

## Staff Proposed Issues List

1. Will the Applicants' acquisition of PGE provide net benefits for customers?
2. What is the status quo against which the Commission should measure net benefits?
3. What service quality measures should be a condition of this acquisition?
4. Should a plan to improve PGE's credit quality be a condition of this sale?
5. Should the Commission implement customer guarantees? *See, e.g.*, Commission Order No. 99-00616, Appendix Stipulation 5, pages 11-14.
6. What are the risks associated with the leverage at the holding company?
7. What risk mitigation/ring fencing and affiliate interest protection mechanisms should the Commission implement?
8. What access to books and records should the Commission have at OEUC, TPG, and other parties with a major interest in OEUC?
9. Should the Commission impose the same or similar conditions upon applicant as it did in approving Enron's application to acquire PGE? *See generally* Commission Order No. 97-196 and its Appendix A.
10. If the Commission imposes a condition similar to the Enron Condition No. 6, should short-term debt be considered when determining the minimum equity ratio?
11. What are the unique risks to this transaction due to the type of business entities used (e.g., LLC holding company )?
12. What are the unique risks to this transaction due to the type of investment funds investing in OEUC (e.g., closed-end private equity funds via limited partnerships)?
13. How can adequate investment in PGE's infrastructure be ensured?
14. How would a repeal of the Public Utility Holding Company Act affect the level of benefits presented by the applicants?
15. Does the highly leveraged nature of OEUC create risks as to the reliability, quality, and rates associated with PGE's operations, and undermine the Commission's commitment to ensuring financially secure utilities?

16. How will the loan agreements and operating agreements of OEUC be structured?
17. What should be the terms and conditions of the Master Services Agreement?
18. Should PGE's taxes be calculated for ratemaking purposes on a stand-alone basis or as an allocation of total OEUC taxes?
19. Should PGE pay taxes on a stand-alone basis or consolidated with OEUC?
20. What cost savings or efficiencies are available as a result of the acquisition?
21. To what extent does the Commission have oversight over a change in investors in and/or control of OEUC?
22. Should the Commission grant the application under ORS 757.511?
23. If the Commission grants the application, what conditions, if any, should the Commission impose?