



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

GENERAL COUNSEL

July 8, 2004

In reply refer to: LC-7

Hon. Kathryn A. Logan, ALJ
Hon. Christina M. Smith, ALJ
C/o Ms. Cheryl Walker
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: UM 1120 - Objections of the Bonneville Power Administration to Staff's Consolidated
Issues List

Dear Ms. Walker:

Enclosed are an original and five copies of the "Objections of the Bonneville Power Administration to Staff's Consolidated Issues List," together with one additional copy and a return (postage prepaid) envelope. Please conform the "extra" copy and return it to me in the enclosed envelope.

Copies of this document are being served on all parties on the current service list established by the Commission in this proceeding. Thank you for your assistance in this matter.

Sincerely,

Geoffrey M. Kronick
Of Attorneys for the Bonneville Power Administration

Enclosures

cc:
Service List

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1121

In the Matter of

OREGON ELECTRIC UTILITY COMPANY,)	OBJECTIONS OF THE
LLC, et al.)	BONNEVILLE POWER
)	ADMINISTRATION TO
Application for Authorization to Acquire Portland)	STAFF’S CONSOLIDATED
General Electric Company.)	ISSUES LIST

Hon. Kathryn A. Logan, ALJ
Hon. Christina M. Smith, ALJ

INTRODUCTION

The Bonneville Power Administration (“Bonneville”) raises the following objections to the consolidated “Issues List” submitted by Oregon Public Utility Commission Staff (“OPUC Staff”) to the Administrative Law Judges in the instant proceeding on July 2, 2004, and received by Bonneville Power Administration on July 6, 2004.

BACKGROUND

By Order dated June 23, 2004, the presiding Administrative Law Judges issued a modified procedural schedule in the instant proceeding that indicated that a consolidated issues list would be due on or before June 25, 2004. Order at 2. Subsequently OPUC Staff submitted such an “Issues List,” on June 25, 2004, under cover letter from Jason W. Jones, Esq. (Of Attorneys for OPUC Staff) together with a “Request for Extension of Time” stating - in relevant part -

The current consolidated issues list is basically the simple combination of each party's issues. As it currently exists, Staff believes the consolidated issues list is too large and of minimal value in assisting in the hearings process. As such, Staff respectfully requests that the filing date for a joint issues list be extended to July 2, 2004. At that time, Staff proposes to file a more concise proposed consolidated issues list. **Staff proposes that other parties would be allowed to file written objections, if necessary, to the proposed consolidated issues list.**

Staff believes that an extension and this proposed procedure will result in a more concise and useful issues list for this proceeding. Therefore, Staff respectfully requests an extension until July 2, 2004, to file a proposed issues list.

June 25, 2004 OPUC Staff Request for Extension of Time at 1. (Emphasis added.)

By order dated June 30, 2004, Judge Logan granted such request, extending the filing date until July 2, 2004. Subsequently, as noted above, OPUC staff filed the consolidated "Issues List" on July 2, 2004, serving copies on all intervenors by mail.

JULY 2, 2004 "CONSOLIDATED" STAFF ISSUES LIST

The four-page consolidated "Issues List" submitted by OPUC staff does indeed provide a more "concise" statement of issues; yet as concerns the Issues List submitted by Bonneville on May 12, 2004, in this proceeding, (a copy of which is attached as Attachment A and incorporated by reference herein) the first two of three issues raised by Bonneville are no longer expressed with any specificity or context in relation to the proposal advanced by Oregon Electric Utility Co. LLC in this case. Compare Attachment A with Question 16 on page three of the July 2, 2004, "consolidated" Staff Issue List. Bonneville's first two issues, relating to how Portland General Electric ("PGE") will discharge its pre-existing obligations for decommissioning and related costs of the Trojan Nuclear Plant are now subsumed within a single question that posits "Should the ongoing costs of decommissioning and restoration at Trojan be considered in this proceeding?" July 2, 2004 "Consolidated" Staff Issues List at Item 16, page 3. Bonneville's third "issue," relating to reliability of PGE's transmission under the terms of the proposed acquisition, is wholly absent from Staff's July 2, 2004 "Consolidated" Issues List, and does not

appear to be subsumed under any other of the total thirty issues contained in the July 2, 2004 “list.”

OBJECTIONS

Although Bonneville appreciates the efforts of OPUC Staff to provide a more workable document for purposes of this proceeding; Bonneville objects to the re-characterization of its issues in the manner indicated above, and believes that sufficient “consolidation” of Bonneville’s first issue can be demonstrated by merely omitting the “reference” and following text set forth after the first paragraph designated “BPA Issue 1” on the enclosed Attachment A,¹ and preserving Bonneville Issue 2 as set forth in its entirety in Attachment A. Bonneville further objects to the omission in its entirety of Bonneville’s “BPA Issue 3,” and requests that “Issue 3,” as set forth in Bonneville’s Issues List submittal of May 12, 2004 (Attachment A) also be included in the “consolidated” Issues List.

RELIEF REQUESTED

Bonneville requests that the presiding Administrative Law Judge(s) issue an order restoring Bonneville’s issues to the “consolidated” Issues List in this proceeding as detailed above.

Respectfully submitted,

Geoffrey M. Kronick
Of Attorneys for the Bonneville Power Administration
OSB # 85260

Dated: July 8, 2004

¹ It should moreover be noted that the Eugene Water & Electric Board (“EWEB”) has specifically adopted Bonneville’s “Issue 1” in their own Issues List submittal in this proceeding, filed on May 13, 2004, stating – “EWEB adopts by reference BPA Issue No. 1 raised by the Bonneville Power Administration in its Issues List filed in this proceeding.”

ATTACHMENT A
BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1121

In the Matter of

OREGON ELECTRIC UTILITY COMPANY,)	Issues List of the
LLC, et al.)	Bonneville Power Administration
)	
Application for Authorization to Acquire Portland)	
General Electric Company.)	

BPA Issue 1: How will Portland General Electric (“PGE”), under the financial proposal outlined in initial Oregon Electric Utility Company, LLC testimony, under which current PGE capital will be used to pay debt service, and a \$100 million “revolver” line of credit obtained, guarantee the payment of PGE’s pro rata share of Trojan Decommissioning costs.

Please reference the following excerpt from page 42 of PGE’s most recent form 10-K filing with the Securities and Exchange Commission for fiscal year 2003.

In early 1993, PGE ceased commercial operation of Trojan and began the decommissioning process. The original Trojan decommissioning cost estimate was prepared by an engineering firm with subsequent updates by PGE, due primarily to the effects of inflation and the timing of certain activities. The net estimated liability for Trojan decommissioning costs as of December 31, 2003 was \$104 million, measured at estimated fair value. PGE collects \$14 million annually from customers through 2011, which amount is based on the decommissioning cost estimate. Amounts collected from customers are deposited in an external trust fund, which reimburses PGE for costs expended under the decommissioning plan. The decommissioning estimate includes amounts for equipment removal, embedded pipe remediation, surface decontamination, non-radiological decontamination, and on-site spent nuclear fuel storage (until permanent storage is provided by USDOE). Estimating the cost of decommissioning activities over a period extending to 2019 is inherently subjective and complex. Such estimates may vary because of changes in regulatory requirements, technology, labor and material costs, and waste burial. In addition, timing of actual activities may differ from that established in the decommissioning plan, which may also cause actual costs to vary from those estimated.

Management does not expect actual future decommissioning costs to change significantly from the current estimate. However, if actual costs significantly exceed the

previously estimated amount, funds collected through rates may not be adequate to cover actual decommissioning costs and may require that PGE utilize available cash and a credit facility to advance funds to the trust to cover any near term shortfall. Recovery of any such shortfall from customers would require OPUC approval.

BPA Issue 2: How will Portland General Electric (“PGE”), under the financial proposal outlined in initial Oregon Electric Utility Company, LLC testimony, under which current PGE capital will be used to pay debt service, and a \$100 million “revolver” line of credit obtained, guarantee the payment of PGE’s pro rata share of Trojan site restoration costs as required under the terms of siting permits granted by the Oregon Department of Energy (Facility Siting Council)?

BPA Issue 3: How will Portland General Electric (“PGE”), under the financial proposal outlined in initial Oregon Electric Utility Company, LLC testimony, under which current PGE capital will be used to pay debt service, and a \$100 million “revolver” line of credit obtained, assure transmission reliability in the near term (5 years) both in terms of capital expenditures and maintenance?

CERTIFICATE OF SERVICE

I, Geoffrey M. Kronick, certify that I have this day served the foregoing “Objections of the Bonneville Power Administration (to OPUC Staff’s Consolidated Issues List) by delivering a copy via electronic mail, and/or by mailing a copy properly addressed with postage prepaid to all parties of record maintained on the current service list in this instant proceeding.

Dated July 8, 2004.

Geoffrey M. Kronick OSB 85260
Of Attorneys for the Bonneville Power Administration
Routing LC-7
Bonneville Power Administration
P O Box 3621
Portland, OR 97208-3621
(503) 230-4201
(503) 230-7405 (Facsimile)

JIM ABRAHAMSON
COMMUNITY ACTION DIRECTORS OF
OREGON
4035 12TH ST CUTOFF SE STE 110
SALEM OR 97302

SUSAN K ACKERMAN
NIPPC
PO BOX 10207
PORTLAND OR 97296-0207

GRIEG ANDERSON
5919W MILES ST.
PORTLAND OR 97219

KEN BEESON
EUGENE WATER & ELECTRIC BOARD
500 EAST FOURTH AVENUE
EUGENE OR 97440-2148

KIM BURT
WEST LINN PAPER COMPANY
4800 MILL ST
WEST LINN OR 97068

JULIE BRANDIS
ASSOCIATED OREGON INDUSTRIES
1149 COURT ST NE
SALEM OR 97301-4030

J. LAURENCE CABLE
CABLE HUSTON BENEDICT ET AL
1001 SW 5TH AVE STE 2000
PORTLAND OR 97204-1136

MICHAEL CARUSO
176 SW HEMLOCK
DUNDEE OR 97115

JENNIFER CHAMBERLIN
STRATEGIC ENERGY LLC
2633 WELLINGTON COURT
CLYDE CA 94520

WILLIAM H CHEN
CONSTELLATION NEWENERGY, INC.
2175 N CALIFORNIA BLVD STE 300
WALNUT CREEK CA 94596

JOAN COTE
OREGON ENERGY COORDINATING
ASSOCIATION
2585 STATE ST NE
SALEM OR 97301

CHRIS CREAN
MULTNOMAH COUNTY
501 SE HAWTHORNE, SUITE 500
PORTLAND OR 97214

MELINDA J DAVISON
DAVISON VAN CLEVE PC
1000 SW BROADWAY STE 2460
PORTLAND OR 97205

JIM DEASON
CABLE HUSTON BENEDICT
HAAGENSEN & LLOYD LLP
1001 SW FIFTH AVE STE 2000
PORTLAND OR 97204-1136

J JEFFREY DUDLEY
PORTLAND GENERAL ELECTRIC
121 SW SALMON ST 1WTC1301
PORTLAND OR 97204

GARY DUELL
11301 SE CHARVIEW COURT
CLACKAMAS, OR 97015

JASON EISDORFER
CITIZENS' UTILITY BOARD OF OREGON
610 SW BROADWAY STE 308
PORTLAND OR 97205

JAMES F FELL
STOEL RIVES LLP
900 SW 5TH AVE STE 2600
PORTLAND OR 97204-1268

SCOTT FORRESTER
FRIENDS OF THE CLACKAMAS RIVER
2030 NE 7TH PL
GRESHAM OR 97030

KATHERINE FUTORNICK
14800 NE BLUEBIRD HILL LANE
DAYTON OR 97114

ANN L FISHER
AF LEGAL & CONSULTING SERVICES
1425 SW 20TH STE 202
PORTLAND OR 97201

ANDREA FOGUE
LEAGUE OF OREGON CITIES
PO BOX 928
1201 COURT ST NE STE 200
SALEM OR 97308

LEONARD GIRARD
2169 SW KINGS COURT
PORTLAND OR 97205

ANN ENGLISH GRAVATT
RENEWABLE NORTHWEST PROJECT
917 SW OAK - STE 303
PORTLAND OR 97205

PATRICK G. HAGER
PORTLAND GENERAL ELECTRIC
121 SW SALMON ST 1WTC0702
PORTLAND OR 97204

ROY HENDERSON
PENSION ENHANCEMENT COMM
895 NW DALE AVE.
PORTLAND OR 97229

MARY ANN HUTTON
CANON AND HUTTON
9999 NE WORDEN HILL RD
DUNDEE OR 97115-9174

JOE JANSSENS
PGE Pension Enhancement Committee
24495 Butteville Rd. NE
Aurora Or 97002

VALARIE KOSS
COLUMBIA RIVER PUD
PO BOX 1193
ST HELENS OR 97051

MICHAEL L KURTZ
BOEHM, KURTZ & LOWRY
36 E 7TH ST STE 2110
CINCINNATI OH 45202

ROCHELLE LESSNER
LANE, POWELL, SPEARS, LUBERSKY
LLP
601 SW 2ND AVE. STE. 2100
PORTLAND OR 97204

KEN LEWIS
2880 NW ARIEL TERRACE
PORTLAND OR 97210

STEVEN G LINS
GLENDALE, CITY OF
613 E BROADWAY STE 220
GLENDALE CA 91206-4394

JAMES MANION
WARM SPRINGS POWER ENTERPRISES
PO BOX 960
WARM SPRINGS OR 97761

LLOYD K MARBET
DON'T WASTE OREGON
19142 S BAKERS FERRY RD
BORING OR 97009

GORDON MCDONALD
PACIFIC POWER & LIGHT
825 NE MULTNOMAH STE 800
PORTLAND OR 97232

DANIEL W MEEK
ATTORNEY AT LAW
10949 SW 4TH AVE
PORTLAND OR 97219

THAD MILLER
OREGON ELECTRIC UTILITY CO
222 SW COLUMBIA STREET, SU
PORTLAND OR 97201-6618

WILLIAM MILLER
IBEW
17200 NE SACRAMENTO
PORTLAND OR 97230

CHRISTY MONSON
LEAGUE OF OREGON CITIES
1201 COURT ST. NE STE. 200
SALEM OR 97301

MICHAEL MORGAN
TONKON TORP LLP
888 SW 5TH AVE STE 1600
PORTLAND OR 97204-2099

FRANK NELSON
543 WILLIAMETTE CT
MCMINNVILLE OR 97128

NANCY NEWELL
3917 NE SKIDMORE
PORTLAND OR 97211

JAMES NOTEBOOM
KARNOPP PETERSEN NOTEBOO
1201 NW WALL ST STE 300
BEND OR 97701

LISA F RACKNER
ATER WYNNE LLP
222 SW COLUMBIA ST STE 1800
PORTLAND OR 97201-6618

DONALD W SCHOENBECK
REGULATORY & COGENERATION
SERVICES, INC.
900 WASHINGTON ST STE 780
VANCOUVER WA 98660-3455

JOHN W STEPHENS
ESLER STEPHENS & BUCKLEY
888 SW FIFTH AVE STE 700
PORTLAND OR 97204-2021

BRETT SWIFT
AMERICAN RIVERS
320 SW STARK ST, SUITE 418
PORTLAND OR 97204

MITCHELL TAYLOR
ENRON CORPORATION
PO Box 1188
1221 LAMAR, SUITE 1600
HOUSTON TX 77251-1188

LAURENCE TUTTLE
CENTER FOR ENVIRONMENTAL E
610 SW ALDER #1021
PORTLAND OR 97205

S. BRADLEY VAN CLEVE
DAVISON VAN CLEVE PC
1000 SW BROADWAY STE 2460
PORTLAND OR 97205

BENJAMIN WALTERS
CITY OF PORTAND - OFFICE OF CITY
ATTORNEY
1221 SW 4TH AVE - RM 430
PORTLAND OR 97204

MICHAEL T WEIRICH
DEPARTMENT OF JUSTICE
1162 COURT ST NE
SALEM OR 97301-4096

STEVEN WEISS
NORTHWEST ENERGY COALITION
4422 OREGON TRAIL CT NE
SALEM OR 97305

ROBIN WHITE
PORTLAND BOMA
1211 SW 5TH AVE STE 2722-MEZZANINE
PORTLAND OR 97201

LORNE WHITTLES
EPCOR MERCHANT & CAPITAL (L)
1161 W RIVER ST STE 250
BOISE ID 83702

LINDA K WILLIAMS
KAFOURY & MCDUGAL
10266 SW LANCASTER RD
PORTLAND OR 97219-6305

REBECCA SHERMAN
HYDROPOWER REFORM COALITION
320 SW STARK ST, SUITE 429
PORTLAND OR, 97204