

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UM 814

|   |   |             |
|---|---|-------------|
| In the Matter of the Application of Enron | ) |             |
| Corp for an Order Authorizing the         | ) |             |
| Exercise of Influence Over Portland       | ) | STIPULATION |
| General Electric Company, a Public        | ) |             |
| Utility                                   | ) |             |
|   | ) |             |

**RECITALS**

1. On August 30, 1996, Enron Corp (Enron) filed an Application to Exercise Influence over Portland General Electric Company (PGE) (hereinafter, "Application").
2. Northwest Natural Gas Company (NNG) intervened and filed comments on November 1, 1996, reply comments on December 2, 1996 and further comments on May 2, 1997.
3. The parties to the proceeding commenced a settlement conference on January 22, 1997, and continued discussions until January 24, 1997. The Commissioners held a public hearing on the status of settlement discussions on February 14, 1997. Additional settlement discussions were conducted on February 25, March 12, April 24, and April 29, 1997. PGE and NNG have held additional settlement discussions to resolve the concerns raised by NNG.
4. Based on the record in the case, and for the purpose of recommending to the Commission that Enron's Application satisfies the statutory standard of serving PGE's customers in the public interest, the following undersigned parties (Parties) desire to enter into this Stipulation.

WHEREFORE, the Parties stipulate and agree as follows:

**CONDITIONS**

The Parties agree that the following conditions shall be incorporated in a final Commission order approving the Application:

1. Posting of Excess Pipeline Capacity. PGE will post on the EBB all of its excess pipeline capacity not used for its own internal purposes prior to offering the capacity for sale to its retail electric customers.<sup>1</sup> The capacity posted will not be subject to recall except for PGE's own electric generation purposes, and as permitted under the January 1993 agreement between PGE and NNG pertaining to 30,000 dth/day. With respect to the 46,000 dth/day of non-recallable pipeline capacity PGE purchased from NNG under the January 1993 agreement, prior to posting such capacity, PGE shall publicly give at least 24 hour advance notice on PGE's web site or other publicly available electronic medium of its intent to post any such capacity on the EBB.
  
2. Tariffing of Joint Sales of Electricity and Gas. Any joint or related sales of electricity and gas by PGE or NNG to its retail customers in the State of Oregon shall be made only under tariffs filed with the Oregon Public Utility Commission, until such customers are eligible for direct access to both commodities either through generic direct access tariffs or pilot programs or until such time as the OPUC determines tariffs are not required for such sales.

#### OTHER PROVISIONS

In order to support the incorporation of the above agreements into a final order of the Commission on the Application, the Parties further agree as follows:

1. The Parties have negotiated this Stipulation as an integrated document. Accordingly, if the Commission rejects all or any material part of this Stipulation, or adds elements to any final order which are not contemplated by this Stipulation, 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 or changing this Stipulation.
  
2. This Stipulation and all pleadings, data requests, responses to data requests, depositions, transcripts, testimony and written comments shall be entered into the

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<sup>1</sup> "Retail electric customers" as used herein means PGE's franchised or exclusive service territory end-user customers who purchase gas for their own use, such as traditional residential, commercial and industrial customers. Retail electric customers shall not include those customers able to purchase electricity from suppliers other than PGE under direct access tariffs or pilot programs.

record as evidence. With respect to the issues covered by this Stipulation, the Parties agree to waive cross examination of one another at any hearing held in this docket. The Parties agree to support approval of this Stipulation throughout this proceeding.

3. The Parties' agreement to this Stipulation is conditioned upon obtaining a ruling from the administrative law judge or the Commission waving the requirements of OAR 860-014-0085(5) and shortening the time for objections or requests for a hearing on the Stipulation to no later than June 2, 1997.
4. NNG agrees that inclusion of the above conditions in a final order of the Commission will satisfy the concerns raised by NNG in this proceeding and that NNG will represent to the OPUC and to all other persons that if the conditions are so included, it has no further objection to the merger of Enron and PGC.
5. 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 only one agreement.

DATED THIS 23rd Day of May, 1997

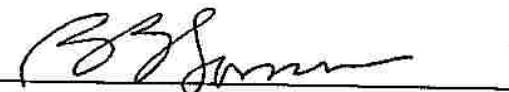
PORTLAND GENERAL ELECTRIC  
COMPANY/PORTLAND GENERAL  
CORPORATION

  
By Michael M. Morgan

ENRON CORP.

  
By Charles L. Best

NORTHWEST NATURAL GAS COMPANY

  
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