

Update to the OPUC on FERC Investigations

November 4, 2002

Ongoing Investigations

- February 13, 2002 Announcement of FERC Staff Investigations
- May 8, 2002 Data Request and Request for Admissions
- June 4, 2002 Show Cause Order
- August 13, 2002 Order Initiating Investigation
- Other Ongoing Cases:
 - California refunds
 - NW refunds
 - Snohomish PUD, Sierra Pacific, others' complaint proceedings

PGE Posting Errors

- PGE FERC tariff posting requirements
 - What is the requirement
 - What is the purpose of the requirement
- Discovery of administrative errors
- Subsequent process
 - Term transactions
 - Daily transactions
 - Pricing analysis
 - Regulatory involvement

Summary Of Administrative Errors

(1999 - 2001)

<u>Type of Error</u>	<u>Term</u>	<u>Daily and Real-Time</u>
No Posting Errors	16	673
PGE did not post offer to Enron	5	0
Accepted deal differs from offered product (both posted)	13	1,061
Miscellaneous posting errors	7	35
Unable to confirm PGE's posting	8	152
Errors in posting PGE's acceptance	1	4
More than one error in posting	4	0
Total Transactions	54	1,925

Impact of Posting Errors

- No impact on market prices
 - All transactions at index (price set by others)
 - Almost all transactions buys/resells
- Positive impact on PGE's NVPC
- Review of Enron alternatives to transacting with PGE shows PGE overall priced correctly

PGE Response to May 8 Request

- What PGE did
 - Interviews
 - Document searches
 - Listening to merchant phone conversations, transcriptions
- What we found
 - Recollection of “sleeve” transactions on the 17 days
 - Did not know at time of transactions, in May, or now whether these were part of any strategy
 - Why the sleeve with Avista

PGE Response to the Show Cause Order

- What PGE did
 - Received unredacted information from Enron
 - Analysis of associated transmission paths over 2000 and 2001
 - Further listening and transcriptions
 - Further interviews
 - Reviewed source data
- What we found
 - 17 days actually 14
 - Parking and lending
 - PGE transactions with California

PGE Investigation

- Procedural schedule

- Events to date
 - Discussion in DC in August with FERC Trial Staff
 - Discussion in DC in October with PGE Personnel to answer questions from FERC Trial Staff
 - Responded to approximately 100 FERC data requests
 - FERC Staff visited Portland October 21-24