



**Portland General Electric Company**  
Legal Department  
121 SW Salmon Street • Portland, Oregon 97204  
(503) 464-7822 • Facsimile (503) 464-2200

**Loretta I. Mabinton**  
Associate General Counsel  
**US Department of Energy**

MAY 09 2014

**Electricity Delivery and  
Energy Reliability**

May 9, 2014

Mr. Christopher Lawrence  
Office of Electricity Delivery & Energy Reliability  
U.S. Department of Energy  
OE-20, Room 8G-024  
1000 Independence Avenue, SW  
Washington, DC 20585

Re: Application of Portland General Electric Company for Renewal of Authorization to  
Export Electricity to Canada, Docket No. **EA-97-D**

Dear Mr. Lawrence:

Enclosed for filing are an original and two conformed copies of the Application of Portland General Electric Company for Renewal of Authorization to Export Electricity to Canada ("Renewal Application"). Please date stamp and return the two additional copies of the Renewal Application with the enclosed postage-prepaid envelope.

In accordance with 10 CFR § 205.309 (2013), please find enclosed a check payable to the Treasurer of the United States for the amount of \$500. Copies of the Renewal Application is been served upon the Secretary of the Federal Energy Regulatory Commission and the Oregon Public Utility Commission.

Sincerely,

Loretta I. Mabinton  
Associate General Counsel  
Portland General Electric Company

LIM:gal

Enclosures

cc: Federal Energy Regulatory Commission  
Oregon Public Utility Commission

**UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY**

Portland General Electric Company )

Docket No. EA-97-D

**APPLICATION OF PORTLAND GENERAL ELECTRIC COMPANY FOR RENEWAL  
OF AUTHORIZATION TO EXPORT ELECTRICITY TO CANADA**

Pursuant to Section 202(e) of the Federal Power Act ("FPA"), 16 U.S.C. § 824a(e) (2012), and the United States Department of Energy's ("DOE") regulations contained in 10 C.F.R. § 205.300, *et seq.* (2013), Portland General Electric Company ("PGE"), hereby files its Application for Renewal ("Renewal Application") of its authorization to export electricity from the United States to Canada for a term of 10 years, effective June 25, 2014, the date of expiration of PGE's current authorization.

**I. COMMUNICATIONS**

Communications regarding this Renewal Application should be sent to the following:

Loretta Mabinton  
Associate General Counsel  
Portland General Electric Company  
121 SW Salmon Street  
1 WTC 1301  
Portland, OR 97204  
(503) 464-7822  
[loretta.mabinton@pgn.com](mailto:loretta.mabinton@pgn.com)

Connie Colter  
Risk Management -Power Operations  
Portland General Electric Company  
121 SW Salmon Street  
3 WTC 0306  
Portland, OR 97204  
(503) 464-7472  
[connie.colter@pgn.com](mailto:connie.colter@pgn.com)

**II. BACKGROUND**

PGE was first authorized by the DOE to export electrical capacity and associated energy on a non-firm basis at a maximum rate of delivery of 400 MW under Order No. EA-97, dated

April 29, 1994.<sup>1</sup> The Order was subsequently renewed on March 5, 1998 effective for five (5) years,<sup>2</sup> and again on June 25, 2004 for a period of ten (10) years for 600 MW.<sup>3</sup> PGE's current authorization expires on June 25, 2014.

### **III. APPLICATION FOR RENEWAL**

#### **A. Request for Expedited Treatment and Effective Date**

PGE respectfully requests expedited review of this Renewal Application and issuance of an order granting the application within 45 days. PGE further requests that renewal of its export authorization be effective on June 25, 2014, in order to avoid any lapse in PGE's authority to export electricity to Canada. As noted above, PGE seeks to extend its authorization to export electricity to Canada for a ten-year period.

#### **B. Description of Applicant**

The legal name of the applicant is Portland General Electric Company. PGE is a vertically integrated electric utility organized and authorized to do business in the State of Oregon, with its principal place of business located at 121 SW Salmon Street, Portland, Oregon 97204. PGE is also authorized to do business in the state of Washington. PGE's shares are publicly traded on the New York Stock Exchange under the tickler symbol "POR". PGE is located in the Western Electricity Coordinating Council ("WECC") and provides regulated electric service to over 800,000 residential, industrial and commercial customers in Oregon. PGE owns generation, transmission, and distribution facilities for service to wholesale and retail customers, and it buys and sells power in the Western energy wholesale market. PGE owns three (3) hydroelectric projects, three (3) gas-fired facilities and one (1) wind generation plant. PGE also owns interests in two (2) coal plants. PGE owns or has under long term contracts over 3500

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<sup>1</sup> *Order Authorizing Electricity Exports to Canada*, order no. EA-97 (Apr. 29, 1994).

<sup>2</sup> *Order Authorizing Electricity Exports to Canada*, order no. EA-97-B (Mar. 5, 1998).

<sup>3</sup> *Order Authorizing Electricity Exports to Canada*, order no. EA-97-C (June 25, 2004).

MWs of generating capacity from a diversity of sources including hydropower, coal and gas combustion, wind, and solar. PGE also has over 1000 circuit miles of transmission lines ranging from 230 kV to 500 kV, as well as primary and secondary distribution lines that deliver electricity to its customers. In addition, PGE owns a 79.5% interest in the 17-mile Kelso-Beaver gas pipeline.

PGE is subject to regulatory oversight by the Oregon Public Utility Commission with respect to retail electric service, the issuance of securities, affiliate transactions, the maintenance of books and records, and other matters. The address of the OPUC is 3930 Fairview Industrial Drive SE, PO Box 1088, Salem, Oregon 97308. PGE is also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") with respect to its energy wholesale activities, interstate transmission and pipeline activities and other matters. Access to PGE's transmission lines is provided pursuant to PGE's Open Access Transmission Tariff ("OATT") on file with the FERC.<sup>4</sup>

PGE is authorized by the FERC to sell, at market-based rates, energy, capacity and ancillary services<sup>5</sup>. The ancillary services PGE is authorized to sell include regulation service, spinning reserve service and non-spinning reserve service to the California Independent System Operator Corporation ("CAISO"), and to others that are self-supplying ancillary services to the CAISO. PGE has no affiliates or subsidiaries that own or operate energy-related facilities or that have been granted market-based rate authority.

PGE is not wholly or partly owned by a foreign government and is not directly or indirectly assisted by a foreign government or instrumentality thereof. In addition, PGE does not

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<sup>4</sup> See Docket No. OA96-137-000, as refiled in Docket No. OA07-40-000.

<sup>5</sup> Portland General Electric Company, Letter Order, Docket No. ER10-2249-000 (Dec. 9, 2010) (granting market-based rate authority).

have any agreement pertaining to ownership or assistance from any foreign government or instrumentality thereof.

### **C. Jurisdiction**

Pursuant to section 202(e) of the FPA<sup>6</sup>, the DOE has jurisdiction over the action to be taken in this Renewal Application. PGE does not know of any other federal, state, or local government authority that has jurisdiction over the action to be taken in this Renewal Application.

### **D. Description of Transmission Facilities**

PGE seeks to renew its existing authority to deliver the power it sells to Canadian counterparties over existing<sup>7</sup> BPA cross-border transmission lines, as well as any additional cross-border facilities that PGE may secure the rights to use. The BPA transmission facilities and their Presidential Permit numbers are listed in Exhibit C. PGE has and will continue to comply with the terms and conditions contained in the export authorizations issued for those facilities as well as other export limitations that the DOE may deem appropriate for those facilities.

### **E. Technical Discussion**

PGE's sale of electric energy under this authorization has not, and will neither impair the sufficiency of electric supply within the United States nor would it impede or tend to impede the coordination in the public interest of facilities subject to the jurisdiction of DOE.

First, PGE is a load serving entity, with a 'provider of last resort' responsibilities. PGE's primary responsibility is to provide safe, reliable and cost effective electric power to its retail

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<sup>6</sup> 16 U.S.C. 824a(e).

<sup>7</sup> Since the exports under this Permit will take place over existing transmission lines, an environmental impact statement or an environmental assessment under the National Environmental Policy Act is not required for DOE to renew this Permit.

customers. The OPUC has jurisdiction to ensure that PGE performs these obligations. PGE will serve its retail load first before serving any wholesale customers.

Second, PGE is a member of the Northwest Power Pool (NWPP), whose main goal is to establish operating procedures which are in accordance with the North American Electric Reliability Council (NERC) Principles, Operating Guides, and Minimum Criteria for Operating Reliability, and all corresponding Western System Coordinating Council (WSCC) documents. The NWPP's main objectives are to provide reliable service to customers in the most economical manner, to conserve resources and achieve the most economical operation for individual systems and the pool, and to plan and make interchanges between utilities which will maintain or improve operating reliability, effect more economical operation, or increase resources to the extent possible under existing contracts. As a NWPP member, PGE is committed to these objectives.

In addition, PGE is obligated by its membership in the NWPP to have available at all times certain amounts of operating reserves. These reserves are in compliance with NERC Principles, Operating Guides, and Western Electricity Coordinating Council (WECC) Minimum Criteria for Operating Reliability which ensure the bulk power system will be operated at all times so that general system instability, uncontrolled separation, or cascading outages will not occur as a result of the most severe single contingency. Sales to any counterparty, including sales for export, can only take place if PGE has its allocated amount of operating reserve available at the time, for its own use or another NWPP member's use, to counteract a system emergency. The controls inherent in transactions that comply with the foregoing requirements are sufficient to ensure that PGE's use of the authorization will be consistent with section 202(e) of the FPA.

Third, the approval of this Renewal Application is consistent with the North American Free Trade Agreement between the United States, Canada and Mexico. PGE requests renewal of the authorization to export through specific border facilities for use with counterparties who currently have executed power purchase agreements with PGE and counterparties with which PGE may enter into power purchase agreements during the term of the authorization. All transactions executed under such power purchase agreements will be consistent with the terms and conditions of the authorization and any applicable Orders issued by the DOE.

Fourth, PGE contemplates selling energy and capacity to Canadian counterparties pursuant to either the PGE-11 tariff or the PGE-2 tariff. The umbrella agreements under those tariffs require mutual agreement of the seller and purchaser on the terms and conditions under which they will each provide and receive such service, and allow for the seller to determine, in its sole discretion, the amount and extent of power available for sale. PGE's provider of last resort obligations, prudent utility practice and WECC operating requirements would all prohibit exports of power if such action would jeopardize PGE's system or the regional system. PGE has no intention to provide exports which could result in a detriment to the U.S. electrical system or to PGE's customers.

#### **IV. EXHIBITS**

In accordance with 10 C.F.R. § 205.303, the following exhibits are attached hereto and made part hereof:

- Exhibit A - (1) PGE Tariff No. 11 (PGE-11); (2) PGE Tariff No. 2 (PGE-2); (3) Description of PGE's Transmission Contract with Bonneville Power Administration (BPA).
- Exhibit B - Legal Opinion of PGE's Counsel
- Exhibit C - Maps of PGE Generation Facilities and BPA Transmission Facilities (including a list of BPA's international transmission facilities)

Exhibit D - (Not Applicable)

Exhibit E - (Not Applicable)

Exhibit F - (Not Applicable)

**V. SERVICE**

Pursuant to 10 C.F.R. § 205.309, a copy of this Application is being provided to:

Federal Energy Regulatory Commission  
Office of the Secretary  
888 First Street, NE  
Washington, DC 20426

and


Oregon Public Utility Commission  
3930 Fairview Industrial Dr. SE  
P.O. Box 1088  
Salem, OR 97308-1088.

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**VI. CONCLUSION**

WHEREFORE, for the foregoing reasons, PGE respectfully requests that this Renewal Application be expeditiously considered within 45 days and approved for a term of ten years, effective June 25, 2014.

Respectfully submitted,



Loretta Mabinton

Attorney for Portland General Electric Co.

Dated: May 9, 2014

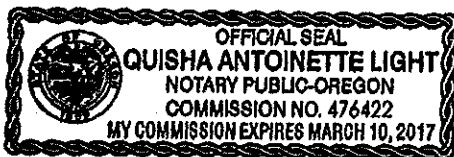
**VERIFICATION PURSUANT TO 18 C.F.R. § 33.7**

COUNTY OF MULTNOMAH

(iii) She has read the foregoing Application and attached Exhibits and knows the contents thereof and the same are true and correct to the best of her knowledge, information and belief.

**Maria Pope**  
**Senior Vice President of Power Supply and**  
**Operations and Resource Strategy**  
**Portland General Electric Company**

Subscribed and sworn to me this 9<sup>th</sup> day of May, 2014.



NOTARY PUBLIC in and for the State of Oregon  
My Commission Expires: March 10, 2017

**EXHIBIT A**

Portland General Electric Company  
FERC Electric Tariff Volume No. 11

**PORTLAND GENERAL ELECTRIC COMPANY**

**FERC ELECTRIC TARIFF**

**EIGHTH REVISED VOLUME NO. 11**

Issued by: J. Jeffrey Dudley  
Vice President and General Counsel  
Issued on: October 22, 2010

Effective: August 17, 2010

Portland General Electric Company  
FERC Electric Tariff, Volume No. 11

PORTLAND GENERAL ELECTRIC COMPANY  
FERC ELECTRIC TARIFF  
EIGHTH REVISED VOLUME NO. 11  
MARKET-BASED RATES WHOLESALE POWER SALE TARIFF

1.0 AVAILABILITY

This Electric Tariff applies to the sale of electric capacity and/or energy and ancillary services by Portland General Electric Company to a Buyer, including an affiliate, at wholesale pursuant to a signed service agreement between Portland General Electric Company and the Buyer.

2.0 APPLICABILITY

This Electric Tariff is applicable to all sales of electric capacity and/or energy at wholesale unless such sales are made pursuant to another rate schedule or Electric Tariff of Portland General Electric Company.

3.0 RATES

All sales hereunder shall be made at rates established by agreement between the Buyer and Portland General Electric Company

4.0 OTHER TERMS AND CONDITIONS

All other terms and conditions of sale shall be established between the Buyer and Portland General Electric Company.

5.0 COMPLIANCE WITH COMMISSION REGULATIONS

Portland General Electric Company shall comply with the provisions of 18 CFR Part 35, Subpart H, as applicable, and with any conditions the Commission imposes on its orders concerning seller's market-based rate authority, including orders in which the Commission authorizes seller to engage in affiliate sales under this tariff or otherwise restricts or limits the seller's market-based rate authority. Failure to comply with the applicable provision of 18 CFR Part 35, Subpart H, and with any other orders of the Commission concerning seller's market-based rate authority, will constitute a violation of this tariff.

6.0 LIMITATIONS AND EXEMPTIONS

- 6.1 Portland General Electric Company has been granted the following waivers and blanket authorization: (a) waiver of Subparts B and C of Part 35 of the Commission's regulations, except for Sections 35.12(a), 35.13(b), 35.15, and 35.16; and (b) all other

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Vice President and General Counsel  
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Portland General Electric Company  
FERC Electric Tariff, Volume No. 11

waivers and authorization routinely granted pursuant to market rate applications of franchised public utilities. *Portland General Electric Company*, Docket No. ER98-1643-000 (April 17, 1998) (unpublished letter order).

7.0 ANCILLARY SERVICES

7.1 Portland General Electric Company may offer regulations service, spinning reserve service and non-spinning reserve service to the California Independent System Operator Corporation ("CAISO"), and to others that are self-supplying ancillary services to the CAISO.

7.2 Third Party Provider: Portland General Electric Company's sale of Regulations Service, Spinning Reserve Service and Non-Spinning Reserve Service ("California Ancillary Services") will not include: (1) sales to an RTO or an ISO, i.e., where that entity has no ability to self-supply ancillary services but instead depends on third parties; (2) sales to a traditional, franchised public utility affiliated with the third-party supplier, or sales where the transmission service is on the system of the public utility affiliated with the third-party supplier; and (3) sales to a public utility that is purchasing ancillary services to satisfy its own open access transmission tariff requirements to offer ancillary services to its own customers.

8.0 CHARACTER OF SERVICE

Portland General Electric Company may provide capacity and/or energy, and/or California Ancillary Services under this tariff in varying amounts, at varying levels of firmness or priorities of service, for varying periods of service, and in accordance with varying delivery schedules, as agreed to between the Buyer and Portland General Electric Company.

9.0 SELLER CATEGORY

Portland General Electric Company is a Category 2 Seller as defined in 18 CFR 35.36(a) in the Northwest Region. Portland General Electric Company is a Category 1 Seller as defined in 18 CFR 35.36(a) in all other regions since Portland General Electric Company owns or controls 500 MW or less of generation in aggregate in each of the other regions; does not own, operate or control transmission facilities other than limited equipment necessary to connect individual generating facilities to the transmission grid in any of the other regions; is not affiliated with anyone that owns, operates or controls transmission facilities in any of the other regions as Portland General Electric Company's generation assets; is not affiliated with a franchised public utility in the same region as Portland General Electric Company's generation assets; and does not raise other vertical market power issues.

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Vice President and General Counsel  
Issued on: October 22, 2010

Effective: August 17, 2010

FERC ELECTRIC TARIFF

Third Revised Volume No. 2

of

Portland General Electric Company

Filed with the

Federal Energy Regulatory Commission

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Portland General Electric  
FERC Electric Tariff  
Volume No. 2

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Open Access Transmission Rate Schedule Table

Attachment 1

Issued by: J. Jeffrey Dudley  
Vice President, General Counsel  
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FERC ELECTRIC TARIFF  
THIRD REVISED VOLUME NO. 2  
SHORT-TERM CAPACITY AND/OR ENERGY FOR RESALE

1. Applicability:

This Tariff is applicable for services available under the Service Schedules attached hereto by Portland General Electric (PGE) to eligible entities (Purchasers) for resale. Eligible entities are any private or public corporation, governmental agency or authority, municipality, rural electric membership corporation or cooperative, person, or lawful association of any of the foregoing. Ultimate consumers of electric utility service (i.e., retail customers) are not eligible entities under this Tariff. A Service Agreement in the form specified in this Tariff shall be executed by each entity desiring to take service pursuant to this Tariff and shall be a condition precedent to PGE's providing service hereunder.

2. Commitments:

All transactions under this Tariff shall be voluntary and subject to the availability of capacity and/or energy to complete the transaction. By executing a Service Agreement with any entity, PGE does not warrant that it has any capacity and/or energy available for sale hereunder and does not commit to enter into any individual transaction with any other entity unless otherwise stated in the Service Schedules. An entity that executes such a Service Agreement with PGE does not commit to enter into any individual transaction with PGE. All arrangements for transactions provided under the attached Service Schedules shall be made between operating representatives of PGE and the Purchaser. PGE shall document the Service Schedule, starting time and date, price, duration, quantity, delivery point, and description of service provided for each transaction.

3. Type of Service:

Energy will be supplied as three-phase, alternating, 60-Hertz current at mutually agreed voltages.

4. Delivery Points:

Capacity and/or energy will be made available at any agreed upon point(s) of

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interconnection between PGE and the Purchaser, between PGE and any party transferring power from a point of interconnection with PGE for the Purchaser, or at any other point as mutually agreed to by PGE and the Purchaser.

5. Scheduling:

Whenever PGE and a Purchaser enter into a commitment to sell and buy capacity and/or energy pursuant to this Tariff, the Purchaser shall arrange with PGE's operators to schedule all deliveries of capacity and/or energy hereunder and such deliveries shall be deemed to be received during the hours and in the amounts scheduled; provided that if such deliveries are interrupted or curtailed, the schedules of capacity and/or energy shall be adjusted to reflect such interruption or curtailment and a pro rata reduction in the demand charge will be given for the period of interruption.

6. Availability:

PGE, at its sole discretion, will determine the amounts, times, and the conditions under which energy is available under this Tariff prior to entering into a transaction.

7. Credit Worthiness:

For the purpose of determining the ability of Purchaser to perform its obligations hereunder, PGE may, prior to any transactions occurring under this Tariff, require any Purchaser to provide audited financial statements and related information for the most recent period, which are acceptable to PGE. Following review of this information, PGE may require additional credit support on behalf of Purchaser in a form acceptable to PGE. This may include, but is not limited to the following:

1. An executed unconditional guarantee in a form and from a third party (Guarantor) acceptable to PGE.
2. An irrevocable letter of credit in the form and from a banking institution acceptable to PGE.
3. Collateral in a form and amount acceptable to PGE.

8. Transmission Arrangements Beyond PGE's System:

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Unless otherwise agreed, the Purchaser shall have the responsibility for obtaining or providing transmission service from the Delivery Point to the Purchaser's system and shall bear all the costs associated with such transmission service. PGE shall have the right to receive assurances satisfactory to it that all necessary transmission arrangements are in place prior to committing to any transactions pursuant to this Tariff. If PGE arranges for any such transmission, the Purchaser will reimburse PGE for any third party transmission costs incurred in providing the service.

9. No Dedication of Facilities:

No undertaking by one party to the other under any provision of this Tariff shall be deemed to constitute the dedication of PGE's system or any portion thereof to any party, to the public or to the other party, and it is understood and agreed that any such undertaking by any party shall cease upon termination of the transaction entered into under this Tariff or cancellation of such Service Agreement, whichever shall occur first.

The Purchaser by executing a Service Agreement hereunder, or by commencing to take service from PGE, agrees to take and pay for service in accordance with the terms and conditions of this Tariff as they may be in effect from time to time subject to action by the governmental bodies having regulatory jurisdiction over services rendered hereunder.

10. Billing and Payment:

PGE shall invoice the Purchaser monthly for capacity and/or energy scheduled and made available during the preceding month under this Tariff. The bill rendered under each Service Agreement shall be subject to the adjustment for the true-up of estimated to actual charges as set forth in Section 11 hereof and for any errors in accounting, arithmetic, computation, estimating or otherwise. Payment shall be due on the last day of the invoicing month or the fifteenth (15) day after receipt of such invoice, whichever is later, unless otherwise specified in the service agreement or as otherwise agreed. If the due date is on a Saturday, Sunday, or legal holiday, then the due date shall be delayed to the next business day without addition of a delayed payment charge. Amounts not paid on or before the due date shall be payable with simple interest accrued from the due date to the date of payment at the same interest rate of the San Francisco Main Branch of the Bank of America, National Trust and Savings Association, or its successor, at the beginning of the month, plus 2% or the maximum rate permitted by law, whichever is less and shall be computed based on the actual number of days elapsed. Payment shall be deemed made when sent or as otherwise agreed.

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In the event a bill or a portion thereof, or any claim or adjustment arising hereunder, is disputed, payment of the bill in the amount rendered shall be made when due with written notice of the objection given to PGE at that time. If it is subsequently determined or agreed that an adjustment to the bill is appropriate, a revised bill shall be prepared by PGE. Any overpayment or underpayment shall bear interest at the rate provided above and shall be assessed from the time of said over/under payment to the date of issuance of the revised bill. Payment pursuant to the revised bill shall be made by the last day of the invoicing month or the fifteenth (15) calendar day after receipt of such revised bill, whichever is later. If the due date is on a Saturday, Sunday, or legal holiday, then the due date shall be delayed to the next business day without addition of a delayed payment charge. Purchaser shall not have the right to challenge any monthly bill or to bring any court or administrative action of any kind questioning the propriety of any bill after a period of one (1) year from the date the bill was rendered; provided, however, that in case of a bill based upon estimates, the Purchaser shall not have the right to make such challenge or bring such actions after a period of one (1) year from the date of rendering of the bill, as adjusted to reflect the actual amount due.

In the event of non-payment of a bill by the Purchaser, PGE shall have the right to file a notice of termination of service with the Commission thirty (30) days subsequent to the date of the bill. If PGE provides such notice to the Commission, PGE shall also provide notice to the Purchaser of PGE's intention to suspend service in 60 days, in accordance with Commission policy.

11. Estimates and Adjustments:

Pending the availability of actual data, computations by PGE of energy charges for the purpose of billing may be based upon estimates made by PGE. Any bill which is computed in whole or part on the basis of estimates shall expressly state that it is based upon estimates and the estimated components shall be identified.

PGE may make adjustments to any billing for a period of up to twelve (12) months from the date of such original billing in order to reflect differences in the energy charges from PGE's receipt of more current data. Purchaser may dispute such adjustments in accordance with Section 10 of this Tariff. PGE shall make additional adjustments to such energy charge billings after the twelve (12) month period to the extent such adjustments are required based upon final resolution of any claim, action, or proceeding that is based upon data contained in the original billing and that is formally initiated by, or noticed to PGE prior to, the end of the twelve (12) month period following the date of such original

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billing or true-up of such billing.

12. Service Schedules:

The specific types of electric service available and the applicable rates under this Tariff are set forth in the Service Schedules attached hereto, each of which shall be deemed to be part of this Tariff. The Service Schedules are respectively identified as:

Service Schedule A - Firm Capacity/Energy

Service Schedule B - Economy Energy Service

Service Schedule C - Provisional Energy Service

Service Schedule D - Exchange Service

Service Schedule E - Unit Contingent Capacity and/or Energy Service

Service Schedule F - Emergency Energy Service

Service Schedule G - Storage and Return of Energy Service

13. Term:

This Tariff shall remain in effect until terminated by either Party on thirty (30) days prior written notice. As of the effective date of any termination, the terminating Party shall have no further rights or obligations under this Tariff except the right to collect money or receive service owed to it under any Service Schedule and the obligation to pay such amounts due to another Party and to complete any transactions agreed to under any Service Schedule as of said date. Neither Party shall oppose the other Party's right to terminate this Tariff. The Purchaser shall not oppose PGE's right to terminate FERC Electric Tariff Original Volume No. 2. Rights or obligations incurred prior to termination shall be preserved until satisfied.

The term of any transaction entered into under this Tariff shall be established by agreement of the parties but shall in any event not be less than one (1) hour.

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Vice President, General Counsel  
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14. Rate Changes:

Nothing contained herein shall be construed as affecting in any way the right of PGE to unilaterally make application to the Commission at any time for a change in rates, charges, terms and conditions of service under this Tariff, including Service Schedules A through G hereunder, pursuant to Section 205 of the Federal Power Act and the Commission's Rules and Regulations promulgated thereunder.

15. Termination:

PGE shall have the unilateral right to terminate this Tariff at any time by filing with the Commission a notice of termination. Also, Purchaser may request at any time that PGE file a notice of cancellation when any scheduled service has been completed or as mutually agreed to by the parties.

15.1. Any notice or request provided for herein made in connection with it shall be in writing and shall be deemed properly given or made if delivered in person or sent by the United States mail, postage prepaid, to the persons specified in executed Service Agreements. Either party may at any time, by notice to the other party, change the designation or address of the person so specified as one to receive notices herein.

15.2. All other notices hereunder may be given by telephone, telecopy, or teletype communication if in accordance with procedures to be agreed upon from time to time by the operating personnel of the parties.

16. Priority of Service:

PGE shall exercise due care and diligence to supply electric service hereunder free from interruption; provided, however, PGE shall not be responsible for any failure to supply electric service, nor for interruption, reversal or abnormal voltage of the supply, if such failure, interruption, reversal or abnormal voltage is without negligence on its part. Whenever the integrity of PGE's system or the supply of electricity is threatened by conditions on its system or on the systems with which it is directly or indirectly interconnected, or whenever it is necessary or desirable to aid in the restoration of service, PGE may in conformance with prudent utility practices and with application of standards no more interruptive than applied in service to its retail customers in like circumstances, curtail or interrupt electric service or reduce voltage to some or all of its customers and

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such curtailment, interruption or reduction shall not constitute negligence by PGE.

In the event of conditions on the PGE system that require curtailment or interruption of electric service in order to maintain system reliability, PGE's firm native system load and other long-term firm power supply and transmission service obligations shall have priority over any services being provided pursuant to this Tariff and transactions under this Tariff will be interrupted based on the last scheduled transactions interrupted first. Except that emergency service under this Tariff will have priority over all other service under this Tariff.

17. Purchaser's and PGE's Responsibilities:

As between PGE and Purchaser, Purchaser assumes all responsibility for electricity beyond the points of interconnection between PGE and Purchaser, the Supplying Party or intervening third-party systems; and PGE shall not be liable for damages to the person or property of Purchaser or its employees or any other persons resulting from the use or presence of electricity beyond such points of interconnection. Purchaser expressly agrees to indemnify and hold harmless and defend PGE against any claim or demand (including any cost or expense of litigation relating thereto) arising out of the provision of service hereunder, provided, however, that such claim, demand, cost or expense is not attributable to PGE's sole negligence or willful misconduct with respect to the operation of its system.

18. Uncontrollable Forces:

Neither Party shall be considered to be in default with any respect to any obligation hereunder, if prevented from fulfilling such obligation by reason of uncontrollable forces. The term "uncontrollable forces", for the purpose of this Tariff, shall mean any cause beyond the control of the Party affected, including, but not limited to, destruction, failure or impairment of facilities resulting from accident, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, strike, labor disturbance, sabotage, restraint by court or public authority, or act or failure to act by court or public authority, which by exercise of due diligence and foresight such Party could not reasonably have been expected to avoid. Either Party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch. A Party rendered unable to fulfill any of its obligations under this Tariff by reason of an uncontrollable force shall give prompt written notice of such fact to the other Party.

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19. Liability:

Each Party hereto agrees to protect, indemnify and hold harmless the other party, its directors, officers, employees, agents, and representatives against and from any and all losses, claims, actions, or suits, including costs and attorney's fees from both trial and appeals therefrom, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction of property resulting from or arising out of any of the indemnifying Party's actions of facilities, excepting only such injury, death, damage or destruction as may be caused by the fault or negligence of the other Party, its members, directors, officers, employees, agents, or representatives.

Nothing herein shall create, or be interpreted as creating, any standard of care with reference to, or any duty or liability to any person not a party hereto.

20. Assignments:

This Tariff shall not be assigned by either Party without the prior written consent of the other Party.

21. Use of PGE's Transmission System

To the extent PGE uses its transmission system in making sales pursuant to this Tariff (PGE-2), PGE will use its open access transmission tariff for the sale.

Attachment 1 to this Tariff lists the current "up-to" rates associated with PGE's open access tariff and corresponding ancillary services. These rates may change in the future based on future rate filings and restructuring of transmission systems in the Northwest.

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FORM OF SERVICE AGREEMENT

SERVICE AGREEMENT Under  
Portland General Electric Company's  
FERC Electric Tariff Third Revised Volume No. 2

This Service Agreement dated as of \_\_\_\_\_, is entered into by and between Portland General Electric Company, a corporation, and \_\_\_\_\_, Purchaser.

Portland General Electric agrees to provide and Purchaser agrees to take and pay for services under this Tariff under the terms, conditions, and rates contained in the Tariff. Rates, terms and conditions of specific transactions shall be agreed to in writing by Portland General Electric and the Purchaser but need not be filed with the Federal Energy-Regulatory Commission, provided that such rates, terms, and conditions are consistent with the provisions of the Tariff and Service Schedules. This Service Agreement may be amended from time to time pursuant to Section 14 of the Tariff. This Service Agreement constitutes the entire agreement between the parties and supersedes all discussions, communications, and correspondence relating to service under this Tariff.

The addresses of the parties for written communication pursuant to this agreement are as follows:

Power Contracts/Supply Portland  
General Electric Company 121 SW  
Salmon St. Portland, Oregon 97204

Purchaser: \_\_\_\_\_  
\_\_\_\_\_

In witness whereof, the parties have caused this Service Agreement to be executed by their respective authorized officials as of the date first above written:

PORTLAND GENERAL ELECTRIC

PURCHASER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Issued by: J. Jeffrey Dudley  
Vice President, General Counsel  
Issued on: October 22, 2010

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SERVICE SCHEDULE A

FIRM CAPACITY/ENERGY

- A. 1 Firm Capacity and/or Energy transactions shall mean capacity and/or energy supplied by PGE. Capacity and/or firm energy uses under this Service Schedule include but are not limited to the following uses: for use during periods of routine or emergency maintenance of facilities; to offset capacity deficiencies; to meet regional reserve criteria; to meet planning reliability criteria; or as a source of economic firm power. Service under Service Schedules A and C will be accorded the next highest priority on PGE's system after native load and PGE's firm power and transmission obligations under other contracts.
- A.2 Rate(s) for service under this Service Schedule shall be agreed upon by the Purchaser and PGE at the time the transaction is negotiated in accordance with the Appendix to this Service Schedule.
- A.3 Incremental Cost as defined in this Service Schedule shall mean the increase in total energy production cost incurred or expected to be incurred by providing energy to the Purchaser. This cost shall include, if appropriate, fuel cost, variable operation and maintenance expense, cost of starting and shutdown of units and any other costs that are directly attributable to the transaction.

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#### APPENDIX TO SERVICE SCHEDULE A

For firm capacity and/or energy provided from PGE's own resources, the rate shall be an amount at least equal to Incremental Cost but no greater than 110% of Incremental Cost plus up to: \$11.68/kW/month; \$2.70/kW/week; \$0.544/kW/day, with the charges not to exceed the product of the number of kW's reserved for the week times the maximum weekly demand charge of \$2.70/kW/week; or \$0.034 per kWh, with the charges not to exceed the product of the number of kW's reserved for the day times the maximum daily demand charge of \$0.544/kW/day and not to exceed the product of the number of kW's reserved for the week times the maximum weekly demand charge of \$2.70/kW/week.

For firm energy provided from PGE's purchases of non-firm energy from third parties, which are backed-up by PGE's own resources, coincidentally with sales of firm energy under this Service Schedule, the rate shall be less than or equal to:

The greater of (1) the charge utilizing PGE's own resource pricing as described above or (2) the purchase power price in mills per kilowatt-hour which PGE pays to a third party for purchases of non-firm energy coincidentally with sales of firm energy under this Service Schedule plus an adder which is no less than 1 mill per kilowatt-hour and no greater than 13.08 mills per kilowatt-hour.

Any transmission costs incurred by PGE may be collected from the purchaser as part of the service under this service schedule. Such transmission costs shall be in addition to the charges detailed above. PGE shall separately identify the transmission costs to the purchaser and comply with Commission requirements governing disclosure of the transmission charges.

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SERVICE SCHEDULE B  
ECONOMY ENERGY SERVICE

- B.1 Economy Energy Service shall mean non-firm electric energy supplied by PGE to Purchaser that is subject to immediate interruption for any reason upon notification.
- B.2 Rate(s) for service under this Service Schedule shall be agreed upon by the Purchaser and PGE at the time the transaction is negotiated and in accordance with the Appendix to this Service Schedule.
- B.3 Incremental Cost as defined in this Service Schedule shall mean the increase in total energy production cost incurred or expected to be incurred by providing energy to the Purchaser. This cost shall include, if appropriate, fuel cost, variable operation and maintenance expense, cost of starting and shutdown of units and any other costs that are directly attributable to the transaction.
- B.4 Decremental Energy Cost shall mean the reduction in cost which the Purchaser receives through the purchase of economy energy from PGE rather than providing that energy from other resources available to the Purchaser. This cost shall include, if appropriate, decremental fuel cost, decremental operation and maintenance expense, cost of starting or shutdown of units, cost of energy purchased from a third party, and any other costs that are directly attributable to the transaction.

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#### APPENDIX TO SERVICE SCHEDULE B

For economy energy provided from PGE's own resources, the rates shall be based on either (1) an equal sharing of savings between PGE's Incremental Cost and the Purchaser's Decremental Energy Cost or (2) an amount at least equal to Incremental Cost but no greater than 110% of Incremental Cost plus up to: \$11.68/kW/month; \$2.70/kW/week; \$0.544/kW/day, with the charges not to exceed the product of the number of kW's reserved for the week times the maximum weekly demand charge of \$2.70/kW/week; or \$0.034 per kWh, with the charges not to exceed the product of the number of kW's reserved for the day times the maximum daily demand charge of \$0.544/kW/day and not to exceed the product of the number of kW's reserved for the week times the maximum weekly demand charge of \$2.70/kW/week.

Under the equal sharing option (1), PGE's Incremental Costs shall not include amounts relating to transmission service PGE takes under its transmission tariff.

For economy energy provided from PGE's purchases of non-firm energy from third parties, coincidentally with sales of economy energy under this Service Schedule, the rate shall be less than or equal to:

The greater of (1) the charge utilizing PGE's own resource pricing as described above or (2) the purchase power price in mills per kilowatt-hour which PGE pays to a third party for purchases of non-firm energy coincidentally with sales of economy energy under this Service Schedule plus an adder which is no less than 1 mill per kilowatt-hour and no greater than: 3.09 mills per kW-hour, with the charges not to exceed the product of the number of kilowatts reserved for the day times the maximum daily demand charge of \$.05 per kW-day, and not to exceed the product of the number of kilowatts reserved for the week times the maximum weekly demand charge of \$.25 per kW-week.

Any transmission costs incurred by PGE may be collected from the purchaser as part of the service under this service schedule. Such transmission costs shall be in addition to the charges detailed above. PGE shall separately identify the transmission costs to the purchaser and comply with Commission requirements governing disclosure of the transmission charges.

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SERVICE SCHEDULE C  
PROVISIONAL ENERGY SERVICE

- C.1 Provisional Energy Service shall mean service from which PGE may require the subsequent return of part or all of the energy supplied to the Purchaser. Service under Service Schedules A and C will be accorded the next highest priority on PGE's system after native load and PGE's firm power and transmission obligations under other contracts.
- C.2 Conditions for Service.
- Service under this Service Schedule is subject to the following conditions:
- C.2.1 The Final Return Date shall be agreed upon at the time the transaction is negotiated.
- C.2.2 PGE will require the return of energy only to meet commitments as mutually agreed by the parties at the time the transaction is negotiated.
- C.2.3 PGE will notify the Purchaser of the need for the return of energy as soon as PGE is able to determine such need.
- C.2.4 Energy required to be returned shall be purchased by PGE at the same rate the Purchaser paid PGE for the energy provided under the original transaction.
- C.3 Rate(s) for service under this Service Schedule shall be agreed upon by the Purchaser and PGE at the time the transaction is negotiated and in accordance with the Appendix to this Service Schedule.
- C.4 Incremental Cost as defined in this Service Schedule shall mean the increase in total energy production cost incurred or expected to be incurred by providing energy to the Purchaser. This cost shall include, if appropriate, fuel cost, variable operation and maintenance expense, cost of starting and shutdown of units and any other costs that are directly attributable to the transaction.
- C.5 Final Return Date shall mean the last date on which PGE shall have the right to request the return of part or all of the energy sold under this Service Schedule.

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- C.6 If the Purchaser fails to complete the return of energy as requested by PGE by the Final Return Date, a mutually agreed upon rate up to the maximum rate(s) allowed under this Service Schedule will be applied to the balance of energy required to be returned in order to reconcile the transaction. If a rate cannot be mutually agreed upon, the maximum rate allowed under this Service Schedule will be applied to the balance of energy required to be returned in order to reconcile the transaction.

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APPENDIX TO SERVICE SCHEDULE C

For provisional energy provided from PGE's own resources, the rates shall be an amount at least equal to Incremental Cost but no greater than 110% of Incremental Cost plus up to: \$11.68/kW/month; \$2.70/kW/week; \$0.544/kW/day, with the charges not to exceed the product of the number of kW's reserved for the week times the maximum weekly demand charge of \$2.70/kW/week; or \$0.034 per kWh, with the charges not to exceed the product of the number of kW's reserved for the day times the maximum daily demand charge of \$0.544/kW/day and not to exceed the product of the number of kW's reserved for the week times the maximum weekly demand charge of \$2.70/kW/week.

For provisional energy provided from PGE's purchases of non-firm energy, which are backed-up by PGE's own resources, from third parties coincidentally with sales of provisional energy under this Service Schedule, the rate shall be less than or equal to:

The greater of (1) the charge utilizing PGE's own resource pricing as described above or (2) the purchase power price in mills per kilowatt-hour which PGE pays to a third party for purchases of non-firm energy coincidentally with sales of provisional energy under this Service Schedule plus an adder which is no less than 1 mill per kilowatt-hour and no greater than 13.08 mills per kilowatt-hour.

Any transmission costs incurred by PGE may be collected from the purchaser as part of the service under this service schedule. Such transmission costs shall be in addition to the charges detailed above. PGE shall separately identify the transmission costs to the purchaser and comply with Commission requirements governing disclosure of the transmission charges.

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SERVICE SCHEDULE D  
EXCHANGE SERVICE

D.1 Exchange Service shall mean the provision of capacity and/or energy supplied by PGE to a Purchaser which the Purchaser agrees to return to PGE at times and in amounts as mutually agreed.

D.2 Conditions of Service.

The following provisions shall be mutually agreed upon at the time the exchange transaction is negotiated:

D.2.1 The amount of capacity and/or energy to be provided and the amount of capacity and/or energy to be returned.

D.2.2 The scheduling provisions of the agreed upon transactions, including the hourly delivery amount.

D.2.3 The Final Return Date.

D.3 If the Purchaser fails to complete the return of capacity and/or energy by the Final Return Date, at PGE's option, either (1) the Final Return Date will be extended by mutual written agreement to allow the return to be completed; or (2) a mutually agreed upon rate up to the maximum rate(s) allowed under this Service Schedule will be applied to the balance of the capacity and energy still required to be returned in order to reconcile the transaction. If a rate cannot be mutually agreed upon, the maximum rate(s) allowed under this Service Schedule will be applied to the balance of the capacity and energy still required to be returned in order to reconcile the transaction.

D.4 Exchange ratios shall be mutually agreed upon between the Purchaser and PGE at the time the transaction is negotiated, but shall not exceed the ratio of 1.5 to 1.0. Rates for service under this Service Schedule, in the event the Purchaser fails to complete the return of capacity and energy by the Final Return Date, shall be an amount equal to Incremental Cost but not greater than 110% of Incremental Cost plus up to 21.7 mills/kWh.

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- D.5 Incremental Cost as defined in this Service Schedule shall mean the increase in total energy production cost incurred or expected to be incurred by providing energy to the Purchaser. This cost shall include, if appropriate, fuel cost, variable operation and maintenance expense, cost of starting and shutdown of units and any other costs that are directly attributable to the transaction.
- D.6 Final Return Date shall mean the date by which Purchaser must have returned to PGE the capacity and/or energy provided under this Service Schedule.
- D.7 Any transmission costs incurred by PGE may be collected from the purchaser as part of the service under this service schedule. Such transmission costs shall be in addition to the charges detailed above. PGE shall separately identify the transmission costs to the purchaser and comply with Commission requirements governing disclosure of the transmission charges.

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SERVICE SCHEDULE E  
UNIT CONTINGENT CAPACITY AND/OR ENERGY SERVICE

- E.1 Unit Contingent Capacity and/or Energy shall mean capacity and/or energy provided from a specified PGE generating unit(s), which shall be used to provide to the Purchaser the amount of capacity and/or energy agreed to under the transaction, subject to the availability of such generating unit(s).
- E.2 Rate(s) for service under this Service Schedule shall be agreed upon by the Purchaser and PGE at the time the transaction is negotiated and shall be predicated upon the following:

Energy Charge

An energy charge per kilowatt-hour of Unit(s) Contingent Energy received under this Service Schedule shall be the average cost of fuel, expressed in mills/kWh, consumed at unit(s) in the billing month adjusted for losses in PGE's delivery of Unit Contingent Energy to Purchaser.

The average cost of fuel consumed at unit(s) adjusted for the delivery of losses, referred to above, is defined as the product of (1) the total cost of fuel consumed at unit(s) during the month, reflected in Account No. 151 as defined in the Uniform System of Accounts prescribed for Public Utilities and Licensees by the FERC divided by the net kilowatt-hours generated at unit(s) during the month.

Demand Charge

The maximum demand charge will be provided for in the Appendix to this Service Schedule for the unit(s) whose output is being sold under this Service Schedule.

Notwithstanding the above energy and demand charges, PGE will recover at least its system Incremental Costs incurred in providing any sale under this Service Schedule.

- E.3 The Purchaser shall have the right to receive the agreed upon amount of capacity and/or energy from the specified generating unit(s) unless such unit(s) is not in service due to a planned or unplanned outage. In the event that the specified generating unit(s) is out of service, PGE shall have the right to interrupt or curtail service under this Service Schedule for the period of the outage. In the event that the specified generating unit(s) is required to be operated at less than its full capability, PGE shall have the right to interrupt

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or curtail service under this Service Schedule up to the amount of such capability restriction if necessary to maintain economical and reliable service to its firm native system load and long-term firm obligations.

- E.4 Incremental Cost as defined in this Service Schedule shall mean the increase in total energy production cost incurred or expected to be incurred by providing energy to the Purchaser. This cost shall include, if appropriate, fuel cost, variable operation and maintenance expense, cost of starting and shutdown of unit(s) and any other costs that are directly attributable to the transaction.
- E.5 Any transmission costs incurred by PGE may be collected from the purchaser as part of the service under this service schedule. Such transmission costs shall be in addition to the charges detailed above. PGE shall separately identify the transmission costs to the purchaser and comply with Commission requirements governing disclosure of the transmission charges.
-

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APPENDIX TO SERVICE SCHEDULE E

Boardman Contingent Service

Boardman's Incremental Costs plus up to: \$15.83/kW/month; \$3.65 /kW/week; \$0.734/kW/day or 30.6 mills/kWh; or 45.7 mills/kWh for service of sixteen (16) hours or less per day. The hourly rate is capped at PGE's Incremental Cost plus \$0.734/kW/day. The total demand charge revenues in any consecutive seven-day period shall not exceed the product of the weekly rate and the highest demand experienced on any day in the seven-day period.

Beaver Contingent Service

Beaver's Incremental Costs plus up to: \$4.32/kW/month; \$1.00/kW/week; \$0.204/kW/day or 8.5 mills/kWh; or 12.40 mills/kWh for service of sixteen (16) hours or less per day. The hourly rate is capped at PGE's Incremental Cost plus \$0.204/kW/day. The total demand charge revenues in any consecutive seven-day period shall not exceed the product of the weekly rate and the highest demand experienced on any day in the seven-day period.

Centralia Contingent Service

Centralia's Incremental Costs plus up to: \$4.42/kW/month; \$1.02/kW/week; \$0.204/kW/day or 8.5 mills/kWh; or 12.7 mills/kWh for service of sixteen (16) hours or less per day. The hourly rate is capped at PGE's Incremental Cost plus \$0.204/kW/day. The total demand charge revenues in any consecutive seven-day period shall not exceed the product of the weekly rate and the highest demand experienced on any day in the seven-day period.

Colstrip Contingent Service

Colstrip's Incremental Costs plus up to: \$19.69/kW/month; \$4.54/kW/week; \$0.904/kW/day or 37.7 mills/kWh; or 56.8 mills/kWh for service of sixteen (16) hours or less per day. The hourly rate is capped at PGE's Incremental Cost plus \$0.904/kW/day. The total demand charge revenues in any consecutive seven-day period shall not exceed the product of the weekly rate and the highest demand experienced on any day in the seven-day period.

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Bethel Contingent Service

Bethel's Incremental Costs plus up to: \$1.05/kW/month; \$0.24 /kW/week; \$0.044/kW/day or 1.83 mills/kWh; or 3.0 mills/kWh for service of sixteen (16) hours or less per day. The hourly rate is capped at PGE's Incremental Cost plus \$0.044/kW/day. The total demand charge revenues in any consecutive seven-day period shall not exceed the product of the weekly rate and the highest demand experienced on any day in the seven-day period.

Any transmission costs incurred by PGE may be collected from the purchaser as part of the service under this service schedule. Such transmission costs shall be in addition to the charges detailed above. PGE shall separately identify the transmission costs to the purchaser and comply with Commission requirements governing disclosure of the transmission charges.

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SERVICE SCHEDULE F  
EMERGENCY ENERGY SERVICE

- F. 1 Emergency Service shall mean energy supplied by PGE to the Purchaser to be used in response to an emergency.
- F.2 Subject to the provisions of Section F.3 hereof, in the event of a breakdown or other emergency involving either sources of power or transmission facilities, or both, impairing or jeopardizing the ability of the Purchaser to meet loads, PGE shall deliver to Purchaser, electric energy that it is requested to be delivered; provided, however, that PGE shall not be obligated to deliver such energy which, in its sole judgment, it cannot deliver without interposing a hazard to its own operations or without impairing or jeopardizing the other load requirements of its own system.
- F.3 The Parties recognize that the delivery of Emergency Energy as provided for in Section F.2 hereof, is subject to two conditions which may preclude the delivery of such energy as so provided: (a) PGE may be suffering an emergency in or on its own system as described in Section F.2, or (b) PGE's system may be delivering electric energy, under a mutual emergency interchange agreement, to the system of another interconnected company which is suffering an emergency in or on its system. Under conditions as cited under (a) above, PGE shall not be considered to be in default hereunder if it's unable to comply with the provisions of said Section F.2. Under conditions as cited under (b) above, PGE shall not be considered to be in default hereunder if it is unable to comply with the provisions of said Section F.2 provided that the aforesaid interconnected company has suffered an emergency in or on its own system prior to that of Purchaser.
- F.4 PGE will charge the appropriate rate as specified in the Appendix to this Service Schedule.

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APPENDIX TO SERVICE SCHEDULE F

For emergency energy provided, the rate shall be at least an amount equal to 150% of the costs of operating the Beaver combustion turbine on oil but no greater than 100 mills/kWh.

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SERVICE SCHEDULE G  
STORAGE AND RETURN OF ENERGY SERVICE

- G. 1 Storage and Return of Energy Service shall mean service for which PGE will store energy delivered by the Purchaser for future return to the Purchaser when PGE has storage capabilities in excess of its system requirements and obligations.
- G.2 The rate per kWh for energy storage and return under this Service Schedule shall be up to 4 mills (\$.004) per kWh if returned during Heavy Load Hours, and up to 2 mills (\$.002) per kWh if returned during Light Load Hours.
- G.3 Heavy Load Hours are the hours ending 0700 through 2200 Pacific Prevailing Time (Standard or Daylight Savings Time) for Monday through Saturday, except holidays as observed by both Parties.
- G.4 Light Load Hours are all hours not defined as Heavy Load Hours.

G.5 Conditions of Service.

Service under this Service Schedule is subject to the following conditions:

- G.5.1 PGE shall have the right, in its sole discretion, to determine the use for all or any part of the storage space in its storage capability to store energy for its own account or the account of others.
- G.5.2 PGE shall have the right, in its sole discretion, to displace, if necessary, stored energy previously received.
- G.5.3 PGE shall have the sole right to determine, in the event of any spill, which energy in its storage space was spilled.
- G.5.4 All energy stored, spilled, or returned shall be accounted for in megawatt hours.
- G.5.5 The energy (in megawatt hours) equivalent to the amount of any stored water spilled shall be computed by using the average energy conversion factor applicable during the time when the water was spilled.

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- G.5.6 PGE shall make reasonable efforts to return any or all stored energy which has not been purchased or spilled to the Purchaser on demand, megawatt hour for megawatt hour, whenever PGE determines there is sufficient hydro-generating and transmission capability available in excess of that required for PGE's use.
- G.5.7 When PGE desires to displace any party's stored energy or is in a pending spill condition, it will notify that party and shall make reasonable efforts to return or conserve the stored energy which will be displaced or spilled.

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Attachment 1

Open Access Transmission Rate Schedule Reference Table

--Note--

This table is to be used for reference only. Should a Conflict exist between the rates listed herein and those contained in PGE's open access tariff as filed with the FERC, the filed tariff rates, as accepted, will prevail.

Transmission and Ancillary Service Rate Components

The unbundled rate component for each transmission and ancillary service that would be assessed to the Purchaser under the referenced power sale agreement (PGE-2), is listed below.

Point-to-Point Transmission Service Along PGE's Integrated Transmission System

Rate Component(s) for Firm Point-to-Point Transmission Service are "up-to" the following:

\$0.998 per kW – Month  
\$0.23 per kW – Week  
\$0.0461 per kW – Day (On Peak Firm)  
\$2.90 per MW – hour (On Peak Firm) (2.9 mills kW/hr)

Ancillary Services.

- Rate Component for Scheduling, System Control and Dispatch Service: \$9.45 MW-month.
- Reactive Supply and Voltage Control from Generation Service for excess Var Charge per MVAR-month: \$240.00.
- Rate Component for Regulation and Frequency Response Service of the Transmission Customer's reserved capacity is \$.2521 kW-month (ceiling rate).
- Rate Component for Spinning Reserve Service of the Transmission Customers Reserved Capacity for Point-to-Point Transmission: \$.1679 kW-month (ceiling rate).

Portland General Electric  
FERC Electric Tariff  
Volume No. 2

Attachment 1

Open Access Transmission Rate Schedule Reference Table Continued

- Rate Component for Supplemental Reserve Service of the Transmission Customer's reserved capacity is: \$.2976 kW-month (ceiling rate).
  - Reactive Supply and Voltage Control from Generation Service for excess Var Charge per MVAR-month: \$240.00.
  - Rate Component for Regulation and Frequency Response Service of the Transmission Customer's reserved capacity is: \$.2521 kW-month (ceiling rate).
  - Rate Component for Spinning Reserve Service of the Transmission Customers Reserved Capacity for Point-to-Point Transmission: \$.1679 kW-month (ceiling rate).
  - Rate Component for Supplemental Reserve Service of the Transmission Customer's reserved capacity is: \$.2976 kW-month (ceiling rate).
-

**DESCRIPTION OF TRANSMISSION CONTRACT WITH  
BONNEVILLE POWER ADMINISTRATION**

PGE has point-to-point transmission contracts with the Bonneville Power Administration (BPA), which permit it to route and transmit power from PGE transmission facilities to BPA's international transmission facilities at the U.S./Canadian border. PGE has the ability to integrate the power sold to Canadian Counterparties at a number of Oregon border interconnection points with the BPA system. PGE's 230-kV system interconnects with BPA's 500-kV system at the McLoughlin, Pearl, Keeler and Allston Substations. Integration at these points will enable BPA to deliver the power to Canadian Counterparties. PGE may also deliver power from the Mid-Columbia directly to one of the BPA international transmission facilities located at Blaine or Nelway, Washington via BPA's BC.US.Border point of delivery. Delivery of such power will be at the BPA's current published rates for such service (BPA's current Transmission Rate Schedules and General Transmission Rate Schedule Provisions). See Exhibit C (list of the BPA international transmission facilities).

## **EXHIBIT B**

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EXHIBIT B



**Portland General Electric Company**  
*Legal Department*  
121 SW Salmon Street • Portland, Oregon 97204  
(503) 464-7822 • Facsimile (503) 464-2200

**Loretta I. Mabinton**  
*Associate General Counsel*

May 9, 2014

Mr. Christopher Lawrence  
Office of Electricity Delivery & Energy Reliability  
U.S. Department of Energy  
OE-20, Room 8G-024  
1000 Independence Avenue, SW  
Washington, DC 20585

**Re: Opinion of Counsel**

Dear Mr. Lawrence:

This opinion is being furnished to you pursuant to 10 CFR § 205.303(b) as an exhibit to the Application of Portland General Electric Company ("PGE") for Authorization to Export Electricity to Canada ("Application"). This opinion is provided by me, as counsel for PGE, solely to you for your exclusive use and is not to be relied upon by any other person or entity without my prior written consent.

I am a member of the Oregon State Bar and serve as counsel for PGE. In that capacity, I have examined, or caused to be examined, the Articles of Incorporation, Bylaws and corporate records of PGE, the Application, including all Exhibits thereto, and such other documents as I have deemed necessary and relevant as a basis for the opinion set forth herein. Based on the foregoing, I am of the opinion that:

(a) PGE is duly incorporated, validly existing, and in good standing under the laws of Oregon.

(b) PGE has full corporate power and authority to sell electricity as requested in the Application. All applicable energy sales agreements have been duly authorized and executed (or will be duly authorized and executed) by PGE, and constitutes (or will constitute, when executed) the legal obligations of PGE, enforceable in accordance with their terms.

(c) As required by the Federal Power Act and regulations promulgated pursuant thereto, PGE has obtained authorization from the Federal Energy Regulatory

Commission to sell electric energy at wholesale. Copies of PGE's authorizations are attached to the Application (PGE-2<sup>1</sup> and PGE-11<sup>2</sup>).

(e) To the best of my knowledge and belief, PGE has complied with all pertinent federal and state laws related to the Application.

I have no reason to believe that the Application and the documents incorporated therein by reference contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

I am not licensed to practice law in Canada. With respect to the Application and applicable energy sales agreements, and any other documents to which the laws of Canada are applicable, I have assumed for the purposes of this opinion, with your permission, that such laws are not in conflict with the laws of the State of Oregon. With respect to the conclusions set forth herein, I express no opinions as to any laws other than the laws of the State of Oregon and the federal laws of the United States. I am not assuming any obligation to review or update this opinion should the law or existing facts or circumstances change. I have assumed the authenticity of all documents submitted to me as originals, the conformity to the originals of all documents submitted to me as copies, that the signature on all documents examined by me are genuine, and have relied, to the extent I have deemed appropriate, as to certain matters, upon the certificates of officers of PGE and public officials.

Respectfully submitted,



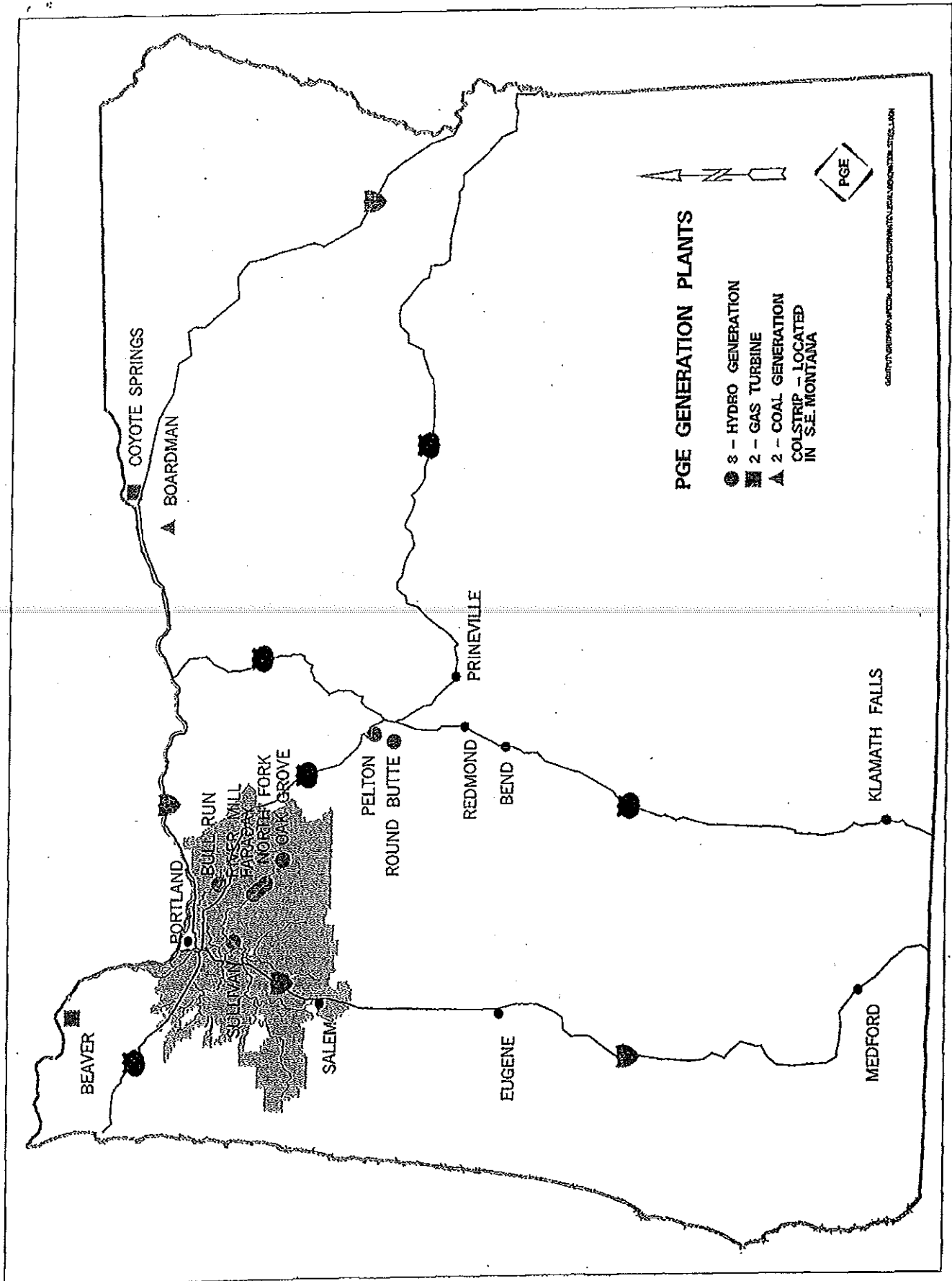
Loretta Mabinton  
Associate General Counsel

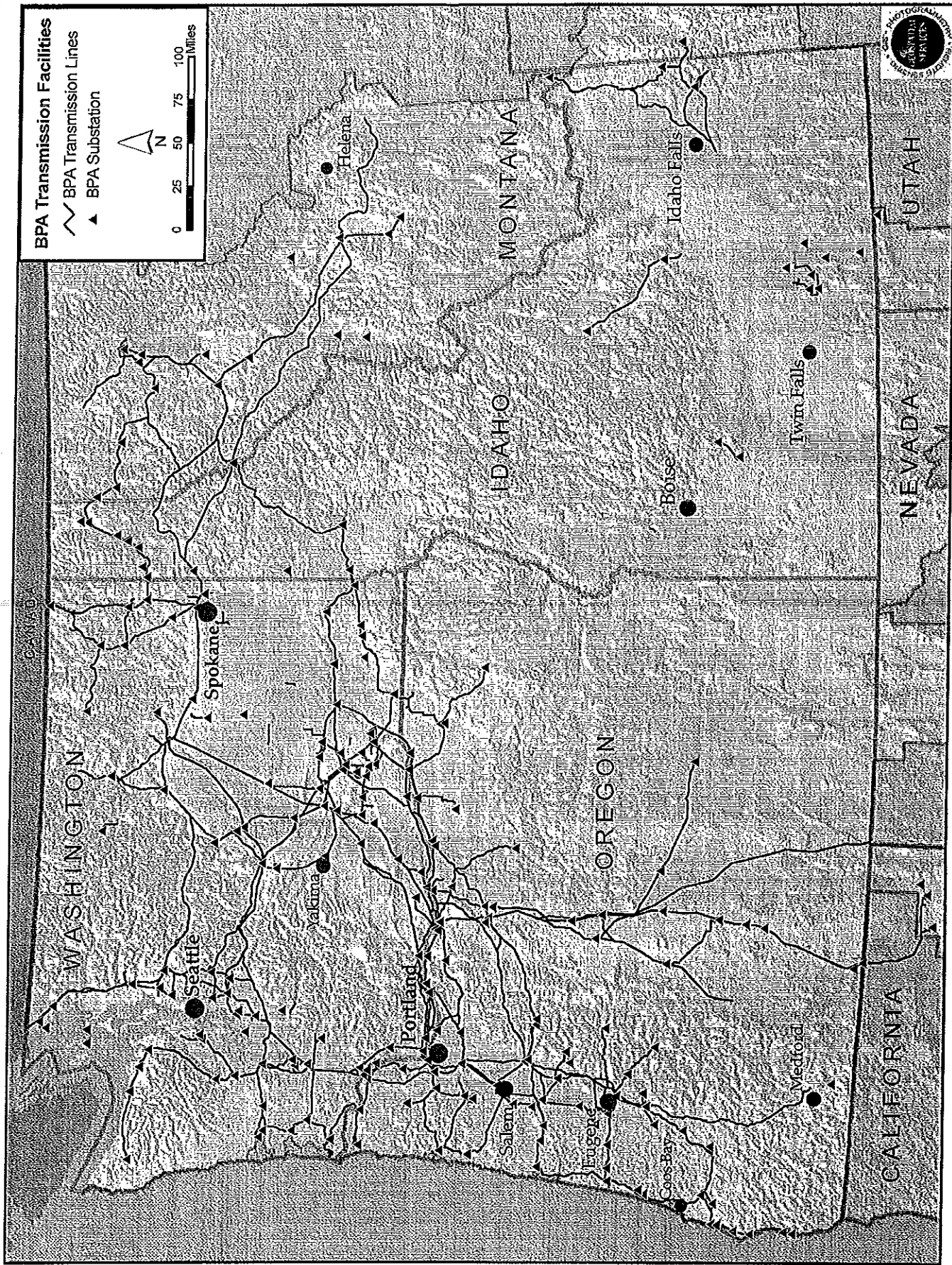
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<sup>1</sup> See Exhibit A-2.

<sup>2</sup> See Exhibit A-1.

## **EXHIBIT C**





**EXHIBIT C-3**

**BPA Transmission Lines  
At the U.S. – Canada Border  
Authorized for Third-Party Use**

<b><u>Present Owner</u></b>	<b><u>Location</u></b>	<b><u>Voltage</u></b>	<b><u>Presidential Permit No.</u></b>
Bonneville Power Administration	Blaine, WA	2-500-kV	PP-10
Bonneville Power Administration	Nelway, WA	230-kV	PP-36
Bonneville Power Administration	Nelway, WA	230-kV	PP-46