



CITY OF
PORTLAND, OREGON
OFFICE OF CITY ATTORNEY

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July 1, 2005

BY E-MAIL AND FIRST CLASS MAIL

Hon. Christina Smith
Administrative Law Judge
Oregon Public Utility Commission
550 Capitol Street NE
Salem OR 97310

Re: UF 4218/UM 1206 -- In the Matter of Portland General Electric Company
Application for an Order Authorizing the Issuance of 62,500,000 Shares of New
Common Stock Pursuant to ORS 757.410 *et seq.* and In the Matter of Stephen Forbes
Cooper, LLC

Dear Judge Smith:

Enclosed for filing is an original and five copies of the Petition of City of Portland,
Oregon to Intervene and to Participate as a Party. I have served copies upon the parties by
electronic mail to those listed on the PUC's website for this matter.

Please let me know if you have any questions regarding this filing.

Very truly yours,

Benjamin Walters
Senior Deputy City Attorney

BEW:lw
Enclosures
cc: Service List

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

In the Matter of PORTLAND GENERAL
ELECTRIC COMPANY Application for an
Order Authorizing the Issuance of 62,500,000
Shares of New Common Stock Pursuant to
ORS 757.410 *et seq.*

Case Nos. UF 4218/UM 1206

and

PETITION OF CITY OF PORTLAND,
OREGON TO INTERVENE AND TO
PARTICIPATE AS A PARTY

In the Matter of STEPHEN FORBES
COOPER, LLC, as Disbursing Agent, on
behalf of the RESERVE FOR DISPUTED
CLAIMS Application for an Order Allowing
the Reserve for Disputed Claims to Acquire
the Power to Exercise Substantial Influence
over the Affairs and Policies of Portland
General Electric Company Pursuant to ORS
757.511

Pursuant to ORS 756.525 and OAR 860-013-0021, the City of Portland, Oregon,
respectfully petitions the Commission for leave to intervene as a party in this proceeding on the
following grounds:

1. The City of Portland, Oregon, (the "City"), is a municipal corporation duly
organized and existing under the laws of the State of Oregon.

2. The business address for the City of Portland for purposes of participation as a
party of record in this proceeding is:

Susan Anderson, Director
Office of Sustainable Development
721 NW 9th Ave #350
Portland OR 97209
Fax Number: 503-823-5311
e-mail address: susananderson@ci.portland.or.us

1 3. Correspondence and service of papers related to this proceeding should be
2 presented also upon the City's counsel:

3 Benjamin Walters
4 Senior Deputy City Attorney
5 Office of City Attorney
6 Room 430, 1221 SW 4th Avenue
7 Portland, OR 97204
8 Fax Number: 503-823-3089
9 e-mail address: bwalters@ci.portland.or.us

10 4. On June 17, 2005, this Commission received an application from Portland
11 General Electric for an Order Authorizing the issuance of 62,500,000 shares of new common
12 stock. Accompanying PGE's application was an application from Stephen Forbes Cooper, LLC
13 for an Order to acquire power to exercise substantial influence over the affairs and policies of
14 Portland General Electric.

15 5. In regard to PGE, the City is centrally concerned with the outcome of this
16 proceeding and its potential effect on utility management, electricity rates and service.

17 (a) PGE is one of two private electric utilities serving customers within the
18 City's geographical boundaries. PGE provides electricity services, utility management, and
19 related services to the citizens of Portland. Under authority of its city charter and state law, the
20 City has the responsibility and obligation to protect the interests of its citizens in public utility
21 matters.

22 (b) The City is one of PGE's larger customers, with over 800 accounts and
23 total combined annual PGE utility billings of approximately \$11,000,000.

24 (c) The City and PGE have a long history of working cooperatively together
25 to promote energy efficiency through community-based projects including, among others, the
26 Green Building Initiative, Block-By-Block Weatherization, Multifamily Weatherization and
BEST (Businesses for an Environmentally Sustainable Tomorrow).

1 (d) The City has responsibilities under its home rule charter to oversee the
2 activities of utilities within its boundaries, including through the establishment of franchises and
3 the issuance of permits, and is also responsible for the orderly management of public
4 rights-of-way within its boundaries. The Portland City Council has exercised this authority in
5 adopting Portland City Code (“PCC”) 17.24.010(A), which requires that a permit be obtained
6 from the City Engineer before any public utility may work in the public right-of-way. PCC
7 17.24.010(B) restricts the issuance of street construction permits to persons holding current
8 franchises or other grant of authority from the City.:

9 (i) PGE claims to operate in the Portland streets under color of five
10 franchises issued during the nineteenth century, including: Ordinance No. 107 issued by the City
11 of Albina to the Albina Light & Water Co. on or about March 5, 1890; Ordinance No. 595 issued
12 by the City of East Portland to H.A. & C.P. Hogue & D.H. Jones on or about June 29, 1887;
13 Ordinance No. 984 issued by the City of East Portland to Geo. W. Brown on or about June 25,
14 1891; Ordinance No. 3538 issued by the City of Portland to Geo. Weidler on or about
15 September 8, 1882; and, Ordinance No. 4932 issued by the City of Portland to P. F. Morey on or
16 about October 7, 1886. These ordinances do not identify specific terms or duration. The
17 continuing validity of these ordinances under Oregon caselaw is unresolved. ORS 756.160
18 provides inquiry authority to the Commission regarding compliance with municipal ordinances.;
19 and,

20 (ii) A stipulation agreed to by PGE and approved by the Oregon Public
21 Utilities Commission (Order No. 00-702) included a commitment by PGE “to make all
22 reasonable efforts to develop and obtain approval of a modern utility franchise with the City of
23 Portland,” and Portland General Electric and the City of Portland are in active negotiations
24 regarding a modern franchise to replace those issued in the 1800’s to the company’s
25 predecessors.

26 (e) Resolution No. 36093, adopted unanimously by the Portland City Council

1 on or about August 28, 2002, expressed the Council's concerns with PGE's future, particularly in
2 regard to potential financial impacts of the sale of PGE effecting its ability to provide a stable
3 supply of electricity at the lowest possible prices to Portland and Northwest Oregon residents and
4 businesses. The Council resolution also expressed the desire to have PGE's management be
5 responsive to local needs and priorities and local employees and committed to the economic and
6 environmental well-being of Portland and surrounding communities and counties.

7 6. Because of its own authority over utilities and its experience both in regulating
8 and cooperating with PGE, the City has knowledge and expertise that can assist the Commission
9 in reviewing the Application.

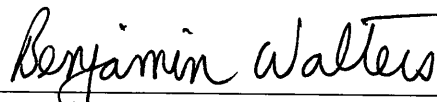
10 7. As an intervenor in this proceeding, the City will address such issues as it deems
11 relevant to its interests, including issues that it identifies itself within the time set for such action
12 and issues identified by others that may affect City interests.

13 8. The City's appearance and participation will not unreasonably broaden the issues,
14 burden the record, or otherwise delay this proceeding.

15 THEREFORE, the City of Portland respectfully requests an order from the Commission
16 authorizing it to intervene as a party in this proceeding.

17 Dated this 1st day of July, 2005.

18
19 Respectfully submitted,

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21 Benjamin Walters, OSB #85354
22 Senior Deputy City Attorney
23 Of Attorneys for City of Portland
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1 CERTIFICATE OF SERVICE

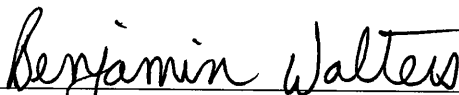
2 I hereby certify that I served a copy of the foregoing PETITION OF CITY OF
3 PORTLAND TO INTERVENE AS A PARTY to:

4 PUC ADMINISTRATIVE HEARINGS DIVISION
5 550 CAPITOL STREET, NE, SUITE 215
6 SALEM OREGON 97310-2551
7 Fax No. (503) 378-6163

8 on the 1st day of July, 2005, by electronic copy to Case Manager, Bryan Conway, e-mail address:
9 bryan.conway@state.or.us and by mailing the original and five copies of said document,
10 contained in a sealed envelope with postage paid, and deposited in the post office at Portland,
11 Oregon on said day.

12 I further certify that I served a copy of the foregoing PETITION OF CITY OF
13 PORTLAND TO INTERVENE AS A PARTY on the following Persons by electronically
14 mailing copies to the individuals on the attached Service List.

15 DATED this 1st day of July, 2005.

16 

17 Benjamin Walters, OSB #85354
18 Deputy City Attorney
19 Of Attorneys for City of Portland

SERVICE LIST

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| <p>STEPHANIE S ANDRUS DEPARTMENT OF JUSTICE REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 stephanie.andrus@state.or.us</p> | <p>J JEFFREY DUDLEY PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC1300 PORTLAND OR 97204 jay.dudley@pgn.com</p> |
| <p>MICHAEL M MORGAN TONKON TORP LLP 888 SW 5TH AVE STE 1600 PORTLAND OR 97204-2099 mike@tonkon.com</p> | <p>PGE- OPUC FILINGS RATES & REGULATORY AFFAIRS PORTLAND GENERAL ELECTRIC COMPANY 121 SW SALMON STREET, 1WTC0702 PORTLAND OR 97204 pge.opuc.filings@pgn.com</p> |
| <p>MITCHELL TAYLOR ENRON CORPORATION 1221 LAMAR - STE 1600 HOUSTON TX 77251 mitchell.taylor@enron.com</p> | |