

**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.

EXHIBIT 3

**SUR-SURREBUTTAL TESTIMONY
OF
ROBERT S. BINGHAM
ON BEHALF OF ENRON CORP.**

1 **Q: Please state your name and occupation.**

2 A: Robert S. Bingham, Consultant. I am a CPA (NJ) and a Certified Insolvency and
3 Restructuring Advisor.

4 **Q: What are your current responsibilities?**

5 A: I am a Director of Kroll Zolfo Cooper LLC, assigned as Associate Director of
6 Restructuring for Enron Corp. ("Enron") and its Debtor affiliates. My responsibilities include
7 working with Debtors and their outside professionals, the official committee of unsecured
8 creditors and the Enron North America Examiner and their respective outside professionals in
9 developing, confirming, and implementing a bankruptcy plan for Enron and its Debtor affiliates.
10 I have been a member of the Portland General Electric Company ("PGE") board of directors
11 since early 2003. I also serve as chairman of the audit committee of the board of directors of
12 PGE and as a member of the PGE compensation committee. Since October 1, 2004, I have been
13 serving as interim Chief Financial Officer and interim Treasurer of Enron in addition to the
14 above responsibilities.

15 **Q: Have you provided any prior testimony in this proceeding?**

16 A: Yes, I provided Direct Testimony on behalf of Enron on May 27, 2004, and I provided
17 Rebuttal Testimony on behalf of Enron on August 16, 2004.

18 **Q: What is the purpose of your Sur-surrebuttal Testimony?**

19 A: In my Rebuttal Testimony, I explained that many indemnifications that Enron agreed to
20 as part of its agreement with Oregon Electric Utility Company, LLC ("Oregon Electric") would
21 not exist in the absence of that transaction. I submit further testimony on this subject to respond
22 to an incorrect assertion regarding Enron's indemnifications that was made in the testimony of
23 Bob Jenks and Lowrey Brown ("Jenks-Brown") for the Citizens' Utility Board ("CUB").

1 **Q: What is the statement to which you want to respond?**

2 A: On page 23 of their testimony, Jenks-Brown state "Clearly, this indemnification is seen
3 by the Enron creditors as a reasonable and necessary trade-off in order to enhance the value of
4 PGE. If these same creditors are receiving stock in PGE as the alternative to this deal, they have
5 every reason to want to enhance the value of PGE and can be expected to consider
6 indemnification."

7 **Q: Why is this statement incorrect?**

8 A: The set of indemnifications in the Stock Purchase Agreement was arrived at by
9 negotiation between Enron and Oregon Electric and is particular to this transaction. Enron's
10 incentive for offering the indemnifications was to close the deal with Oregon Electric. No such
11 incentive exists in the absence of this transaction. Moreover, the creditors of Enron do not have
12 an incentive to "enhance the value of PGE" by shifting risks to Enron. Enron's creditors have an
13 interest in the total value of Enron's assets. Increasing the value of one part of Enron's assets
14 while simultaneously decreasing by the same amount the value of another part of Enron's assets
15 does not enhance total value for creditors. Enron does not intend to offer indemnifications to
16 PGE should the sale to Oregon Electric not be completed, except possibly for the limited
17 indemnifications described in my Rebuttal Testimony, because it would not make economic
18 sense to do so and would not be in the best interests of creditors.

19 **Q: Does this conclude your testimony?**

20 A: Yes.

21 009697 00012\583178 V003

22

23