

BEFORE THE OREGON PUBLIC UTILITIES COMMISSION

UM 1121

<p>In the Matter of</p> <p>OREGON ELECTRIC UTILITY COMPANY, LLC, et al.</p> <p>Application for Authorization to Acquire Portland General Electric Co.</p>	<p>ISSUE STATEMENT</p> <p>BY COMMERCIAL CUSTOMERS GROUP</p>
---	---

The COMMERCIAL CUSTOMERS GROUP proposes the following issues, and adopts or will place at issue those which may be raised by any other party:

- 1. FINANCIALS.** Should the Commission recognize the "double leveraged" capital structure proposed by the Applicants for PGE? How will the Commission monitor the debt levels at both PGE and OEUC and risks to customers?
- 3. TAXATION.** If rates based on costs for taxes are collected, but no taxes paid to a government entity, how should these funds be accounted for and disbursed? What are the consequences of "combined" tax filings? Will PGE OEUC waive any confidentiality otherwise associated with tax returns filed in Oregon?
- 4. SUNSHINE.** Should the Commission require complete "transparency," including disclosure of the equity ownership of PGE/OEUC; regulatory access to personnel and records of PGE/OEUC/TPG; greater accountability and disclosure of PERS investments?
- 6. PUBLIC INTEREST.** Should the Commission determine public benefit by comparing the proposed transaction to the (1) status quo, (2) public purchase of PGE, or (3) some other standard of concrete and tangible benefits, such as immediate roll back of the 2001 rate increases, objective standards of public disclosure, guarantees of long term stewardship coupled with liquidated damages if PGE or assets are sold within 10 years, and if so, what should the conditions be?
- 7. EQUITABLE OWNERSHIP.** What conditions should the Commission adopt now for treatment of gains on subsequent sales of PGE or PGE assets?
- 8. PERS CONFLICTS OF INTEREST.** What is the role of the Oregon Investment Council in committing PERS funding, and is such funding in the public interest? Does PERS investment create irreconcilable conflict of interest between State as "investor" and State determining equitable distribution of proceeds of sale between customers and investors? Does aligning PERS interests with other than the general public good create on-going conflicts of interest, and if so, how to eliminate same?

10. PUBLIC UTILITY HOLDING COMPANY ACT. Rationale and implications of avoiding PUHCA.

Dated: May 13, 2004

Respectfully Submitted,

LINDA K. WILLIAMS
OSB No. 78425
503.293.0399 voice
503.245.2772 fax
linda@lindawilliams.net
Of Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that I FILED the foregoing ISSUE STATEMENT by facsimile, followed by mail of the original and five copies to the Hearings Section and I further certify that I served a true copy of the foregoing by e mail or US Mail to all other parties on the service list for this proceeding as it appeared this date on the OPUC website.

Dated: May 13, 2004

Linda K. Williams