



THEODORE R. KULONGOSKI  
Governor

July 20, 2005

The Honorable Peter Courtney  
President of the Senate  
900 Court Street NE, S-203  
Salem, OR 97301

Dear President Courtney:

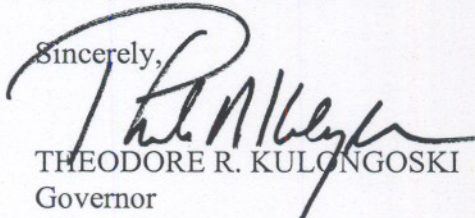
I am returning Enrolled Senate Bill 671 unsigned and disapproved.

SB 671 was introduced to establish a financing plan for the mutualization of Portland General Electric (PGE). I cannot support SB 671 because it fails to address the basic principles I set forth in March 2005. As I said at that time, any plan should provide rate relief and access to safe and reliable power for PGE customers; maintain appropriate support for low income energy assistance, energy efficiency and investments in renewables; protect communities that rely on revenue from PGE as it exists today; and keep PGE local and whole.

While the mutual utility concept is in part motivated by a desire to bring PGE under local, consumer control, SB 671 itself does not provide any certainty around how a mutual utility would meet my core principles. The bill does not result in any sort of consensus about how a mutual utility ownership model would impact PGE customers; it does not specify how a mutual utility would be governed or operated; and it does not ensure the certainty and accountability that I believe PGE customers need from their utility. In the end, I am not willing to start down this path and risk another fierce debate before the Public Utility Commission without more certainty about how this proposal could affect customers and, through them, Oregon's economy.

As Governor, my focus remains on continuing to create family-wage jobs and an education enterprise that will ensure Oregonians are the best trained, best skilled, and best-educated citizenry in the nation – and it is not clear how SB 671 helps move us forward toward the goals of economic prosperity and security for all Oregonians.

Sincerely,



THEODORE R. KULONGOSKI  
Governor

TRK:pc