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December 10, 2004

Via Facsimile, Electronically, and US Mail

Ms. Annette Taylor
Oregon Public Utility Commission
P.O. Box 2148
Salem OR 97308-2148

Re: In the Matter of Oregon Electric Utility Company, LLC, et al., Application for
Authorization to Acquire Portland General Electric Company
Docket No. UM 1121

Dear Ms. Taylor:

Enclosed please find an original and six copies of the Revised Page One of the
Opening Brief of the Industrial Customers of Northwest Utilities in the above-captioned Docket.

Please return one file-stamped copy of the Revised Page One of the Opening
Brief in the self-addressed, stamped envelope provided. Thank you for your assistance.

Sincerely yours,

/s/ Ally Smith
Ally Smith

Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Revised Page One of the Opening Brief of the Industrial Customers of Northwest Utilities upon the parties, shown below, on the official service list for Docket No. UM 1121, by causing the same to be electronically served on all parties who have an email address on the official service list, and by U.S. Mail, postage-prepaid, to those parties who do not have an email address on the official service list.

Dated at Portland, Oregon, this 10th day of December, 2004.

/s/ Ally Smith
Ally Smith

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INTRODUCTION

The Industrial Customers of Northwest Utilities (“ICNU”) submits this Opening Brief in Public Utility Commission of Oregon (“OPUC” or the “Commission”) Docket No. UM 1121, recommending that the Commission deny the Application (“Application”) of Oregon Electric Utility Company, LLC (“Oregon Electric”) and Texas Pacific Group (“TPG”) (collectively, the “Applicants”) for an order authorizing Oregon Electric to acquire Portland General Electric Company (“PGE” or the “Company”). In this proceeding, the Commission must decide whether it serves PGE’s customers and is in the public interest for an out-of-state private equity investment firm with no utility experience to acquire Oregon’s largest electric utility in a highly leveraged buyout and then dispose of it after five to seven years. This buyout requires reorganizing PGE and a new subsidiary into a structure that the OPUC, the Securities and Exchange Commission (“SEC”), and the Federal Energy Regulatory Commission (“FERC”) have never regulated before and will subject PGE to financial pressures that do not exist in the Company’s current situation. The risks and harms posed by Oregon Electric’s ownership outweigh the purported benefits of the proposed transaction, and the proposed transaction would not result in a net benefit to PGE’s customers. The Commission should deny the Application.

For TPG, PGE is merely an investment opportunity. TPG will purchase the Company, dispose of it within five to seven years, and hope to reap a generous return. For PGE’s customers, PGE’s electric service is an essential component of living, working, and operating businesses in Oregon. ORS § 757.511 prevents captive customers of a monopoly utility from bearing the costs or risks associated with changes in utility ownership. This includes the costs associated with the high levels of debt that Oregon Electric will incur to acquire PGE