

October 31, 2005

Mr. Stephen M. Quennoz  
Vice President, Power Supply/Generation  
Portland General Electric Company  
Trojan Nuclear Power Plant  
71760 Columbia River Highway  
Rainier, OR 97048

SUBJECT: APPLICATION FOR CONSENT TO INDIRECT TRANSFER OF MATERIALS  
LICENSE - [TROJAN INDEPENDENT SPENT FUEL STORAGE  
INSTALLATION] (TAC NO. L23876)

Dear Mr. Quennoz:

By letter dated July 12, 2005, Portland General Electric (PGE) requested consent from the Nuclear Regulatory Commission (NRC) 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 Corporation (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 for Disputed Claims (DCR) will hold the new stock in escrow until it is distributed. Voting rights of the new stock will be exercised under direction of the 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.

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.

S. Quennoz

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Enclosed is a copy of a "Notice Regarding Consideration of Approval of Proposed Corporate Restructuring" related to the application dated July 12, 2005, filed by PGE and the staff's determination. This notice is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Christopher M. Regan, Senior Project Manager,  
Licensing Section,  
Spent Fuel Project Office,  
Office of Nuclear Material Safety  
and Safeguards.

Docket No. 72-17  
TAC No. L23876

Enclosure: Federal Register Notice

cc: Mailing List

S. Quennoz

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<b>OFC</b>	SFPO	E	SFPO	E	SFPO	
<b>NAME</b>	CRegan	EZiegler		RNelson		
<b>DATE</b>	10 /18 /05	10 /19/05		10/31/05		

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Commissioners  
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Douglas Nichols, Esq.  
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Portland General Electric Company  
121 S.W. Salmon Street  
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**UNITED STATES NUCLEAR REGULATORY COMMISSION**  
**PORTLAND GENERAL ELECTRIC COMPANY**  
**TROJAN NUCLEAR PLANT**  
**INDEPENDENT SPENT FUEL STORAGE INSTALLATION**  
**DOCKET NO 72-17**  
**NOTICE REGARDING CONSIDERATION OF**  
**APPROVAL OF PROPOSED CORPORATE RESTRUCTURING**

**AGENCY:** Nuclear Regulatory Commission.

**ACTION:** Notice regarding consideration of approval of proposed corporate restructuring.

**FOR FURTHER INFORMATION CONTACT:** Christopher M. Regan, Senior Project Manager, Spent Fuel Project Office, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555. Telephone: (301) 415-1179; fax number: (301) 415-8555; e-mail: [cmr1@nrc.gov](mailto:cmr1@nrc.gov).

**SUPPLEMENTARY INFORMATION:**

The U.S. Nuclear Regulatory Commission (the Commission or NRC) considered the issuance of an order under 10 CFR 72.50 for approval of the indirect transfer of Special Nuclear Materials (SNM) License No. SNM-2509 for the Trojan Independent Spent Fuel Storage Installation (ISFSI). The consent for indirect transfer was requested by letter dated July 12, 2005, by Portland General Electric Company (PGE) and Stephen Forbes Cooper, LLC. (SFC), as Disbursing Agent on behalf of the Reserve for Disputed Claims (Reserve), to facilitate implementation of the transfer of 100% of PGE's common stock held by the Enron Corporation (Enron) to the creditors of Enron. This is to be done by canceling the existing PGE common

stock held by Enron and by authorizing and issuing to Enron's creditors new PGE common stock.

PGE is a wholly owned subsidiary of 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 Reserve Overseers, who will exercise their business judgment to maximize the value of the assets. The Reserve 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.

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. The issuance of the new PGE common stock will not change the status of PGE as NRC licensee of the Trojan ISFSI. Control of the 10 CFR Part 72 license for the Trojan ISFSI, now held by PGE and its co-owners, will remain with PGE and the same co-owners, and will not be affected by the issuance of the new PGE common stock. Issuance of the new PGE common stock will not affect PGE's technical and financial qualifications and its

ability to continue funding its share of the costs of operating, maintaining, and ultimately decommissioning the Trojan ISFSI. No physical changes to the Trojan ISFSI or operational changes are being proposed in the application.

Notice of opportunity for hearing and petition for leave to intervene regarding this action was published in the Federal Register (70 FR 50427) on August 26, 2005. No requests for hearing or petitions for leave to intervene were received within the required 20 days from the date of publication of the notice and no written comments regarding the license transfer application, as provided for in 10 CFR 2.1305, were submitted or considered by the staff as part of the decisional record.

#### **FURTHER INFORMATION:**

For further details with respect to this action, see the application dated July 12, 2005, available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O-1F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible electronically from the Agencywide Documents Access and Management System's (ADAMS) Public Electronic Reading Room on the Internet at the NRC web site, <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1 (800) 397-4209,

(301) 415-4737 or by e-mail to [pdr@nrc.gov](mailto:pdr@nrc.gov).

Dated at Rockville, Maryland this 31st day of October 2005.

For the Nuclear Regulatory Commission.

/RA/

Christopher M. Regan, Senior Project Manager,  
Licensing Section,  
Spent Fuel Project Office,  
Office of Nuclear Material Safety  
and Safeguards.



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<b>NAME:</b>	CRegan		TFredericks		EZiegler		BSmith		RNelson	
<b>DATE:</b>	10/18/05		10/18/05		10/19/05		10/28/05		10/31/05	

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