two final bidders for CS2 in the auction.

3. Results of Staff's Investigation.

Staff's investigation of the new proposed sale focused on the compensation structure between PGE and ENA. The Parties agreed to a compensation structure using the following formula: (a) First, PGE receives its net book value in the Transferred Assets and its development costs; (b) ENA receives its development costs; (c) ENA receives its cost basis in the combustion turbine provided to the final bidder; (d) from the remaining net value, PGE receives the first \$10.47 million and ENA receives the next \$12 million; (e) if additional funds are available, PGE receives 60% of any remaining net value; and (f) ENA receives the remaining net value.

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The projected Operations and Maintenance (O&M) savings to PGE that will arise from joint operations at the plant are expected to average approximately \$435,000 per year net present value. The development costs of both PGE and ENA are subject to Commission audit and approval. The Parties agree that this disbursement plan is in the public interest.

Staff also investigated PGE's request to change the termination date of the Project Implementation Agreement from April 15, 2000 to July 1, 2000. The change to the date is necessary to accommodate the financial close of the transaction with the final bidder. PGE ratepayers continue to be protected from a protracted process for the sale of CS2 by the July 1, 2000 date.

4. Further Conditions.

The Parties further agree as follows:

- (a) Upon sale of the property, PGE should make accounting entries consistent with the approach described in paragraph 3. In its next rate proceeding, PGE shall request rate treatment of the proceeds in accordance with these accounting entries, unless otherwise agreed to by Staff. Staff will support PGE's request for rate treatment consistent with those accounting entries and this Stipulation. Attachment 1 provides a listing of accounting entries.
- (b) PGE agrees to defer and flow through to customers any and all savings in O&M resulting from the development of a second unit at Coyote Springs. To this end, PGE will develop a mechanism to track the actual total O&M costs for Coyote Springs and the second unit starting with commercial operation of the second unit. PGE will establish a deferral account for any O&M savings that accrue prior to the effective date for the rate proceeding

discussed in paragraph (a). The Parties recognize that the expected timing of commercial operation of the new plant and PGE's next rate case filing make it perhaps unlikely any O&M savings will actually be deferred.

(c)PGE shall reflect any forecast savings projected to result from the commercial operation of the second unit at Coyote Springs in the test year used for the general rate case required by implementation of SB 1149.

(d)PGE and ENA shall submit their development costs for Commission audit and review. Development costs shall include, but are not limited to: (i) fees and costs for outside counsel, consultants, and Donaldson Lufkin & Jenrette; (ii) loaded internal labor costs charged to the project; and (iii) survey costs and interconnection study costs. PGE, Staff, and ENA agree that Staff's audit of development costs can begin within one week of financial closing for CS2 and that Staff will finish its audit within three months. PGE and ENA will furnish Staff on a timely basis with all necessary information and documentation for their audit.

(e) ENA shall provide Staff with copies of all final bids within five (5) days of execution of a securities purchase agreement with the winning bidder.

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5. Additional Terms.

In addition to the terms set forth in paragraph 4, the Parties further agree that:

- (a) The Application and Staff's Investigation of the Application support affirmation of the Commission's conclusion in Order 00-115, that the Transferred Assets can be transferred to an as-yet undetermined third party, consistent with the requirements of ORS 757.480, although actual transfer remains subject to (1) the sale of CS2 meeting certain conditions acceptable to ENA and PGE and (2) the sale reaching financial close.
- (b) Staff agrees to support the Application and a finding by the Commission that the Project Development Agreement as modified by the Amended Application meets the standards and requirements of ORS 757.495.
- (c) The Parties agree that no evidentiary hearing is necessary in this docket.
- (d) The Parties recommend that the Commission enter an accounting order authorizing PGE to account for the sale proceeds and the deferred O&M savings as specified in this Stipulation. That order is for accounting purposes only, and ultimate ratemaking will be determined in a ratemaking proceeding.

(e) The terms of this Stipulation shall not apply if the sale does not close.

6. General Terms and Conditions.

- (a) The Parties agree that this Stipulation is a compromise in their positions. As such, conduct, statements, and documents disclosed in the negotiation and discussion phase of this Stipulation shall not be admissible as evidence in any proceeding before the Commission or a court.

- (b) The Stipulation is an integrated document. The Parties recommend that the Commission adopt the Stipulation in its entirety.
- (c) The Parties shall cooperate in submitting this Stipulation promptly to the Commission for acceptance, and shall support its adoption in this proceeding. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving the Amended Application, any Party disadvantaged by such action shall have the right, upon written notice to the Commission and all parties to the proceeding within 5 days of the date of the Commission's Order, to withdraw from this Stipulation. If any Party withdraws from this Stipulation as permitted in this subsection (c), no Party to this Stipulation shall be bound or prejudiced by the terms of this Stipulation and each Party shall be entitled to seek reconsideration of the Commission Order or take such other actions it deems appropriate in its sole discretion.
- (d) The Parties agree that with respect to the issues covered herein, this Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.
- (e) No Party shall be bound by any position asserted in the negotiations, except to the extent expressly stated in this Stipulation. Execution of this Stipulation shall not constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory or principle of regulation, and no Party shall be deemed to have agreed that any method, theory or principle of regulation employed in arriving at this Stipulation is

appropriate for resolving any issue in any other proceeding. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

- (f) This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

Dated: April ___, 2000.

Dated: April ___, 2000.

David Hatton, OSB #75151
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Regulated Utility & Business Section
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Dated: April ___, 2000.

Paul J. Kaufman

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accommodate the financial close of the transaction with the final bidder. PGE ratepayers continue to be protected from a protracted process for the sale of CS2 by the July 1, 2000 date.

4. Further Conditions.

The Parties further agree as follows:

- (a) Upon sale of the property, PGE should make accounting entries consistent with the approach described in paragraph 3. In its next rate proceeding, PGE shall request rate treatment of the proceeds in accordance with these accounting entries, unless otherwise agreed to by Staff. Staff will support PGE's request for rate treatment consistent with those accounting entries and this Stipulation.

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- (c)PGE shall reflect any forecast savings projected to result from the commercial operation of the second unit at Coyote Springs in the test year used for the general rate case required by implementation of SB 1149.
- (d)PGE and ENA shall submit their development costs for Commission audit and review. Development costs shall include, but are not limited to: (i) fees and costs for outside counsel, consultants, and Donaldson Lufkin & Jenrette; (ii) loaded internal labor costs charged to the project; and (iii) survey costs and interconnection study costs. PGE, Staff, and ENA agree that Staff's audit of development costs can begin within one week of financial closing for CS2 and that Staff will finish its audit within three months. PGE and ENA will furnish Staff on a timely basis with all necessary information and documentation for their audit.
- (f) ENA shall provide Staff with copies of all final bids within five (5) days of execution of a securities purchase agreement with the winning bidder.

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5. Additional Terms.

In addition to the terms set forth in paragraph 4, the Parties further agree that:

- (e) The Application and Staff's Investigation of the Application support affirmation of the Commission's conclusion in Order 00-115, that the Transferred Assets can be transferred to an as-yet undetermined third party, consistent with the requirements of ORS 757.480, although actual transfer remains subject to (1) the sale of CS2 meeting certain conditions acceptable to ENA and PGE and (2) the sale reaching financial close.
- (f) Staff agrees to support the Application and a finding by the Commission that the Project Development Agreement as modified by the Amended Application meets the standards and requirements of ORS 757.495.
- (g) The Parties agree that no evidentiary hearing is necessary in this docket.
- (h) The Parties recommend that the Commission enter an accounting order authorizing PGE to account for the sale proceeds and the deferred O&M savings as specified in this Stipulation. That order is for accounting purposes only, and ultimate ratemaking will be determined in a ratemaking proceeding.

(e) The terms of this Stipulation shall not apply if the sale does not close.

6. General Terms and Conditions.

- (g) The Parties agree that this Stipulation is a compromise in their positions. As such, conduct, statements, and documents disclosed in the negotiation and discussion phase of this Stipulation shall not be admissible as evidence in any proceeding before the Commission or a court.

- (h) The Stipulation is an integrated document. The Parties recommend that the Commission adopt the Stipulation in its entirety.
- (i) The Parties shall cooperate in submitting this Stipulation promptly to the Commission for acceptance, and shall support its adoption in this proceeding. If the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving the Amended Application, any Party disadvantaged by such action shall have the right, upon written notice to the Commission and all parties to the proceeding within 5 days of the date of the Commission's Order, to withdraw from this Stipulation. If any Party withdraws from this Stipulation as permitted in this subsection (c), no Party to this Stipulation shall be bound or prejudiced by the terms of this Stipulation and each Party shall be entitled to seek reconsideration of the Commission Order or take such other actions it deems appropriate in its sole discretion.
- (j) The Parties agree that with respect to the issues covered herein, this Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.
- (k) No Party shall be bound by any position asserted in the negotiations, except to the extent expressly stated in this Stipulation. Execution of this Stipulation shall not constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory or principle of regulation, and no Party shall be deemed to have agreed that any method, theory or principle of regulation

employed in arriving at this Stipulation is appropriate for resolving any issue in any other proceeding. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

- (l) This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

Dated: April ___, 2000.

Dated: April ___, 2000.

David Hatton, OSB #75151
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Appendix A							
		Portland General Electric Company					
		PROPOSED JOURNAL ENTRIES (APR 4)					
The following entries are to record the sale of 50% interest in the property at PGE's Coyote Springs Generating Plant, identified as Common Facilities, to Coyote Springs 2, LLC.							
Account		Description				Debit	Credit
(1) To record sale of Coyote Springs Common Facilities							
131	Cash					\$ 14,270,000	\$
108	Accumulated Depreciation					867,478	
186	Deferred Debits						10,000
101	Electric Plant in Service						4,600,854
411.6	Gain on Sale						10,536,624
(2) To reverse related deferred taxes							

282	Deferred Tax Liability				159,815	
411.1	Deferred Tax Expense					159,815
(3) To record current tax expense						
409.1	Current Tax Expense				2,783,087	
236	Current Tax Payable					2,783,087
(4) To reverse FAS 109 income taxes						
282	Deferred Tax Liability				47,175	
283	Deferred Tax Liability				30,530	
182.3	Other Regulatory Asset					77,705
(5) To record Transition Deferral						
407.3	Regulatory Debits				6,478,919	
254	Other Regulatory Liabilities					6,478,919
(6) To record related deferred taxes						
190	Deferred Tax Asset				2,545,567	
411.1	Deferred Tax Expense					2,545,567

Exhibit J							