



## OPUC Rules on PGE 2011 General Rate Case

*With adjustments, overall 4.2 percent price increase effective Jan. 1*

SALEM, Ore.--(BUSINESS WIRE)-- The Oregon Public Utility Commission (OPUC) today announced its decision regarding Portland General Electric Company's (NYSE:POR) 2011 general rate case, ending a public review process that began in February 2010. The commission approved an overall price increase of approximately 3.9 percent, which will be allocated across all PGE customer classes.

Together with other pending adjustments reflecting various credits and amortization of deferred 2010 costs, customers are expected to see a total overall price increase of 4.2 percent. The new prices are slated to take effect Jan. 1, 2011.

"The commission's decision on our rate case supports necessary improvements PGE is making to the grid and additional new renewable resources to meet the state's renewable energy standard and also allows the company to continue to efficiently and effectively operate and maintain our system," said Jim Piro, PGE's president and CEO. "We don't take any price increase lightly, but through constructive dialogue with OPUC staff and stakeholders, we were able to settle all major issues and reach a reasonable outcome for all concerned."

Almost three-fourths of the cost increases driving the rate case support infrastructure investments such as PGE's recently completed Biglow Canyon Wind Farm in Sherman County and improvements to hydroelectric facilities on the Clackamas River. The remainder reflects increased operating and maintenance costs. These increases are partially offset by projected cost reductions for wholesale power and fuel purchases. The increases associated with Clackamas hydro improvements are subject to final issuance of a new license by the Federal Energy Regulatory Commission, which is expected before the end of 2010.

For residential customers, the impact of the rate case, adjustments and pricing structure changes ordered by the OPUC will vary depending on the amount of power used each month. For instance, a typical residential customer uses an average of 900 kilowatt hours per month during the course of a year. At that monthly level, a customer's bill would increase 3.3 percent, from \$94.40 to \$97.54. However, higher usage will lead to higher percentage increases overall, averaging around 6.2 percent for residential customers as a class.

PGE's other major cost-of-service customer classes can expect to see the following price changes: commercial customers will see an increase of about 4.7 percent; small industrial customers an increase of about 7.1 percent; mid-sized industrial customers will see an increase of 0.3 percent; and large industrial customers will see a reduction of about 1.8 percent.

The variation in price impact among customer classes is due in part to a pricing structure redesign that the OPUC approved as part of the rate case. Price structures were redesigned to more fairly allocate the costs of providing electricity to different types of customers, especially generation costs associated with peak winter and summer demand for power that is largely driven by electric space heating and air conditioning for homes and small businesses. Following PGE's 2009 general rate case, the OPUC directed the utility to conduct a study and hold workshops with customer groups and other stakeholders to seek input on appropriate cost allocation among customer classes. The prices adopted by the commission today incorporate the results of that process.

In addition to the price changes, the OPUC approved a three-year extension of PGE's decoupling mechanism, modifications to the company's power cost adjustment mechanism and a new tariff that gives the commission the opportunity to change the recovery period for PGE's Boardman Power Plant.

The rate case reflects a 50 percent equity capital structure and a 10 percent return on equity. The OPUC is expected to post its order online at [www.oregon.gov/puc](http://www.oregon.gov/puc).

### **About Portland General Electric**

Portland General Electric, headquartered in Portland, Ore., is a fully integrated electric utility that serves more than 822,000 residential, commercial and industrial customers in Oregon. Visit our website at [PortlandGeneral.com](http://PortlandGeneral.com).

### **Safe Harbor Statement**

Statements in this news release that relate to future plans, objectives, expectations, performance, events and the like may

constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by words including, but not limited to, "anticipates," "believes," "intends," "estimates," "promises," "expects," "should," "conditioned upon" and similar expressions. Investors are cautioned that any such forward-looking statements are subject to risks and uncertainties, including matters and events related to the application of rates across customer classes. As a result, actual results may differ materially from those projected in the forward-looking statements. All forward-looking statements included in this news release are based on information available to the Company on the date hereof and such statements speak only as of the date hereof. The Company assumes no obligation to update any such forward-looking statement. Prospective investors should also review the risks and uncertainties listed in the Company's most recent Annual Report on Form 10-K and the Company's reports on Forms 8-K and 10-Q filed with the United States Securities and Exchange Commission, including Management's Discussion and Analysis of Financial Condition and Results of Operations and the risks described therein from time to time.

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