

**BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON**

**Testimony in Support of Stipulation
UM 1206/UF 4218**

I. Introduction

1 **Q. What are your names and positions?**

2 A. My name is Pamela Lesh. I am Vice President, Regulatory Affairs and Strategic Planning,
3 for Portland General Electric Company (PGE).

4 My name is Bryan Conway. I am Program Manager for the Economic & Policy Analysis
5 Section for the Staff of the Public Utility Commission of Oregon.

6 My name is Bob Jenks. I am the Executive Director of the Citizen's Utility Board of
7 Oregon (CUB).

8 Our qualifications appear at the end of our testimony.

9 **Q. What is the purpose of your testimony?**

10 A. The purpose of our testimony is to describe and support the stipulation entered into by the
11 following parties in Dockets UM 1206 and UF 4218. The signing parties are:

12 Portland General Electric Company
13 Stephen Forbes Cooper, LLC, as Disbursing Agent, on behalf of the Reserve for Disputed
14 Claims
15 Enron Corp.
16 Citizen's Utility Board
17 Staff of the Public Utility Commission of Oregon
18 Industrial Customers of Northwest Utilities
19 Community Action Directors of Oregon and Oregon Energy Coordinators Association

20
21 ICNU also supports and sponsors this testimony.

22 **Q. What is the nature of these dockets?**

23 A. Docket UF 4218 is an Application by PGE under ORS 757.410 et seq. to issue 62,500,000
24 shares of New PGE Common Stock.¹. Docket UM 1206 is an application under ORS
25 757.511 by the Disbursing Agent on behalf of the Reserve, created under Enron Corp.'s
26 bankruptcy Plan, for an order allowing the Reserve to hold more than 5% of the New PGE

1 Common Stock and to vote not more than 70% of that stock. The Disbursing Agent will be
2 the registered holder of the New PGE Common Stock and, in accordance with procedures
3 implemented in connection with the Plan, the DCR Overseers will determine how the
4 Disbursing Agent votes the shares held in the Reserve.

5 These dockets implement the Plan's arrangements for Holders of Allowed Claims to
6 receive equity ownership in PGE as part of the distribution of Enron's estate in satisfaction
7 of their claims against Enron. The Commission considered these arrangements in its
8 rejection of the proposed purchase of PGE's common stock by Oregon Electric Utility
9 Company:

10 "In the event this transaction does not occur, and Enron does not enter into
11 an alternative sale agreement, PGE would temporarily remain under Enron
12 ownership. A distribution of Enron's entire interest in PGE would occur in
13 a single transaction after: (1) PGE and Enron have received the required
14 consents; and (2) the Bankruptcy Court has allowed general unsecured
15 claims in an amount that results in the distribution of 30 percent of PGE
16 common stock. *See* Enron/1, Bingham/4. The PGE shares owned by Enron
17 would be canceled at this distribution, and PGE would issue new shares.
18 Part of those new PGE shares would be issued to creditors. A disbursing
19 agent would hold the remaining shares in a disputed claims reserve and
20 release the shares to holders of allowed claims. Once shares are
21 distributed, the stock could be traded on a public exchange such as the
22 New York Stock Exchange. *Id.*" Order No. 05-114 at page 11. [footnote
23 omitted]
24

25 In other words, the issuance of the New PGE Common Stock and the Reserve's
26 temporary ownership of a significant percentage of that stock are the process by which PGE
27 will become a stand-alone public utility (i.e., not in a holding company structure), the stock
28 of which will be traded on a national exchange. The initial stock issuance to Holders of
29 Allowed Claims will be at least 30% of the new PGE Common Stock and additional
30 releases from the Reserve to Holders of Allowed Claims will occur as rapidly as claims are

¹ Terms with capital letters have the same meaning as those used in the Application.

1 settled. Enron presently estimates that the issuance will occur in April 2006 and that, within
2 one year, the Reserve's ownership will fall below 50% and, within two years, below 30%.

3 As explained below, the effect of the initial stock issuance to Holders of Allowed Claims
4 of at least 30% diminishes the need for stringent conditions that address harms and risks
5 associated with 100 percent ownership (or holding company ownership). Further, as the
6 Reserve's ownership diminishes, its potential influence on PGE's operations and dividend
7 policy should decrease, which should correspond with modifications to the conditions
8 addressing the potential harms of the Reserve's ownership of stock.

1 **II. The Stipulation**

2 **Q. Please provide an overview of the Stipulation reached in these dockets.**

3 A. The Stipulation’s purpose is to resolve all issues in these dockets among the Settlement
4 Parties. Currently, the Settlement Parties are those parties we listed above. The Settlement
5 Parties agree that the issuance of the New PGE Common Stock and the role of the Reserve,
6 along with the conditions and commitments stated in the Stipulation (the “Conditions”), will
7 provide net benefits to PGE’s customers and will serve PGE’s customers in the public
8 interest. Thus, the Settlement Parties agree that, subject to the Conditions, the Commission
9 should approve the Application.

10 The Settlement Parties envision that, if the Commission approves the Application and the
11 Stipulation, the Commission will incorporate the Conditions into the final Commission
12 order. Most of the Conditions will become effective upon the issuance of the New PGE
13 Common Stock and, at that time, the conditions adopted by the Commission in Order No.
14 97-196 (the “Enron Conditions”) will terminate. We will describe the exceptions below
15 with respect to the specific Conditions having different timing.

16 **Q. Is there any other general information important to understanding the Stipulation in**
17 **these dockets?**

18 A. Yes. The Stipulation expresses the Settlement Parties’ agreement that this is a unique
19 Application under ORS 757.511 and that no Settlement Party will use the Conditions found
20 suitable in this case as precedent in any other docket, including UM 1209, regarding what
21 generally constitutes a net benefit under ORS 757.511. The Application is unique in
22 multiple ways, such as:

- 1 (1) The issuance of New PGE Common Stock and role of the Reserve to implement a
2 confirmed bankruptcy plan. Indeed, this is the only remaining path in the Plan for
3 Holders of Allowed Claims to receive the value represented by the PGE common
4 equity that Enron now holds.
- 5 (2) Consistent with the terms of the Plan, Enron and its affiliated Debtors are in the
6 process of resolving disputed claims against their estates as rapidly as possible
7 consistent with prudent business practices. The purpose of the Disbursing Agent
8 and the Reserve is to hold cash and securities, including New PGE Common
9 Stock, and to distribute the same to the Holders of Allowed Claims as disputed
10 claims are resolved. In other words, the Reserve is an entity designed to reduce
11 its ownership of the New PGE Common Stock as rapidly as possible.
- 12 (3) The Application does not change the beneficial ownership of PGE; however, after
13 the issuance, individual creditors may trade their New PGE Common Stock.
14 Enron's creditors currently hold all of the beneficial interest in Enron's assets.
- 15 (4) This Application does not result in any new debt and, because this is not an
16 acquisition, no one will incur an acquisition premium in connection with PGE's
17 common equity.
- 18 (5) The issuance of New PGE Common Stock will remove PGE from a holding
19 company structure. Even though the Reserve will temporarily hold a significant
20 percentage of the New PGE Common Stock, the Reserve is in the nature of a trust
21 or escrow rather than a holding company and, unlike a typical holding company,
22 will not use dividends from PGE to invest in diversified businesses or service
23 acquisition debt. Nor will the Reserve have the control of a parent company;

1 instead, its rights will be those of a shareholder that does not own 100% of PGE.

2 This circumstance lessens or eliminates financial and other concerns raised by
3 holding company structures.

4 In general, this filing has the opposite effect of the previous ORS 757.511 filing
5 approved by the Commission for PGE (UM 814): PGE is becoming a publicly-traded
6 company, rather than one owned by a single shareholder. The Settlement Parties developed
7 the conditions for this unique set of circumstances and recognize that this Application
8 presents fewer risks than are present when one entity seeks to acquire a utility.

9 **Q. How many conditions does the Stipulation include?**

10 A. The Stipulation contains 17 conditions that the Settlement Parties agree should be
11 incorporated in the final Commission order approving these Applications.

12 **Q. Please briefly describe the conditions.**

13 A. Condition 1 provides that there will be no direct charges or allocations to PGE from the
14 Reserve.

15 Condition 2 assures that PGE will provide the Commission access to all of its books and
16 records and to those books and records of its affiliates that pertain to affiliated interest
17 transactions with PGE. This condition also requires the Reserve to provide the Commission
18 access to all of its books and records that pertain to PGE.

19 Condition 3 requires that PGE keep its financial books and records in Portland, Oregon.

20 Condition 4 excludes from PGE's utility accounts all of the non-recurring costs of its
21 transition from a privately-held to a publicly-held corporation. This includes such expenses
22 as the first-time costs of listing on a national stock exchange, the costs of issuing the stock
23 and the release over time of the stock held by the Reserve.

1 Condition 5 restricts dividends from PGE, without prior Commission approval, during a
2 transitional period while the Reserve's ownership share is still substantial. The initial
3 minimum common equity capital in PGE's capital structure is 48%. This applies until the
4 Reserve holds less than 40% of the New PGE Common Stock. The minimum then falls to
5 45% until the Reserve holds less than 20% of the New PGE Common Stock. Thereafter, no
6 limitation applies.

7 Condition 6 assures PGE's customers that PGE will not seek recovery of increases in its
8 costs of capital or revenue requirement that are due to Enron's ownership of PGE. In the
9 case of cost of capital, the protection extends to higher costs caused by the ownership by the
10 Reserve of 25% or more of PGE's issued and outstanding common stock. From the date the
11 Commission approves the Applications until 30 days after tariffs approved in PGE's next
12 general rate case take effect, the dividend limitation in Condition 5 is increased by \$40
13 million to assure PGE's financial capacity to absorb adjustments, if any, in PGE's revenue
14 requirement resulting from these protections for customers, including the Enron Conditions.

15 Condition 7 provides the Commission access to all PGE or Reserve written information,
16 provided to common stock or bond analysts or rating agencies, which pertains to PGE or
17 affiliates that exercise control over PGE.

18 Condition 8 requires that PGE give the Commission written notice of any dividends
19 declared by its Board of Directors at the same time as PGE discloses this information to the
20 public. This Condition expires when the Reserve holds less than 25% of the New PGE
21 Common Stock.

22 In Condition 9, PGE agrees to extend the Service Quality Measures Stipulation adopted
23 in Order No. 97-196 for 10 years, including calendar years 2007 through 2016. The current

1 service quality measures were scheduled to terminate at the end of 2006; Condition 9 will
2 take effect January 1, 2007. PGE also agrees to work with ICNU on potential additional
3 service quality standards related to service to high tech companies.

4 Condition 10 eliminates the obligations of Conditions 2 and 7 with respect to the Reserve
5 when its ownership interest in PGE drops below 25%.

6 Condition 11 takes effect upon the Commission's approval of the Applications and
7 precludes distributions to Enron unless PGE has a senior secured debt rating of not lower
8 than BBB+ from Standard & Poor's and can reasonably expect to maintain that rating after
9 the distribution.

10 Condition 12 lays out a process by which various customer groups can address both
11 PGE's Board of Directors (on an annual basis) and management (from time to time).

12 In Condition 13, PGE agrees not to propose a decoupling mechanism for Schedule 83
13 customers in its next general rate case and to oppose any proposal for such offered by other
14 parties.

15 Condition 14 commits PGE to work with Staff and other interested parties to develop and
16 present to the Commission a billing accuracy service quality measure.

17 Condition 15 contains several changes to PGE's direct access program that PGE agrees to
18 develop and propose for Commission approval. These include extensions of the existing 3-
19 and 5-year opt-out options, a monthly or "on demand" direct access election period for
20 customers with aggregate loads over 1 MWa (each point over 250kW), and a split direct
21 access/cost of service option for customers with aggregate load larger than 10 MWa and
22 certain other qualifying characteristics.

1 In Condition 16, Enron agrees to provide PGE certain indemnifications, if necessary, as
2 described in the draft Separation Agreement filed as Application Exhibit 17.

3 Condition 17 provides an enforcement process for violations of the conditions by PGE or
4 the Reserve.

III. Support for Commission Approval

Q. What are the standards for approval of these Applications by the Commission?

A. The standard for the issuance of securities under ORS 757.410 et seq. is either that the utility will use the proceeds for certain specified purposes or that the application of the statute is not required by the public interest. In this Application, there are no proceeds from the issuance of the New PGE Common Stock.

The standard for ORS 757.511 was recently explained by the Commission in Order No. 05-114. The Commission said:

“The meaning of “serve the public utility’s customers in the public interest” was the subject of a Commission investigation in docket UM 1011. Utilities, consumer groups, and Staff provided input on the applicable standard under the statute. The Commission resolved the docket by issuing Order No. 01-778, which adopted a two-pronged legal standard under ORS 757.511(3). After reviewing the text and context of the statute, the Commission “read the verb ‘serve’ to indicate a net benefit standard for merger approval.” *See* Order No. 01-778 at 10. The Commission went on to state that providing net benefits is a specific way to cure the general concern enunciated in ORS 757.506 that a transaction could harm customers. The order then set out a second requirement: ‘in addition to finding a net benefit to the utility’s customers, we must also find that the proposed transaction will not impose a detriment on Oregon citizens as a whole.’ *See* Order No. 01-778 at 11.” Order No. 05-114 at 17.

The Commission also explained the use of a comparison case:

“ORS 757.506(1)(c) delineates some harms against which customers should be protected, including degradation of utility service, higher rates, weakened financial structure and diminution of utility assets. The wording of the statute presumes a review of the utility’s current status to see if a proposed transaction would cause harm. ORS 757.506(2) further provides that regulation is to prevent “unnecessary and unwarranted harm to such utilities’ customers.” Reading this statute in concert with ORS 757.511, we reject Applicants’ approach and conclude that we must compare the potential benefits and harms of the transaction against the PGE as it is currently configured. However, this transaction is unique, because PGE is in a transitional state. It is owned by Enron, which is in bankruptcy and is being liquidated. There is little to suggest that PGE would operate very differently after the stock distribution plan than it does now. With Enron’s

1 current hands-off approach, PGE is, essentially, currently acting as a
2 stand-alone utility. Therefore, to take into account the current transitional
3 nature of PGE's ownership, we will compare Applicants' proposal to PGE
4 as a separate and distinct entity, which would function as PGE operates
5 today." Order No. 05-114 at 18.
6

7 We believe that the conditions in the Stipulation enable the Commission to find these
8 standards are met. With respect to the issuance of New PGE Common Stock, the
9 Conditions satisfy the public interest test by providing net benefits to customers and not
10 imposing a detriment on Oregon citizens as a whole. We address the requirements of ORS
11 757.511 below.

1 **IV. Comparison Case**

2 **Q. What is the comparison case the Commission should use in reviewing these**
3 **Applications?**

4 A. The comparison case is comparable to, yet somewhat different from, what the Commission
5 assumed in Order No. 05-114. To take into account the current transitional nature of PGE's
6 ownership, we compare Applicant's proposal to how PGE operates today with the
7 protections for customers of the conditions included in Order No. 97-196. In considering
8 this Application, however, we must also take into account whether, if the Commission
9 denies the Application, state or federal law will prevail in the implementation of the court-
10 confirmed Plan. This adds uncertainty regarding how and when PGE emerges from Enron's
11 ownership, removing the current focus from implementing the Plan to jurisdictional issues.

12 Further, another caveat requiring note is that the Plan's Confirmation Order requires that
13 all of the assets of Enron, including 100% of PGE's common equity, must be distributed to
14 Enron's creditors. Should the Commission deny this Application, it is not clear how PGE's
15 common equity would be distributed as called for in the Plan. The distribution of PGE's
16 common equity could occur without any of the conditions in this Settlement that protect
17 customers and PGE during the transition and provide benefits to customers even beyond the
18 transition.

19 Last, we note that Enron could negotiate another sale of PGE should the issuance and
20 subsequent distribution not go forward, which would present greater risks and uncertainties
21 than approval of this Application.

22 **Q. Is a comparison case important to the resolution of these Applications?**

1 A. Yes, because the statutes require approval to be based on a Commission determination that
2 the Stipulation results in net benefits. The Conditions eliminate any advantage to customers
3 of retaining the Enron Conditions for some additional period of time and include additional
4 matters that provide benefits to customers. Further, where appropriate, the Stipulation's
5 conditions transfer responsibility to PGE for assurances provided under the Enron
6 conditions. As discussed below, the Stipulation also applies some of the Enron Conditions
7 to the transitional period when the Reserve holds a significant percentage of the New PGE
8 Common Stock.

1 **V. Net Benefits**

2 **Q. Do you have some general comments about net benefits?**

3 A. Yes. The Settlement Parties designed the Conditions to provide net benefits as a whole,
4 based on the unique nature of this change in ownership. Our testimony will discuss the
5 Conditions in two categories – mitigating or preventing harm and providing benefits – but
6 we note that some Conditions fall into both categories.

7 **Q. What harms or concerns has the Commission considered in the past with respect to**
8 **applications under ORS 757.511?**

9 A. The Commission has addressed concerns and potential harms such as:

- 10 • Burdensome or complicated affiliated interest transactions
- 11 • Weakened access to information about the utility
- 12 • Costs of the transaction and/or transition
- 13 • Threats to the strength of the utility’s financial structure
- 14 • Loss of protections from conditions in prior transactions
- 15 • Service degradation

16 **Q. How do the Conditions mitigate against or prevent complicated or burdensome**
17 **affiliated interest transactions?**

18 A. The unique circumstances of these Applications made this concern relatively easy to
19 address. Conditions 1 and 2 work together to assure that PGE engages in transactions with
20 its affiliates only under express Commission approval and provides the Commission with
21 access to all books and account, whether of PGE or its affiliates, related to such transactions.
22 As a practical matter, because PGE effectively will not be in a holding company situation,
23 the only affiliates PGE is likely to have will be subsidiaries. These Conditions also simply

1 preclude transactions between PGE and the Reserve. A number of the Enron Conditions
2 were no longer necessary, because they related to PGE becoming part of a large corporate
3 family of energy companies. This includes Enron Conditions 1, 12, 13, 14, 15, and 16.

4 **Q. How do the Conditions assure that the Commission has access to all of the information**
5 **it needs to regulate PGE effectively?**

6 A. Conditions 2, 3 and 7 assure that the Commission has convenient access to PGE's financial
7 books and records and also can review, from time to time, the written information PGE and
8 the Reserve provide the financial community that pertains to PGE. These are the same as
9 Enron Conditions 3 and 8. Condition 2 actually expands on Enron Condition 2, assuring the
10 Commission of access to any information at the Reserve that pertains to PGE.

11 **Q. How do the Conditions mitigate against or prevent any weakening in PGE's financial**
12 **condition?**

13 A. First, we want to re-emphasize that the issuance of the New PGE Common Stock results in
14 no new debt for PGE, no change to PGE's capital structure and, effectively, no holding
15 company above PGE with a capital structure and debt ratings that could influence the rating
16 of PGE's debt. That being said, Condition 5, supplemented by 6(c) and 8, update the Enron
17 "ring-fence" (Enron Conditions 6 and 9) for the new circumstances of the Reserve's
18 transitional control of a substantial percentage of PGE's issued common equity stock. The
19 circumstances of the transitional structure differ from a traditional holding company for
20 many reasons, including the presence of a significant percentage of stock held by non-
21 affiliated entities or persons as of the issuance. The presence of minority shareholders, as
22 well as coverage by the financial community, lessens the ability of creditors, through the
23 Reserve, to influence PGE's Board to declare dividends that could weaken PGE's financial

1 structure. By the time the Reserve's ownership drops below 40%, the minimum required
2 equity can also drop. By the time the Reserve's ownership drops below 20%, a "ring fence"
3 will no longer be necessary. Condition 5 preserves PGE's flexibility to ask for changes in
4 the minimum common equity percentage required before a dividend can occur. Condition 8
5 ensures the Commission has written notice of dividend declarations by PGE's Board. This
6 replaces Enron Condition 9, which would no longer work under the circumstance of public
7 trading in PGE's stock.

8 Condition 6(c), discussed below, supplements the minimum equity ratio in Condition 5
9 for the period from a Commission approval of these Applications until 30 days after tariffs
10 take effect under PGE's next general rate case.

11 In addition, also beginning with the date of a Commission approval of these Applications
12 until the date of issuance, Condition 11 restricts Enron from taking any distributions from
13 PGE unless PGE has and can expect to maintain at least a BBB+ senior secured rating from
14 S&P. In other words, Enron is prohibited from taking any distributions from PGE that will
15 impair or could be expected to impair the BBB+ credit rating.

16 Finally, Condition 16 provides assurance that Enron will indemnify PGE for liabilities, if
17 any, related to taxes and employee benefits, as described in Article III of the draft
18 Separation Agreement (Application Exhibit 17).

19 **Q. How do the Conditions preserve the "hold harmless" guarantees in the Enron**
20 **Conditions?**

21 A. Condition 6 replaces Enron Conditions 7 and 10, transferring from Enron to PGE the
22 obligation not to seek recovery for increases in the cost of capital or revenue requirement
23 due to Enron's ownership. In addition, Condition 6 updates the "hold harmless" for

1 increases in the cost of capital to cover any found by the Commission to be caused by the
2 Reserve's ownership of PGE of more than 25%. To assure that enforcement of the hold
3 harmless protections against PGE does not, itself, financially weaken PGE, condition 6(c)
4 increases the minimum equity required by Condition 5 by \$40 million for the period we
5 discussed above. The \$40 million, as represented by the additional equity at PGE, may be
6 use by PGE if the Commission should order certain disallowances in PGE's next general
7 rate case due to Enron's ownership of PGE.

8 **Q. How do the Conditions prevent service degradation?**

9 A. Conditions 9 and 14 both relate to service quality and fall into that category we mentioned
10 above of conditions that both prevent harm and provide benefit. Condition 9 extends the
11 service quality program PGE has operated under since 1997 until and through calendar-year
12 2016. This program helps ensure that PGE maintains consistent, high levels of service
13 quality, safety and reliability. In Condition 9, PGE also has agreed to work with ICNU to
14 explore and develop if necessary any additional service quality standards that address the
15 needs of industrial customers, particularly high-tech customers that require very high
16 reliability. In Condition 14, PGE agrees to work with Staff and interested parties to develop
17 a billing accuracy service quality measure (SQM). The condition contains some parameters
18 to guide the development of the SQM.

19 **Q. How do the Conditions provide benefits?**

20 A. The Conditions provide benefits in a number of ways:

- 21 • Approval of the Application under the terms of the Settlement will end the
22 uncertainty of the bankruptcy process with conditions that protect customers and
23 PGE during issuance and distribution.

- 1 • Continued and augmented focus on excellent service, safety and reliability.

2 We discussed above the conditions relating to service to customers.

- 3 • Improved channels of communication.

4 Condition 12 puts in place processes by which PGE's Board and management will
5 be available to hear from customer and other interest groups for a period of five
6 years. This will facilitate good communication during PGE's transition to fully-
7 traded public ownership.

- 8 • Additional limitations on Enron's ownership and the Reserve's influence.

9 As we discussed above, Conditions 6(c) and 11 take effect upon the
10 Commission's approval of these applications, rather than upon the stock issuance.
11 These Conditions provide benefit over the comparison case by strengthening the
12 restrictions on dividends from PGE to Enron and the Reserve even beyond Enron
13 Condition 6. In addition, Condition 6(c) makes it easier for the Commission to
14 enforce Enron Conditions 7 and 10 in PGE's next general rate case without undue
15 harm to PGE's financial structure.

- 16 • Proposals for new direct access options.

17 Condition 15 commits PGE to develop and/or continue several direct access
18 options of particular interest to business customers with large electric loads.

- 19 • Rate case simplification.

20 In Condition 13, PGE agrees that any decoupling proposal it might file in its next
21 general rate case would not apply to Schedule 83 customers, who are already
22 subject to demand and facilities charges.

- 23 • Enforcement mechanism.

1 Condition 17 provides a mechanism for enforcing these conditions that
2 supplements the Commission’s existing authority.

- 3 • Improved ring fencing.

4 The unique nature of this transaction results in a more robust ring fencing for
5 PGE’s customers. As the amount of shares of PGE’s stock in the publicly-traded
6 market increases, the ability for a block of shareholders (or the Reserve) to
7 influence PGE’s operations diminishes.

1 **VI. Qualifications**

2 **Q. Ms. Lesh, please describe your qualifications.**

3
4 A. I received a BA degree from Washington State University in 1978. I received my J.D. from
5 the University of Washington School of Law in 1981. I was employed by Portland General
6 Electric from 1986 to 1997, becoming Vice President, Rates & Regulatory Affairs in
7 October of 1996. In June 1997, I became a Vice President of Strategy at Connex, Inc.,
8 where I supervised product management staff and strategic alliances as well as negotiating
9 client contracts. In January 1999, I returned to PGE as Vice President, Rates & Regulatory
10 Affairs.

11 **Q. Mr. Conway, please describe your qualifications.**

12 A. I received a BS degree in Economics from the University of Oregon in 1991. I received an
13 MS degree in Economics from Oregon State University in 1994. In addition, I have
14 completed all of the required and elective coursework for a Ph.D. in economics from
15 Oregon State University. My fields of study were Industrial Organization and Applied
16 From December 1994 to October 1998, I worked for the Oregon Employment Department
17 as a Research Analyst in their Research Section. Starting in October 1998, I have been
18 employed by the Public Utility Commission of Oregon. I am currently the Program Manager
19 of the Economic & Policy Analysis Section. My responsibilities include leading research
20 and providing technical support on a wide range of policy issues for electric,
21 telecommunications, and gas utilities. I have testified before the Commission on policy and
22 technical issues in UG 132, UE 115, UE 116, and have been the Summary Staff Witness in
23 UP 158, UP 168, UP 165/170, UX 27, UX 28, UM 967, UM 1041, UM 1045, and UM 1121.
24 I am currently a faculty member of the University of Phoenix teaching economics. From

1 January 1998 through September 2000, I was a part time instructor at Linn-Benton
2 Community College teaching principles of economics. From July 1992 through June 1994,
3 I was a graduate teaching assistant at Oregon State University teaching introductory
4 principles of economics.

5 **Q. Mr. Jenks, please describe your qualifications.**

6 A. I received a BS degree in Economics from Willamette University in Salem, Oregon.
7 Between 1982 and 1991, I worked for the Oregon State Public Interest Research Group, the
8 Massachusetts Public Interest Research Group and the Fund for Public Interest Research on
9 a variety of public policy issues. As Executive Director of Citizens' Utility Board, I have
10 provided testimony or comments in a variety of OPUC dockets, including UE 88, UE 92,
11 UM 903, UM 918, UE 102, UP 168, UT 125, UT 141, UE 115, UE 116, UE 137, UE 139,
12 UE 161, UG 152, UM 995, UM 1050, UM 1071, and UM 1121. I have participated in the
13 development of a variety of Least Cost Plans and PUC Settlement Conferences. I have
14 provided testimony to Oregon Legislative Committees on consumer issues relating to energy
15 and telecommunications. Lobbied the Oregon Congressional delegation on behalf of CUB
16 and the National Association of State Utility Consumer Advocates. I am a member of the
17 National Association of State Utility Consumer Advocates, the Board of Directors of
18 OSPIRG Citizen Lobby , and the Telecommunications Policy and Electric Policy
19 Committees of the Consumer Federation of America.

20 **Q. Does this complete your testimony?**

21 A. Yes, it does.

September 7, 2005

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
PO Box 2148
Salem OR 97308-2148

Re: In the Matter of PORTLAND GENERAL ELECTRIC
Application for Authority to Issue Common Stock
OPUC Docket No. UF-4218/UM-1206

Attention Filing Center:

Enclosed for filing in the above-captioned docket are eight copies of the Joint Testimony in Support of Stipulation of OPUC Staff, Industrial Customers of Northwest Utilities, Citizens' Utility Board, Portland General Electric, and Stephen Forbes Cooper, LLC, on Behalf of the Reserve for Disputed Claims, for filing in the above-referenced dockets. This document is being filed by electronic mail with the Filing Center.

An extra copy of this cover letter is enclosed. Please date stamp the extra copy and return it to me in the envelope provided.

Thank you in advance for your assistance.

Sincerely,

/S/ BARBARA W. HALLE

BWH:am
Enclosures

cc: UF-4218/UM-1206 Service List

CERTIFICATE OF SERVICE

I certify that I have caused to be served the foregoing JOINT TESTIMONY IN SUPPORT OF STIPULATION OF OPUC STAFF, INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES, CITIZENS' UTILITY BOARD, PORTLAND GENERAL ELECTRIC, AND STEPHEN FORBES COOPER, LLC, ON BEHALF OF THE RESERVE FOR DISPUTED CLAIMS, in OPUC Docket Nos. UF 4218 and UM 1206, by U.S. Mail and electronic mail, to the parties on the attached official service list from these dockets.

Dated this 7th day of September, 2005.

/S/ BARBARA W. HALLE

Barbara W. Halle

UF 4218 / UM 1206
COMBINED OFFICIAL SERVICE LISTS

PGE MUTUAL UTILITY, INC
5 CENTERPOINTE DR
SUITE 400
LAKE OSWEGO OR 97035

JIM ABRAHAMSON
COMMUNITY ACTION DIRECTORS OF
OREGON
4035 12TH ST CUTOFF SE STE 110
SALEM OR 97302

SUSAN ANDERSON
CITY OF PORTLAND OFFICE OF
SUSTAINABLE DEV
721 NW 9TH AVE -- SUITE 350
PORTLAND OR 97209-3447

STEPHANIE S ANDRUS
DEPARTMENT OF JUSTICE
REGULATED UTILITY & BUSINESS
SECTION
1162 COURT ST NE
SALEM OR 97301-4096

JULIE BATES
BONNEVILLE POWER
ADMINISTRATION
905 NE 11TH AVE
PORTLAND OR 97208

KEN BEESON
EUGENE WATER & ELECTRIC BOARD
500 EAST FOURTH AVENUE
EUGENE OR 97440-2148

LOWREY R BROWN
CITIZENS' UTILITY BOARD OF
OREGON
610 SW BROADWAY, SUITE 308
PORTLAND OR 97205

J LAURENCE CABLE
CABLE HUSTON BENEDICT ET AL
1001 SW 5TH AVE STE 2000
PORTLAND OR 97204-1136

BRYAN CONWAY
PO BOX 2148
SALEM OR 97309-2148

JOAN COTE
OREGON ENERGY COORDINATORS
ASSOCIATION
2585 STATE ST NE
SALEM OR 97301

MELINDA J DAVISON
DAVISON VAN CLEVE PC
333 SW TAYLOR, STE. 400
PORTLAND OR 97204

JASON EISDORFER
CITIZENS' UTILITY BOARD OF
OREGON
610 SW BROADWAY STE 308
PORTLAND OR 97205

JAMES F FELL
STOEL RIVES LLP
900 SW 5TH AVE STE 2600
PORTLAND OR 97204-1268

ANN L FISHER
AF LEGAL & CONSULTING SERVICES
2005 SW 71ST AVE
PORTLAND OR 97225-3705

ANDREA FOGUE
LEAGUE OF OREGON CITIES
PO BOX 928
1201 COURT ST NE STE 200
SALEM OR 97308

DAVID E HAMILTON
NORRIS & STEVENS
621 SW MORRISON ST STE 800
PORTLAND OR 97205-3825

DAVID KOOGLER
ENRON CORPORATION
PO BOX 1188
HOUSTON TX 77251-1188

GEOFFREY M KRONICK LC7
BONNEVILLE POWER
ADMINISTRATION
PO BOX 3621
PORTLAND OR 97208-3621

GORDON MCDONALD
PACIFIC POWER & LIGHT
825 NE MULTNOMAH STE 800
PORTLAND OR 97232

DANIEL W MEEK
DANIEL W MEEK ATTORNEY AT LAW
10949 SW 4TH AVE
PORTLAND OR 97219

CHRISTY MONSON
LEAGUE OF OREGON CITIES
1201 COURT ST. NE STE. 200
SALEM OR 97301

MICHAEL M MORGAN
TONKON TORP LLP
888 SW 5TH AVE STE 1600
PORTLAND OR 97204-2099

RANDALL C. TOSH
CITY OF SALEM
555 LIBERTY STREET SE, ROOM 205
SALEM OR 97301

LAWRENCE REICHMAN
PERKINS COIE LLP
1120 NW COUCH ST - 10 FL
PORTLAND OR 97209-4128

CRAIG SMITH
BONNEVILLE POWER
ADMINISTRATION
PO BOX 3621--L7
PORTLAND OR 97208-3621

MITCHELL TAYLOR
ENRON CORPORATION
PO BOX 1188
HOUSTON TX 77251-1188

BENJAMIN WALTERS
CITY OF PORTAND - OFFICE OF CITY
ATTORNEY
1221 SW 4TH AVE - RM 430
PORTLAND OR 97204

TIMOTHY V. RAMIS
RAMIS CREW CORRIGAN LLP
1727 NW HOYT STREET
PORTLAND OR 97239

RON GARZINI
CITY OF WEST LINN
22500 SALAMO ROAD
WEST LINN OR 97068