

June 25, 2004

BY E-MAIL AND FIRST CLASS MAIL

Cheryl Walker
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308-2148

Re: UM 1121 –Oregon Electric Utility Company, et al., to Acquire Portland
General Electric Company

Dear Ms. Walker:

Enclosed for filing in the above-captioned case are six copies of a letter to Chair Lee Beyer, Commissioners Ray Baum and John Savage from City Commissioner Jim Francesconi.

Please let me know if you have any questions regarding this filing.

Very truly yours,

/s/ Benjamin Walters

Benjamin Walters
Senior Deputy City Attorney

BEW:lw
Attachments
cc: UM 1121 Service List

CERTIFICATE OF SERVICE

I hereby certify that six copies of the attached letter to Chair Lee Beyer, Commissioners Ray Baum and John Savage were sent to:

KATHRYN LOGAN, ADMINISTRATIVE LAW JUDGE
PUBLIC UTILITY COMMISSION OF OREGON
550 CAPITOL STREET, NE
SALEM OR 97310

on June 25, 2004, contained in a sealed envelope, with postage paid, and deposited in the post office at Portland, Oregon. In addition, on June 25, 2004, copies were electronically mailed to the individuals shown to have an e-mail address on the Service List maintained by the Public Utility Commission, or if not by e-mail, then by mailing a correct copy thereof, contained in a sealed envelope, with postage paid, and deposited in the Post Office at Portland, Oregon.

/s/ Benjamin Walters

Benjamin Walters, OSB #85354
Senior Deputy City Attorney
Of Attorneys for City of Portland

SERVICE LIST

<p>JIM ABRAHAMSON COMMUNITY ACTION DIRECTORS OF OREGON 4035 12TH ST CUTOFF SE STE 110 SALEM OR 97302 jim@cado-oregon.org</p>	<p>SUSAN K ACKERMAN NIPPC PO BOX 10207 PORTLAND OR 97296-0207 susan.k.ackerman@comcast.net</p>
<p>GRIEG ANDERSON 5919 W MILES ST. PORTLAND OR 97219</p>	<p>KEN BEESON EUGENE WATER & ELECTRIC BOARD 500 EAST FOURTH AVENUE EUGENE OR 97440-2148 ken.beeson@eweb.eugene.or.us</p>
<p>JULIE BRANDIS ASSOCIATED OREGON INDUSTRIES 1149 COURT ST NE SALEM OR 97301-4030 jbrandis@aoi.org</p>	<p>KIM BURT WEST LINN PAPER COMPANY 4800 MILL ST WEST LINN OR 97068 kburt@wlinpco.com</p>
<p>J LAURENCE CABLE CABLE HUSTON BENEDICT ET AL 1001 SW 5TH AVE STE 2000 PORTLAND OR 97204-1136 lcable@chbh.com</p>	<p>MICHAEL CARUSO 176 SW HEMLOCK DUNDEE OR 97115 carusodad@hotmail.com</p>
<p>JENNIFER CHAMBERLIN STRATEGIC ENERGY LLC 2633 WELLINGTON COURT CLYDE CA 94520 jchamberlin@sel.com</p>	<p>WILLIAM H CHEN CONSTELLATION NEWENERGY INC 2175 N CALIFORNIA BLVD STE 300 WALNUT CREEK CA 94596 bill.chen@constellation.com</p>
<p>JOAN COTE OREGON ENERGY COORDINATORS ASSOCIATION 2585 STATE ST NE SALEM OR 97301 cotej@mwvcaa.org</p>	<p>CHRIS CREAN MULTNOMAH COUNTY 501 SE HAWTHORNE, SUITE 500 PORTLAND OR 97214 christopher.d.crean@co.multnomah.or.us</p>
<p>MELINDA J DAVISON DAVISON VAN CLEVE PC 1000 SW BROADWAY STE 2460 PORTLAND OR 97205 mail@dvclaw.com</p>	<p>JIM DEASON CABLE HUSTON BENEDICT HAAGENSEN & LLOYD LLP 1001 SW FIFTH AVE STE 2000 PORTLAND OR 97204-1136 jdeason@chbh.com</p>
<p>J JEFFREY DUDLEY PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC1301 PORTLAND OR 97204 jay_dudley@pgn.com</p>	<p>GARY DUELL 11301 SE CHARVIEW COURT CLACKAMAS, OR OR 97015 gduell@bigplanet.com</p>

JASON EISDORFER CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY STE 308 PORTLAND OR 97205 jason@oregoncub.org	JAMES F FELL STOEL RIVES LLP 900 SW 5TH AVE STE 2600 PORTLAND OR 97204-1268 jffell@stoel.com
ANN L FISHER AF LEGAL & CONSULTING SERVICES 1425 SW 20TH STE 202 PORTLAND OR 97201 energlaw@aol.com	ANDREA FOGUE LEAGUE OF OREGON CITIES PO BOX 928 1201 COURT ST NE STE 200 SALEM OR 97308 afogue@orcities.org
SCOTT FORRESTER FRIENDS OF THE CLACKAMAS RIVER 2030 NE 7TH PL GRESHAM OR 97030 clackamas9@aol.com	KATHERINE FUTORNICK 14800 NE BLUEBIRD HILL LANE DAYTON OR 97114 futork@onlinemac.com
LORA GARLAND L-7 BONNEVILLE POWER ADMINISTRATION P.O. BOX 3621 PORTLAND OR 97208-3621 lmgarland@bpa.gov	LEONARD GIRARD 2169 SW KINGS COURT PORTLAND OR 97205 lgirard@teleport.com
ANN ENGLISH GRAVATT RENEWABLE NORTHWEST PROJECT 917 SW OAK - STE 303 PORTLAND OR 97205 ann@rnp.org	PATRICK G HAGER PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC0702 PORTLAND OR 97204 patrick_hager@pgn.com
ROY HENDERSON PENSION ENHANCEMENT COMMITTEE 895 NW DALE AVENUE PORTLAND OR 97229 royhensn@msn.com	MARY ANN HUTTON CANON AND HUTTON 9999 NE WORDEN HILL RD DUNDEE OR 97115-9147 mah@canonandhutton.com
JOE JANSSENS PGE PENSION ENHANCEMENT COMMITTEE 24495 BUTTEVILLE RD NE AURORA OR 97002 osprey64@juno.com	VALARIE KOSS COLUMBIA RIVER PUD PO BOX 1193 SAINT HELENS OR 97051 vkoss@crpud.org
GEOFFREY M KRONICK LC7 BONNEVILLE POWER ADMINISTRATION PO BOX 3621 PORTLAND OR 97208-3621 gmkronick@bpa.gov	MICHAEL L KURTZ BOEHM, KURTZ & LOWRY 36 E 7TH ST STE 2110 CINCINNATI OH 45202 mkurtzlaw@aol.com
ROCHELLE LESSNER LANE, POWELL, SPEARS, LUBERSKY LLP	KEN LEWIS 2880 NW ARIEL TERRACE

601 SW 2ND AVE. STE. 2100 PORTLAND OR 97204 lessnerr@lanepowell.com	PORTLAND OR 97210 kl04@mailstation.com
STEVEN G LINS GLENDALE, CITY OF 613 E BROADWAY STE 220 GLENDALE CA 91206-4394 slins@ci.glendale.ca.us	JAMES MANION WARM SPRINGS POWER ENTERPRISES PO BOX 960 WARM SPRINGS OR 97761 j_manion@wspower.com
LLOYD K MARBET DON'T WASTE OREGON 19142 S BAKERS FERRY RD BORING OR 97009 marbet@mail.com	GORDON MCDONALD PACIFIC POWER & LIGHT 825 NE MULTNOMAH STE 800 PORTLAND OR 97232 gordon.mcdonald@pacificcorp.com
DANIEL W MEEK DANIEL W MEEK ATTORNEY AT LAW 10949 SW 4TH AVE PORTLAND OR 97219 dan@meeek.net	THAD MILLER OREGON ELECTRIC UTILITY COMPANY 222 SW COLUMBIA STREET, SUITE 1850 PORTLAND OR 97201-6618 tmiller6@optonline.com
WILLIAM MILLER IBEW 17200 NE SACRAMENTO PORTLAND OR 97230 bill@ibew125.com	CHRISTY MONSON LEAGUE OF OREGON CITIES 1201 COURT ST. NE STE. 200 SALEM OR 97301 cmonson@orcities.org
MICHAEL MORGAN TONKON TORP LLP 888 SW 5TH AVE STE 1600 PORTLAND OR 97204-2099 mike@tonkon.com	FRANK NELSON 543 WILLAMETTE CT MCMINNVILLE OR 97128 fnelson@viclink.com
NANCY NEWELL 3917 NE SKIDMORE PORTLAND OR 97211 ogec2@hotmail.com	JAMES NOTEBOOM KARNOPP PETERSEN NOTEBOOM ET AL 1201 NW WALL ST STE 300 BEND OR 97701 jdn@karnopp.com
LISA F RACKNER ATER WYNNE LLP 222 SW COLUMBIA ST STE 1800 PORTLAND OR 97201-6618 lfr@aterwynne.com	DONALD W SCHOENBECK REGULATORY & COGENERATION SERVICES INC 900 WASHINGTON ST STE 780 VANCOUVER WA 98660-3455 dws@r-c-s-inc.com
REBECCA SHERMAN HYDROPOWER REFORM COALITION 320 SW STARK STREET, SUITE 429 PORTLAND OR 97204	JOHN W STEPHENS ESLER STEPHENS & BUCKLEY 888 SW FIFTH AVE STE 700 PORTLAND OR 97204-2021

northwest@hydroreform.org	stephens@eslerstephens.com
BRETT SWIFT AMERICAN RIVERS 320 SW STARK ST, SUITE 418 PORTLAND OR 97204 bswift@amrivers.org	MITCHELL TAYLOR ENRON CORPORATION PO BOX 1188 1221 LAMAR - STE 1600 HOUSTON TX 77251-1188 mitchell.taylor@enron.com
LAURENCE TUTTLE CENTER FOR ENVIRONMENTAL EQUITY 610 SW ALDER #1021 PORTLAND OR 97205 nevermined@earthlink.net	S BRADLEY VAN CLEVE DAVISON VAN CLEVE PC 1000 SW BROADWAY STE 2460 PORTLAND OR 97205 mail@dvclaw.com
MICHAEL T WEIRICH DEPARTMENT OF JUSTICE 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@state.or.us	STEVEN WEISS NORTHWEST ENERGY COALITION 4422 OREGON TRAIL CT NE SALEM OR 97305 steve@nwenergy.org
ROBIN WHITE PORTLAND BOMA 1211 SW 5TH AVE STE 2722-MEZZANINE PORTLAND OR 97201 rwhite@bigplanet.com	LORNE WHITTLES EPCOR MERCHANT & CAPITAL (US) INC 1161 W RIVER ST STE 250 BOISE ID 83702 lwhittles@epcor.ca
LINDA K WILLIAMS KAFOURY & MCDUGAL 10266 SW LANCASTER RD PORTLAND OR 97219-6305 linda@lindawilliams.net	



CITY OF
PORTLAND, OREGON
OFFICE OF PUBLIC UTILITIES

Jim Francesconi, Commissioner
1221 S.W. Fourth Avenue
Portland, Oregon 97204-1994
(503) 823-3008
FAX: (503) 823-3017

June 24, 2004

Lee Beyer, Chair
Ray Baum, Commissioner
John Savage, Commissioner
Oregon Public Utility Commission
550 Capitol St. NE #215
PO Box 2148
Salem, OR 97308-2148

Dear Chair Beyer and Commissioners Baum and Savage:

ENRON officials exploited every family, every small business and every company in our city. Because of this irresponsible and unethical behavior, I am eager to remove ENRON's grasp from Portland General Electric (PGE).

Though I am eager for PGE's sale, I ask that you carefully consider the offers that come before you. On one hand, we must ensure that we set the bar high by requiring any purchaser to provide a deal that truly benefits Portland's ratepayers. On the other hand, we must ensure that PGE is sold to another party, so that PGE doesn't end up going to ENRON's creditors.

Obviously you only have one bid in front of you at this time, so as you evaluate Texas Pacific Group's bid to acquire PGE, I encourage you to:

- 1) Require lower rates. Some studies have indicated that a voluntary purchase of PGE by the City could result in a 4 to 10 percent rate reduction. You should consider using this as a benchmark of evaluating their proposal.
- 2) Stability. Require PGE to continue to make specific capital investments in distribution, transmission and power generation to ensure the long-term stability.
- 3) Increase green power. Require a commitment to additional efficiency and renewable resources such as wind, geothermal and solar. Insist that renewable and green power be included in the mix of energy resources and do not allow the entire cost differential to be passed onto the customers.
- 4) Require more low-income assistance. PacifiCorp provided significant relief to low-income residents beyond the requirements of SB 1149 and PGE's bills are 30 percent higher.
- 5) "Ring fence" PGE from the corporate parent by not allowing any of the merger costs into PGE rates, require maintenance of an adequate capital structure and advance notice of any delivering of utility cash up the corporate chain and require real local control by the local board.

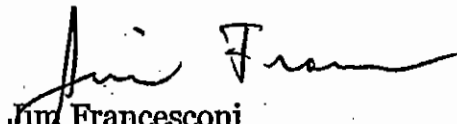
- 6) Require real service commitments and customer guarantees. Require a written transition plan detailing areas for investment to improve performance and to do a measurably better job of keeping the lights on.
- 7) Require a specific and substantial commitment to philanthropy to continue PGE's proud tradition of giving to the community.
- 8) Prohibit a resale of PGE within the next 5 years so as to give some stability to the customers.

We must do all we can to assure that the public benefits of this sale to our citizens are substantial and real. A sale with real and substantial public benefits would foreclose the possibility that PGE would be spun off to creditors. The city has serious reservations about a proposed spin off of PGE to Enron's creditors, particularly given that it would not be consummated for many years. Such an approach would leave PGE's future in the hands of Enron for a prolonged period, continue uncertainty over PGE's future, and leave PGE's ownership open to future acquisition proposals.

If there are not sufficient public benefits, then this merger must fail. Then we will have to assume the risk of the breakup of PGE or perhaps the creditors will change their mind and consider a voluntary sale to the city in a manner that will protect the citizens of Portland from the risks of assuming the liabilities of PGE, including Trojan.

Let's cross that bridge when and if we get to it. In the meantime, let us focus on getting the best deal we can for the ratepayers.

Sincerely,



Jim Francesconi
City Commissioner