



THEODORE R. KULONGOSKI
Governor

June 24, 2005

Representative Derrick Kitts
Chair, Elections and Rules Committee
900 Court St. NE., H-292
Salem, OR, 97301

Dear Representative Kitts:

As the Elections and Rules Committee continues to consider the merits of Senate Bill 1008 (establishing Oregon Community Power), I wanted to bring to your attention a concern I have related to the state's role in a public acquisition of Portland General Electric (PGE).

As I have stated publicly, I do not believe it is in the state's interest to become involved financially in any plan to purchase PGE – or any derivative thereof. In fact, Enron is moving forward with its plan to distribute shares of PGE stock to its creditors, which is a more acceptable option from my perspective than state involvement.

The City of Portland is also moving forward with its plan to acquire PGE and I believe its plan recognizes the necessity to develop a regional governance structure to manage the utility.

My goal is to ensure that PGE, under any ownership model, continues to provide reliable and affordable power to its customers. That goal can be achieved without obligating the state financially. I therefore request that the committee delete provisions contained in A-Eng SB 1008 requiring financial involvement by the state in any acquisition of PGE and that the committee continue working with the city and others to determine how Senate Bill 1008 can best achieve and support the objective of a regional governance body.

Sincerely,

A handwritten signature in black ink that reads "Theodore R. Kulongoski".

THEODORE R. KULONGOSKI
Governor

TRK/:tlem:pc

c: House Elections and Rules Committee Members
Sen. Ryan Deckert
Commissioner Tom Brian
Commissioner Erik Sten