

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

**Portland General Electric Company
Enron Power Marketing, Inc.**

**Docket No. EL02-114-000
Docket No. EL02-115-001**

**ORDER OF CHIEF JUDGE DENYING
EXTENSION OF TRACK II PROCEDURAL SCHEDULE**

(Issued January 10, 2003)

1. A supplemental pre-hearing conference was held before Presiding Judge Jeffie J. Massey on January 7, 2003, to ascertain whether any modifications were needed to be made to the procedural schedule in this proceeding in order to accommodate the consolidation of certain issues from Docket No. EL02-115-000 with the issues in this proceeding. On December 23, 2002, the Chief Judge severed the Non-Avista third-party transaction issues dealing with market manipulation by Enron Power Marketing, Inc., and Portland General Electric Corporation from the EL00-115-000 proceeding and consolidated those issues into the proceeding in Docket No. EL02-114-000 for hearing and decision.

2. It developed at the conference that the Commission Staff's direct testimony related only to a 17-day period in April and May 2000 with regard to "Death Star" transactions of the type Portland General Electric Company ("Portland General") admitted to participating in with Enron Power Marketing, Inc. ("Enron"). Judge Massey was advised that the Commission Trial Staff had experienced great difficulty in obtaining information from Portland General and other federal government agencies. After hearing from the parties, Judge Massey felt that a more in-depth case could be made if the Commission Trial Staff and the non-Enron parties had additional time to explore the other 22 months set forth in the Commission's August 13, 2002, order initiating the hearing in this case, 100 FERC ¶ 61,186. Judge Massey suggested that perhaps a five-month extension of the current procedural schedule would permit the Commission Trial Staff to obtain information from the other involved federal agencies, would provide time to receive further information from Portland General with regard to transcripts of traders' calls, etc., and would provide time to incorporate the issues consolidated from Docket EL02-115-000. Other than Portland General, no party objected to Judge Massey requesting the Chief Judge for an extension of the Track II procedural schedule established by him on August 23, 2002. Judge Massey requested the Chief Judge to extend the procedural schedule in this proceeding by five months.

3. Portland General, on January 7, 2003, filed formal objections to an extension of the procedural schedule pointing out that the delay contemplated by the Presiding Judge will introduce uncertainty in this proceeding, which has already affected its credit rating and access to capital at reasonable cost; has interfered with Portland General's relationship with state regulators and its customers; and that it is negatively impacting efforts underway to sell Portland General for the benefit of Enron's creditors, shareholders, and employees.

4. The Chief Judge, after examining Judge Massey's request, the record of the supplemental pre-hearing conference, the testimony filed to date, and Portland General's objections finds that a longer period of time to prepare testimony might not produce anything different than was produced for the 17 days in April and May, 2000 discussed above. Further, should information regarding additional transactions becomes available at a later time, the Chief Judge will consider, upon proper motion, if necessary in ordered to be considered in this case, granting a short extension of the procedural schedule. Likewise, if information about additional transactions becomes available after the close the record in this case, the Commission may decide to reopen the record or to institute a new investigation on those transactions. The Chief Judge finds that there is no guarantee that information in the possession of other federal government agencies will be released within five months, if ever. The Chief Judge further finds that the public interest requires an expeditious final disposition of this case and that the benefits of an expedited decision on the investigation and testimony produced by the Commission Trial Staff far outweigh the remote chance that five months' additional time might produce more of the same type of transactions, and that extending the current Track II procedural schedule may result in even more uncertainty in the process. Additionally, the issues consolidated into this proceeding from Docket No. EL02-115-000 are so close, if not identical to the issues in this case, that they can be rolled into the Commission Trial Staff's testimony with little effort and no delay. The Chief Judge agrees with Portland General that any delay in the conclusion of this case will prejudice Portland General and Enron's creditors, shareholders, and employees. This proceeding must move forward with all due haste. The parties will recall that the Chief Judge was in favor of shortening the procedural schedule in order to achieve a faster final resolution from the very beginning of this case. Accordingly, for all of the foregoing reasons, the Track II procedural schedule established by the Chief Judge on August 23, 2002, remains in effect without any change.

Curtis L. Wagner, Jr.
Chief Administrative Law Judge