

October 13, 2005

MEMORANDUM TO: Robert A. Nelson, Chief  
Spent Fuel Licensing Section  
Spent Fuel Project Office  
Office of Nuclear Material Safety  
and Safeguards

FROM: Andrew Persinko, Chief */RA/*  
Office of Nuclear Material Safety  
and Safeguards  
Division of Waste Management  
and Environmental Protection

SUBJECT: PORTLAND GENERAL ELECTRIC COMPANY APPLICATION FOR  
REQUEST FOR CONSENT TO INDIRECT TRANSFER OF MATERIALS  
LICENSE

By letter dated July 12, 2005, Portland General Electric (PGE) requested the U.S. Nuclear Regulatory Commission (NRC)'s consent for an indirect transfer of control of License No. SNM- 2509 issued for the Trojan Independent Spent Fuel Storage Facility (ISFSI).

PGE is a wholly owned subsidiary of Enron Corp. (Enron). The circumstances of PGE's request for consent are that all current PGE stock will be cancelled and new PGE stock will be distributed to Enron's creditors as partial settlement of claims brought in Enron's bankruptcy proceeding. A Reserve will hold the new stock in escrow until it is distributed. Voting rights of the new stock will be exercised under direction of the Disputed Claims Reserve (DCR) Overseers, who will exercise their business judgment to maximize the value of the assets. The DCR Overseers are bound by fiduciary duties in making decisions to vote the stock. The Reserve's role is to disburse the assets to creditors as rapidly as possible, and it will not seek control of PGE. The stock will be widely distributed and no individual will hold more than 5% of the outstanding stock as a result of the distribution. The Bankruptcy Court approved the creation of the Reserve and the distribution of the stock.

The effect of the stock distribution is that PGE will become a stand-alone, publicly traded Oregon corporation. There will be no substantive change in the control or operation of PGE. PGE's name will not change and the current management team will remain in charge of day-to-day operations. The Oregon Public Utilities Commission will continue to exercise oversight of PGE. PGE will remain in control of and operate the Trojan ISFSI.

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Under these circumstances, the staff determined that the stock distribution is not a transfer of control within the meaning of 10 CFR 72.50. Therefore, PGE does not require NRC approval for the distribution.

Docket No.: 00720017

License No.: SNM-2509

Contact: Thomas L. Fredrichs, NMSS/DWMEP/DECD/SPS  
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Under these circumstances, the staff determined that the stock distribution is not a transfer of control within the meaning of 10 CFR 72.50. Therefore, PGE does not require NRC approval for the distribution.

Docket No.: 00720017  
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