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July 8, 2004

VIA FACSIMILE & REGULAR MAIL

The Honorable Kathryn Logan
Administrative Hearings Division
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308-2148

Re: UM-1121 – Oregon Electric Utility Company, LLC

Dear Judge Logan:

Enclosed are an original and five copies of the **OBJECTIONS OF THE EUGENE WATER & ELECTRIC BOARD TO STAFF'S CONSOLIDATED ISSUES LIST** in the above-referenced proceeding.

If you have any questions regarding this matter, please call. Thank you.

Very truly yours,



Tamara L. Faucette

JLC/tr

cc: Attached UM 1121 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1121**

In the Matter of

OREGON ELECTRIC UTILITY COMPANY,
LLC, et al.

Application for Authorization to Acquire
Portland General Electric Company

**OBJECTIONS OF THE EUGENE
WATER & ELECTRIC BOARD TO
STAFF'S CONSOLIDATED ISSUES
LIST**

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

I. INTRODUCTION

The Eugene Water & Electric Board ("EWEB") respectfully raises the following objections to the "Consolidated Issues List" submitted by the Oregon Public Utility Commission Staff ("OPUC Staff") to the Administrative Law Judges in the instant proceeding on July 2, 2004. EWEB has not opposed the application by Oregon Electric Utility Company, LLC ("OEUC") to acquire Portland General Electric ("PGE"). As a co-owner and co-licensee with PGE of the Trojan Nuclear Power Plant ("Trojan"), however, EWEB has raised specific issues relating to the financial ability of OEUC meet its acquired obligations with respect to Trojan.

II. BACKGROUND

By Order dated June 23, 2004, the Administrative Law Judges issued a modified procedural schedule providing that a consolidated issues list would be due on or before June 25, 2004. *See* Order at 2. On June 25, 2004, OPUC Staff submitted an Issues List along with a

request for an extension of time until July 2, 2004 to file a more concise and useful issues list for this proceeding. OPUC Staff Request for Extension of Time, p. 1 (June 25, 2004).

By Order dated June 30, 2004, Judge Logan granted the OPUC Staff's request, extending the filing date until July 2, 2004. On July 2, 2004, OPUC Staff filed the Consolidated Issues List, serving copies by mail.

III. SPECIFIC OBJECTIONS AND RELIEF REQUESTED

The Consolidated Issues List submitted by OPUC Staff does not adequately state the scope and content of the issues that EWEB raised with respect to Trojan. The only mention of Trojan in the Consolidated Issues List is: "16. Should the ongoing costs of decommissioning and restoration at Trojan be considered in this proceeding?" EWEB believes that this vague reference to Trojan does not encompass the specific issues EWEB has raised and is not sufficient to analyze how the acquisition may affect PGE or OEUC's financial ability to pay all Trojan costs and expenses, including decommissioning costs and expenses.

EWEB objects to the OPUC Staff's proposed Consolidated Issues List. EWEB respectfully requests that the Commission adopt a revised Issues List that incorporates the issues originally submitted by EWEB. Those issues are as follows:

EWEB Issue No. 1: EWEB adopts by reference Issue No. 1 raised by the Bonneville Power Administration in its Issue List filed in this proceeding, which provides, in relevant part:

"How will [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."

EWEB Issue No. 2: EWEB and PGE executed an Agreement for Construction, Ownership and Operation of Trojan on October 5, 1970 ("Trojan Ownership Agreement"). Could OEUC incur Construction Costs, Operating Costs or Labor Costs associated with PGE's Ownership Share of the Trojan plant, as those terms are defined in the Trojan Ownership Agreement, that would not be considered "Decommissioning Expenses" as that term is defined for purposes of the Trojan Decommissioning Fund that has been authorized by the Commission?

EWEB Issue No. 3: Under the financial proposal outlined in testimony filed by OEUC, what would be the source of funds to pay OEUC's respective Ownership Share of any Costs of Construction, Costs of Operation or Labor Costs, as defined in the Trojan Ownership Agreement, to the extent that any such costs fall outside the definition of "Decommissioning Expenses" as that term has been defined for purposes of the Trojan Decommissioning Fund?

DATED Thursday, July 08, 2004.

CABLE HUSTON BENEDICT HAAGENSEN
& LLOYD LLP



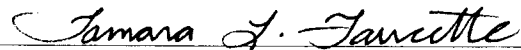
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Of Attorneys for the Eugene Water & Electric
Board

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **OBJECTIONS OF THE EUGENE WATER & ELECTRIC BOARD TO STAFF'S CONSOLIDATED ISSUES LIST** in OPUC Docket No. UM 1121 by First Class U.S. Mail, postage prepared and properly addressed, to the persons below, or by electronic mail to those persons on the electronic service list maintained by the OPUC.

DATED Thursday, July 08, 2004.

CABLE HUSTON BENEDICT HAAGENSEN
& LLOYD LLP



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