



**Portland General Electric Company**  
121 SW Salmon Street • Portland, Oregon 97204

June 14, 2004

VPN-020-2004

Trojan Nuclear Plant/ISFSI  
Docket Nos. 50-344/72-17  
License Nos. NPF-1/SNM-2509

**10 CFR § 50.80**  
**10 CFR § 72.50**

ATTN: Document Control Desk  
U. S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

ATTN: Document Control Desk  
Director, Spent Fuel Project Office  
Office of Nuclear Material Safety and Safeguards  
U. S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Application for Consent to Indirect Transfer of Facility Licenses

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended ("AEA"), 42 U.S.C. 2234, and 10 CFR §§ 50.80 and 72.50, Portland General Electric Company ("PGE"), acting on its own behalf and that of Oregon Electric Utility Company, LLC ("OEUC"), requests Nuclear Regulatory Commission ("NRC") consent to the acquisition of all the issued and outstanding common stock of PGE by OEUC. OEUC is an Oregon limited liability company formed for the sole purpose of holding the common stock ownership of PGE.<sup>1</sup>

PGE is the owner of a 67.5 percent interest in the Trojan Nuclear Plant ("TNP") and the Trojan ISFSI, both located on the west bank of the Columbia River in Columbia County, Oregon. On January 27, 1993, PGE notified the NRC of its decision to permanently cease power operations at the TNP. The TNP license was amended to a possession-only license on May 5, 1993, removing PGE's authority to operate the TNP reactor. On April 15, 1996, the NRC issued an order approving the TNP Decommissioning Plan and authorized the decommissioning of the TNP. In September 2003, the transfer of spent nuclear fuel from the

<sup>1</sup> By PGE letter VPN-054-2001 dated December 6, 2001, as supplemented by letter VPN-013-2002 dated January 31, 2002, PGE requested NRC approval of the indirect transfer of its Trojan Nuclear Plant Facility Operation (Possession Only) License and Trojan Independent Spent Fuel Storage Installation ("the Trojan ISFSI") Materials License to NW Natural Holdco. The NRC granted approval of this indirect transfer by letter dated March 26, 2002 (Federal Register notice published at 67 FR 15618). By letter dated February 26, 2003 (VPN-015-2003), PGE formally notified the NRC that the proposed transfer to NW Natural Holdco was terminated.

TNP Spent Fuel Pool to the Trojan ISFSI was completed. Radiological decommissioning of the TNP is currently nearing completion, with final survey activities supporting unrestricted release of the TNP site and license termination anticipated to be completed by the end of 2004.

As described in the enclosed Application for Consent to Indirect Transfer of Facility Licenses ("Application"), on November 18, 2003, PGE's corporate parent Enron Corp. ("Enron") and OEUC entered into a definitive agreement (the "Transaction") under which OEUC will acquire all of the issued and outstanding common shares of PGE and will become the sole owner of PGE.

PGE will continue to exist and will continue to serve as Licensee. The proposed transfer of PGE's stock to OEUC involves no change to any of the other ownership shares in the TNP and the Trojan ISFSI.<sup>2</sup> PGE will remain a licensee for both facilities with authority to possess and maintain the TNP. Operation of the TNP is not required because the plant is no longer in operation.

The information included in the enclosed Application demonstrates that PGE will retain the requisite technical and financial qualifications under its licenses for the TNP and the Trojan ISFSI, and its ability to continue funding its share of the costs of decommissioning the TNP and, ultimately, the Trojan ISFSI. The Application also addresses foreign ownership and control considerations as required by the AEA.

In summary, the proposed indirect license transfers will be consistent with the requirements set forth in the AEA, NRC regulations, and the relevant NRC licenses and orders. No physical changes will be made to the TNP or the Trojan ISFSI as a result of the proposed indirect transfer of the TNP or Trojan ISFSI licenses. The proposed license transfers will not involve any changes to the current TNP or Trojan ISFSI licensing bases, and will not have any adverse impact on the public health and safety or be inimical to the common defense and security.

The date of completion of the proposed transfer will depend on the satisfaction of certain conditions precedent, including receipt of all required regulatory approvals from the NRC and other agencies. The approvals required include, among others, approvals by the Federal Energy Regulatory Commission ("FERC"), the Oregon Public Utility Commission ("OPUC"), the Securities and Exchange Commission ("SEC"), as well as the NRC.

Consistent with the terms of the Transaction, PGE and OEUC anticipate closing on the transaction in the second half of 2004. Accordingly, the parties request that the NRC complete its review on a schedule to permit the issuance of the necessary consent order as promptly as possible, with a target date of October 1, 2004. The parties further request that the NRC's

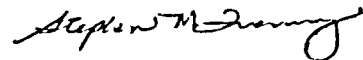
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<sup>2</sup> PacifiCorp and the Eugene Water and Electric Board own the remaining 2.5 percent and 30 percent interests, respectively, in TNP and the Trojan ISFSI, but are not involved in the Transaction described herein.

consent be made effective immediately upon issuance, permitting the transfer to occur at any time within 12 months following the date of issuance of the NRC's consent, subject to extension for good cause shown. PGE will inform the NRC of any significant changes in the schedule.<sup>3</sup>

For purposes of answering questions concerning the enclosed application, please contact Douglas R. Nichols, General Counsel, Portland General Electric Company, Suite 1700, 121 SW Salmon St. Portland, OR 97204 (phone number 503-464-8402). Service of any comments, hearing requests, intervention petitions, or other filings should also be made to: Samuel Behrends IV, LeBoeuf, Lamb, Greene & McRae, 1875 Connecticut Ave., N.W., Suite 1200, Washington, DC 20009 (sbehrend@llgm.com) and Jay E. Silberg, Shaw Pittman LLP, 2300 N Street, N.W., Washington, DC 20037 (JaySilberg@shawpittman.com).

Sincerely,



Stephen M. Quennoz  
Vice President, Generation

Enclosure: Application for Consent to Indirect Transfer of Facility Licenses

cc: J. T. Buckley, NRC, NMSS  
R. S. Wood, NRC, NMSS  
C. M. Regan, NRC, NMSS, SFPO  
Director, DNMS, NRC Region IV  
David Stewart-Smith, ODOE  
Richard A. Ekleberry, TPG Partners III, L.P.  
Mitch Taylor, Enron Corp.  
David Koogler, Enron Corp.  
Owners Committee Representatives of BPA, PacifiCorp, and EWEB  
Michael L. Ryan, Cleary, Gottlieb, Steen & Hamilton  
David Leinwand, Cleary, Gottlieb, Steen & Hamilton  
Brian P. Leitch, Arnold & Porter  
Jay Tabor, Weil, Gotshal & Manges LLP  
Michael M. Morgan, Tonkon Torp

<sup>3</sup>

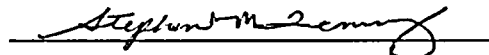
If the sale of the PGE stock to OEUC cannot be completed prior to December 31, 2004, Enron may, as an intermediate step, transfer the stock of PGE to a trust. It is anticipated that authority for the indirect license transfer resulting from Enron's transfer of the stock of PGE to a trust will be sought in a separate application to be filed with the NRC in the near future. Thus, the instant application seeks authority from the NRC for the transfer of the stock of PGE to OEUC either by Enron (if the Transaction is consummated by December 31, 2004) or by the trust (if the stock of PGE is transferred to such trust and the Transaction is consummated after December 31, 2004).

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of	)	
	)	
Portland General Electric Company	)	Docket Nos. 50-344
Trojan Nuclear Plant and	)	72-17
Trojan Independent Fuel Storage Installation	)	

AFFIRMATION


I, Stephen M. Quennoz, being duly sworn, hereby depose and state that I am Vice President, Generation of Portland General Electric Company ("PGE"); that I am duly authorized to file with the Nuclear Regulatory Commission the attached Application for Consent to Indirect Transfer of Licenses; that I am familiar with the content thereof; and that the matters set forth therein with regard to PGE are true and correct to the best of my knowledge and belief.

  
Stephen M. Quennoz

STATE OF OREGON	)	
	)	ss:
MULTNOMAH COUNTY	)	

Subscribed and sworn to before me, a Notary Public in and for the State of Oregon, this 14<sup>th</sup> day of June, 2004.



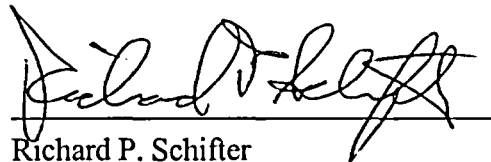
  
NOTARY PUBLIC, State of Oregon  
Commission Expires: 12/28/2004

UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

In the Matter of	)	
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Portland General Electric Company	)	Docket Nos. 50-344
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Trojan Independent Fuel Storage Installation	)	

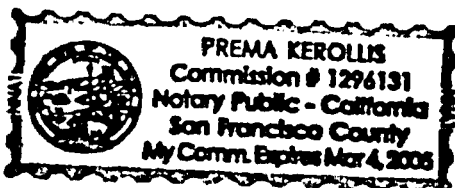
AFFIRMATION

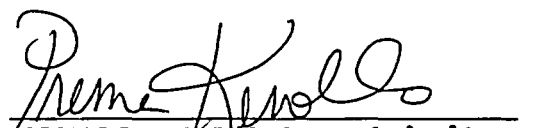
I, Richard P. Schifter being duly sworn, hereby depose and state that I am Vice President, Oregon Electric Utility Company, LLC ("OEUC"); that I am duly authorized to file with the Nuclear Regulatory Commission the attached Application for Consent to Indirect Transfer of Licenses; that I am familiar with the content thereof; and that the matters set forth therein with regard to OEUC are true and correct to the best of my knowledge and belief.

  
Richard P. Schifter

STATE OF California	)	
	)	
COUNTY San Francisco	)	

Subscribed and sworn to before me, a Notary Public in and for the State of California, this 11th day of June, 2004.



  
NOTARY PUBLIC, State of California  
Commission Expires: 3/4/2005  
Prema Kerollis