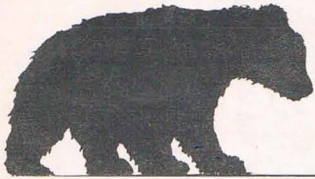


The BEAR FACTS:

The Citizens' Utility Board of Oregon
newsletter for members and friends



2637 S.W. WATER
P.O. BOX 6345

PORTLAND, OR 97201
PORTLAND, OR 97228

(503) 227-1984

WE MADE IT! CUB REACHES 5,000 MEMBERS

CUB now has the 5,000 members needed to hold our first election for the Board of Governors.

It has been a long tough battle to get to this point, but thanks to you, we've reached our first goal. You have proven that determined citizen action can overcome the money and resources that special interests, like the utilities, throw around in an attempt to influence public opinion.

We have said many times that CUB's strength is based on its members and their commitment to fair treatment for utility customers. As we now undertake our first Board election, each and every one of you should consider the significant contribution you could make to the organization by serving on the Board. Election details can be found on pages 3, 4, and 5 of this newsletter.

Although we have reached an important milestone, we cannot afford to let up in our efforts. We can be sure that the utilities will continue to do whatever they can to cripple CUB and frustrate our activities. We have the momentum now and we must sustain it.

There is a great deal of important work facing CUB now. We must continue to develop our membership. We must become more active in contesting utility rate increases. We must prepare to address important utility regulation questions which will be before the 1987 Legislature. And finally, we must intensify our efforts to educate the public on utility issues.

Thank you for your support. Together we are making a difference.

--Debi Myers, CUB Board

CUB INTERVENING IN 9 RATE CASES

The following is a brief description of the Public Utility Commission proceedings in which CUB has been, is, or will be a participant, representing you and other private utility customers.

PACIFIC NORTHWEST BELL (et. al.) \$2 PER MONTH INCREASE (\$8.4 million increase in revenues)

Pacific Northwest Bell announced in November that their long distance rates would decrease by as much as 11% while all local rates would increase by \$2 per line per month.

CUB will be represented by volunteer attorney Rion Bourgeois in this proceeding, which is expected to take several months. In addition, CUB will enjoy the expertise of telephone regulation consultants Bill and Bob Woodburn, who will be doing much of the complex research work in the case. CUB's team will look at the issue of "by-pass" (when large customers leave the local phone network), as well as the phone company's justification for the additional \$8 million in increased revenues.

UNITED TELEPHONE COMPANY \$2.75 PER MONTH INCREASE

United Telephone, which serves about 35,000 Oregonians, has requested a \$2.75 per month increase on top of the \$2 per month increase described above. The same team of Mr. Bourgeois and the Woodburns will be representing CUB in this case as well.

PACIFIC NORTHWEST BELL DIRECTORY ASSISTANCE RATE CASE AND SERVICE REDUCTION

Presently a PNB customer can make five directory assistance calls per month without charge, and subsequent assistance calls for twenty cents each. Bell has proposed to reduce the number of free calls from five to two, while increasing the cost of subsequent directory assistance calls from twenty cents to fifty cents.

On behalf of CUB, attorney Linda Williams objected to the proposed increase in the absence of adequate evidence regarding the true costs of directory assistance. To the extent the Commissioner grants an increase in the charge for this service (as he is expected to do in the coming week), CUB has asked that the additional \$8 million generated be used to offset other costs to the ratepayers rather than be distributed to shareholders.

LIFELINE TELEPHONE RATES

Oregonians with low- or fixed- incomes are finding it hard to afford telephone service at current or projected rates. The Oregon Public Utility Commissioner is beginning an investigation lifeline, or "universal telephone service" rates to make phone service more affordable for those in need of assistance.

A team of attorneys will be working to develop a progressive lifeline plan for CUB in cooperation with a number of other affected groups including the Washington County Energy Coalition and OSPIRG. Representing CUB in this proceeding will be volunteer attorneys Rion Bourgeois, Bob Durston, and Simon ffitch.

GENERAL TELEPHONE AND ELECTRIC \$7.4 MILLION RATE INCREASE REQUEST

CUB, represented by volunteer attorney Linda Williams (who participated in the successful Pebble Springs nuclear plant litigation), filed numerous requests for information dealing with the costs of billing customers. General Telephone withdrew its request for the rate increase after CUB asked for this information.

INSIDE: CUB ELECTION DETAILS!

UTILITY REFORM PACKAGE DEVELOPED

While the creation of CUB was a major step forward for Oregon ratepayers, a great deal of historical imbalance remains in the ratemaking process. CUB, therefore, has developed a package of legislative and regulatory reforms designed to significantly reduce this imbalance.

The following proposals were carefully crafted by CUB's Legislative and Regulatory Affairs Committee. After considerable discussion, CUB's full Board voted to adopt the package of utility reforms. CUB intends to actively pursue passage and implementation of these reforms, and plans to poll individual candidates for the 1987 Legislature for their support of the reform package.

You can help to enact these reforms by contacting your state legislator and urging his or her support. With your assistance, CUB will be successful in making these much needed reforms a reality.

--Mike Roach, CUB Board

Category A (Adopt as a legislative objective, without further study.)

1. ELECTED PUC INITIATIVE--By initiative action, substitute an elected Public Utility Commission for the 1 or 3 person appointive arrangement, possibly one commissioner from each congressional district.
2. INTERVENOR FUNDING--As is done in Idaho (and elsewhere), the cost of interventions in rate (and other) PUC proceedings should be funded by the utilities, provided the intervenors meet some threshold test, such as "advocating a position of substantial merit".
3. MAXIMUM RATE OF RETURN--Utilities are guaranteed a rate of return. However, there is no maximum rate. Right now PGE is far more profitable than most of Oregon's businesses. By legislation or initiative, a maximum rate of return on equity could be established, either a straight percentage, or by using a set of comparator companies operating in the private sector.
4. PROHIBITION OF SUBSEQUENT EMPLOYMENT OF COMMISSIONERS BY REGULATED UTILITIES--There are several legislative means for preventing Public Utility Commissioners from later going to work for a utility s/he regulated. For example, this could be an act punishable by a civil action through a citizen suit, or made a misdemeanor under the government ethics provisions, or a substantial bond required as security against this eventuality before a Commissioner could take office.
 - 4.1 Consider application of above provisions to certain PUC staffers.
5. REPEAL INTERIM RATE HIKE AUTHORITY ENTIRELY--Fairly self-explanatory.
6. MAXIMUM NOTICE AND HEARING REQUIREMENTS--Legislation is needed which requires a minimum number of evening hearings distributed throughout a utility's service area prior to any rate hike or transfer of territory. Interim rate hikes without hearings should be prohibited.
7. EXTEND PUBLIC OPEN MEETINGS LAWS TO APPLY TO REGULATED UTILITIES--Self explanatory.
8. SUPPORT FOR LOCAL MEASURED SERVICE INITIATIVE--Support the Oregon State Public Interest Research Group (OSPIRG) initiative to prohibit mandatory local measured telephone service from future existence.



KUDOS TO . . .

our tireless volunteers without whom this organization could not function,

Joan Johansen
Sam Nichols
Linda Williams
Dan O'Leary
Bob Udziela
Mark Weintraub
Rion Bourgeois
Charlie Harris
Simon ffitich
Bob Durston
Mollie Holt
John Stephens
Jake Jacobs
George & Irene Starr

Articles of Incorporation
By-laws
PUC proceedings
Ballot Measure litigation
Ballot Measure litigation
Postal Classification
PUC proceedings
PUC proceedings
PUC proceedings
PUC proceedings
PUC proceedings
PUC proceedings
Accounting advice
Printing

and our consultants, working at reduced rates.

Bill Woodburn
Bob Woodburn
Jim Lazar

CUB's Board of Directors works pretty hard, too. They are:

Robert Liberty, Chair
Nita Brueggeman, Vice-Chair
Gale C. Corson, Secretary
George Starr, Treasurer
Mike Roach
Debi Myers
Larry Horton
Ray Rask
Doug Sweetland

WATCH FOR A DOCUMENTARY ON CUB!

AIRING TUESDAY, FEB. 25 at 9:00 P.M.

ON FRONT STREET WEEKLY - KOAP-TV

NOTICE OF ELECTION

The Citizens' Utility Board of Oregon is currently managed by a nine-person Interim Board of Directors that was appointed by the Governor. Under the provisions of Ballot Measure 3, CUB must now conduct an election for the first Board of Governors. This Board will replace the present Interim Board of Directors. Members of the Interim Board of Directors are not eligible for election to the first elected Board of Governors.

This notice is being given to all members to make sure everyone is advised of the opportunity to seek a position on the Board of Governors.

The Board of Governors will be composed of three persons from each United States congressional district elected by a majority of the votes cast by members residing in that district. The election will be conducted by mail balloting.

Because the members of the Board of Governors will be elected by the CUB members residing in particular U.S. congressional districts, it is most important that the CUB records are correct in order for you to receive the proper ballot for the coming election.

The number of the congressional district in which you reside as indicated on CUB records is shown on the address label on this communication. Please check the number and let CUB know right away if it is not correct. If you are not sure of your number, check your voter registration card, or contact the county clerk of the county where you live.

For your information, the congressional districts by number and the congressmen's names are shown below:

1st district	Les AuCoin
2nd district	Robert "Bob" Smith
3rd district	Ron Wyden
4th district	James Weaver
5th district	Denny Smith

A voters' pamphlet will be sent to all members with information about the candidates. Each candidate and each member of the Board of Governors must be a member of CUB and a resident of the district from which they seek election.

The term of office is four years. In order to stagger the terms of office, a special provision is made for the members first elected in each district. The person receiving the most votes in each district shall be elected to a four year term, the person receiving the next most votes shall be elected to a three year term, and the person receiving the fewest votes shall be elected to a two year term.

Under current by-laws, members of the Board of Governors receive no compensation, but are entitled to reimbursement for reasonable, necessary, and actual expenses.

* No person employed by a utility regulated by the Public Utility Commissioner, which furnishes electric, telephone, gas, or heating service (other than a municipality, cooperative, or a people's utility district) may serve as a member of the Board of Governors.

* No member of the Board of Governors may hold elective public office, be a candidate for an elective public office, or be a state public official.

* No person who owns or controls, singly or together with an immediate family member, utility stocks or bonds of a total value in excess of \$3,000 is eligible to serve on the Board of Governors.

NOTICE OF ELECTION - con't

There are some campaign finance restrictions. Total contributions and expenditures for election to the Board of Governors may not exceed \$1,000 per candidate, and a contribution from any one contributor may not exceed \$250. A candidate may not accept campaign contributions from a utility, municipality, cooperative, or a people's utility district.

A statement of financial interest is required from every candidate.

The form enclosed with this letter (on the next page) must be used for filing as a candidate for a position on the Board of Governors. If you are interested in being a candidate, please complete the form and send it to: Citizens' Utility Board of Oregon, P.O. Box 6345, Portland, Oregon, 97228. It must be received by 5:00 PM PST, Tuesday, March 11, 1986.

Along with the completed form you may submit a typed candidate's statement (one single page of 8½ x 11 paper) of not more than 300 words. Copies of these statements will be sent to the CUB voters along with the ballots. The statement must be received by 5:00 PM PST Tuesday, March 11, 1986. Your statement will be reproduced as submitted, however it may be reduced in size.

CUB ELECTION SCHEDULE

<u>Day*</u>	<u>Item</u>	<u>Date</u>
0	Board certifies membership	Jan. 28
7	Newsletter to members with filing forms	Feb. 4
42	Receive notices of candidacy	Mar. 11
49	Board dis/qualifies candidates	Mar. 18
70	Receive candidate campaign materials	Apr. 8
70	Financial interest forms from candidates	Apr. 8
74	Board dis/qualifies candidates	Apr. 12
80	Mail candidate campaign materials	Apr. 18
84	Mail ballots to members	Apr. 22
98	Contributions and Expenditures report #1	May 6
105	Board dis/qualifies candidates	May 13
119	Receive ballots	May 27
126	Count ballots, tabulate results	Jun. 3
126	Contributions and Expenditures report #2	Jun. 3
133	Board dis/qualifies candidates	Jun. 10
-	Notice/Inauguration	Open

* Not later than...

Scheduled CUB Board meetings: Jan. 28 -- Salem
Feb. 25 -- Portland
Mar. 18 -- Salem
Apr. 12 -- Portland
May 13 -- Salem
Jun. 10 -- Portland

CITIZENS' UTILITY BOARD OF OREGON

FILING OF CANDIDACY

FOR

BOARD OF GOVERNORS

(Please print or type)

NAME _____ CONGRESSIONAL
DISTRICT _____

RESIDENCE ADDRESS _____
(Not P.O. Box)
CITY _____ ZIP _____ TELEPHONE _____

MAILING ADDRESS _____
(If different from above)
CITY _____ ZIP _____

I CERTIFY THAT:

I am 18 years of age or older, a utility consumer, and a member of the Citizens' Utility Board of Oregon,

I am a resident of the United States Congressional District stated above, from which I am seeking election to the Citizens' Utility Board Board of Governors,

I am not employed by any utility regulated by the Oregon Public Utility Commissioner pursuant to ORS Chapter 757, which furnishes electric, telephone, gas, or heating service,

Total contributions and expenditures as defined in ORS Chapter 260 to and for my campaign for election to the Board of Governors, including in-kind contributions (printing, advertising, telephone service, etc.) will not exceed \$1,000,

I will not accept a contribution of more than \$250 from any one contributor,

I will not accept a contribution from a utility, municipality, cooperative, or a people's utility district,

If elected, I shall not hold an elective public office, be a candidate for an elective public office, or be a state public official,

If elected, I shall not obtain employment by a utility regulated by the Public Utility Commissioner while a member of the Board of Governors,

I shall not own or control, either singly or together with any immediate family members utility stocks or bonds of a total value in excess of \$3,000 while a candidate or if elected to the Board of Governors, and

If at any time, I become ineligible to serve as a member of the Board of Governors, I will so notify the Board of Governors and resign.

My signature affirms the accuracy of the foregoing statements and agreement to abide by the election regulations established by the Citizens' Utility Board of Oregon.

SIGNATURE OF CANDIDATE _____ DATE _____

FROM CUB'S MAILBOX

Dear CUB,
Please accept my thanks and congratulations for your recent intervention before the Public Utility Commission concerning a billing malpractice on the part of Pacific Power. Your intervention has saved Oregon ratepayers thousands and perhaps hundreds of thousands of dollars by forcing the PUC to require Pacific Power to correct its illegal billing practice and to refund monies already improperly assessed.

Although I had made the same request as an individual ratepayer, I was informed by the PUC Consumer Assistance Division that the PUC, although acknowledging that the charges imposed by Pacific Power were illegal, did not have the authority to order PP&L to search its records and repay all monies illegally charged.

Your prompt action resulted in the PUC suddenly discovering it did have such authority and the consequent saving of thousands by Pacific Power customers.

Thanks again CUB.

Ronald J. Loew
Seaside

CUB RESPONDS:

YOU'RE WELCOME. WHILE CUB DOES NOT HAVE ENOUGH STAFF TO GET INVOLVED IN EVERY RUN-IN RATEPAYERS HAVE WITH THEIR REGULATED UTILITIES, WE CAN OFTEN CLEAR UP A PROBLEM OR STEER YOU IN THE RIGHT DIRECTION. OFTEN, THE CONSUMER ASSISTANCE DIVISION OF THE PUC CAN HELP. A TOLL-FREE CALL IS ALL IT TAKES. DIAL 1-800-522-2404 AND LEAVE YOUR NAME AND NUMBER ON THE ANSWERING MACHINE. A MEMBER OF THE STAFF THERE WILL CALL YOU BACK.

To CUB of Oregon,
I gladly contribute to your efforts to fight utility rate increases. For years, the Public Utility Commissioner has given the big utilities a blank check and the consumer has had no one with enough clout to resist them.

Of course the Public Utility Commissioner is supposed to be unbiased and to balance the interests of consumers and utility companies to arrive at what is fair, but it hasn't been working that way. As usual, the people set to regulate have taken the side of the profit-makers, and an ever increasing percentage of personal income has gone into the pockets of the companies. In recent years these huge increases have literally taken food out of the mouth of seniors and other low-income people.

Don't give up, the word will get around and as more consumers realize what you are about, will support you.

Jesse C. Jones
Eugene

CUB RESPONDS:

THANK YOU FOR YOUR ENCOURAGING (AND, WE HOPE, PROPHETIC) WORDS. THE ROLE OF THE PUBLIC UTILITY COMMISSIONER IS A DIFFICULT ONE. CUB BELIEVES THERE ARE A NUMBER OF REFORMS WHICH COULD BE ENACTED TO MAKE THE PUC'S JOB EASIER, FOR EXAMPLE, BY SHARING THE BURDEN AMONG THREE COMMISSIONERS INSTEAD OF JUST ONE. IN ADDITION, REMOVING THE POTENTIAL FOR CONFLICT OF INTEREST ON THE PART OF THE PUC, FOR EXAMPLE, LATER GOING TO WORK FOR ONE OF THE UTILITIES S/HE PREVIOUSLY REGULATED, MIGHT RESULT IN A BETTER SHAKE FOR THE RATEPAYERS. LOOK FOR CUB'S UTILITY REFORM PACKAGE IN THIS NEWSLETTER FOR OTHER SUCH PROPOSALS.

Just a regrettably small expression of support and appreciation. Thanks for all you do. No acknowledgement expected. Save the postage for the good fight.

Mel Byers
Portland

Dear CUB,
I am particularly disturbed by Northwest Natural Gas's request for about a 12% increase on gas prices to home owners.

What smells so bad is that Canadian pipeline suppliers have cut prices of natural gas substantially (I have heard about 20%) and yet even after they have discovered natural gas in the Mist area, they feel such an increase is necessary. They should be cutting prices!

This increase request points up that Northwest Natural Gas management is not efficient in spending and cost control. They are living "too high on the hog". Really, their expense accounts and salaries need to be pruned hard.

Walter Kahle
Oregon City

CUB RESPONDS:

THE RECENT REQUEST FOR A \$29 MILLION RATE INCREASE REALLY DOES STINK, AND CUB HAS DECIDED TO INTERVENE IN THAT CASE. OF PARTICULAR CONCERN TO OUR ATTORNEY IN THAT CASE IS THE BREAK THAT INDUSTRIAL USERS OF GAS ARE GETTING IN THEIR PRICES. IT'S THE SAME OLD ARGUMENT: IF LARGE USERS OF GAS START BURNING SOMETHING ELSE, THE PRICES FOR THE RESIDENTIAL USER WILL GO UP. BUT THAT'S JUST EXACTLY WHAT'S HAPPENING ANYWAY. THIS HAS GOT TO STOP, AND CUB HAS JUMPED RIGHT INTO THE MIDDLE OF THIS FIGHT.

Dear CUB,

I am joining for one reason: the phone company. When I received a letter from Pacific Northwest Bell saying they wanted to raise my monthly service charge \$2.00 (where they have a monopoly) so they could lower long distance rates (where they must compete), I was quite incensed. I already pay \$17.00 per month for a phone which I own just to sit there. Does local service exist to serve long distance, or is it the other way around?

Harry Lofton
Medford

CUB RESPONDS:

GOOD QUESTION. THE BREAK-UP OF AT&T HAS BROUGHT MANY SUCH QUESTIONS ABOUT THE ALLOCATION OF COST OF TELEPHONE SERVICE TO THE SURFACE. AND WE DON'T HAVE ALL THE ANSWERS. BUT WE ARE ACTIVELY FIGHTING THE \$2.00 PER MONTH INCREASE ALREADY APPROVED ON AN "INTERIM" BASIS BY THE PUBLIC UTILITY COMMISSIONER WITHOUT HOLDING A SINGLE PUBLIC HEARING. TELEPHONE RATES (JUST FOR LOCAL SERVICE) HAVE RISEN 50% IN THE TWO YEARS SINCE AT&T BROKE UP. AND COMMISSIONER MAUDLIN IS PREDICTING LOCAL CHARGES OF \$25 PER MONTH IN THE NEAR FUTURE.

Dear CUB,

Here's my \$5.00. I wish to be part of CUB, hoping we can improve the lot of people like me, who are living on severely limited retirement income. When I was earning my living, salaries were much lower and social security deductions were also lower...need I say more?

Thank you for forming this new organization. I hope we can dump the Public Utility Commissioner. If the PUC were elected, maybe, just maybe, he'd be more responsive to the citizens who pay his salary.

Dora Feathers
Grants Pass

CUB RESPONDS:

THANKS FOR YOUR ENCOURAGEMENT! IT COMES AS NO SURPRISE TO CUB THAT SENIOR CITIZENS ARE AMONG OUR MOST ARDENT SUPPORTERS. EVERY UTILITY RATE INCREASE HAS A DEVASTATING IMPACT ON THOSE LIVING ON FIXED INCOMES. CUB IS NOT ONLY FIGHTING RATE INCREASES, BUT IS WORKING HARD TO DEVELOP "LIFELINE" TELEPHONE RATES FOR THOSE WHO ARE UNABLE TO AFFORD THIS ESSENTIAL SERVICE.

CUB JOINS FIGHT AGAINST MANDATORY LMS

While confusion and frustration following the break up of AT&T increases, one issue unrelated to the break up provides a serious threat to universal, affordable phone service. The prospect of a pay phone in your home or business is not far away.

Since 1983, Pacific Northwest Bell has attempted to force its business customers onto **mandatory local measured service** - a method of charging customers for every local call based on the length of time you talk, the distance of the call, and the time of day the call is made. **Mandatory local measured service is expensive and controversial.** It has been fought against by small businesses since it was first proposed. Consumer groups also oppose PNB plans, feeling that once measured service is mandatory for business, all consumers will be next.

Now these groups have joined together to support a ballot initiative campaign to prohibit mandatory local measured service. OSPIRG and the Oregon chapter of the National Federation of Independent Business are co-sponsoring the campaign. (OSPIRG led the campaign to create CUB.)

CUB has joined the campaign and is actively trying to help place the measure before the voters. We need over 80,000 signatures of registered Oregon voters to put the measure on the November ballot.

PLEASE HELP!! We've included a petition with this newsletter. **We're asking all CUB members to help get signatures and return the petition as soon as possible!** Get your family, friends, neighbors, and co-workers to sign the petition.

This is your opportunity to fight rising phone rates! Don't be surprised when someone thanks you for asking them to sign!

P.S. Be sure to read the instructions at the top of the petition. Only registered voters can circulate and sign the petition. Be sure and fill out the "circulators certificate" before sending the petition back.

UTILITY REFORM PACKAGE - con't

Category B (Reforms which the Board may wish to adopt depending on results of further study and discussion.)

1. APPLICATION OF THE ADMINISTRATIVE PROCEDURES ACT--The PUC is not subject to Oregon's APA which provides many procedural protections to parties in administrative proceedings. The exclusion of the PUC could be ended by legislative action.
2. LONG RANGE ENERGY PLANS--Legislation could require each regulated gas and electric utility above a minimum size to submit to the PUC its long-range plans for the sale, production, and distribution of electricity and gas. These could be used by the PUC in energy planning.
3. AUDITS OF POWER PLANT MANAGEMENT--The safety and efficiency of power plant management could be tested by requiring regular performance audits by auditors certified as financially disinterested and competent by the Secretary of State or PUC.
4. ADVERTISING REGULATION--Prevent ratepayers from having to bear the cost of advertising competition between utilities, and place a ceiling on the amount of advertising spent on encouraging competition.
5. RATE BASE ADJUSTMENT FOR EXCESS CAPACITY--Some utilities have generating capacity which is not being used that is operating as a "negative" force on the rate base. Legislation could be adopted to prevent utilities from charging customers for generating capacity that would not be needed in a given year.
6. MODIFICATION OF STATUTORY BURDEN OF PROOF AND SCOPE OF REVIEW (ORS 756.594, 756.598 (1))--The standards of review and burden of proof established by statute make it very difficult to overturn a PUC order. Adopting the scope of review in ORS 183.482 (Oregon APA) would give circuit courts more leeway in evaluating the evidence supporting an order. The burden of proof is now upon the person bringing the suit (which is appropriate), but they must "show by clear and satisfactory evidence that the suit is unreasonable or unlawful". These phrases could be modified or eliminated entirely. One modification would be "show by a predominance of the evidence that the order violates a law, an administrative rule of the PUC". However the "scope of review" section should logically incorporate these provisions governing the grounds for reversal of a PUC decision.
7. PROVIDE FOR CONSUMER-NOMINATED OR CONSUMER-ELECTED MEMBERS ON THE BOARDS OF DIRECTORS OF INVESTOR-OWNED UTILITIES.
8. PROSCRIBE RESERVES ARISING FROM ACCELERATED DEPRECIATION--By absolute amount, years before taxes are paid, and the limit of untaxed amounts.
9. PROVIDE FOR RETROACTIVE UTILITY RATE CREDITS IN THE EVENT OF EXCESS PROFITS AND/OR EXCESS RESERVES.
10. PROHIBIT UNREGULATED AFFILIATES AND SUBSIDIARIES--If development of unrelated new businesses is permitted, require their sale or spinoff within specified periods of time. That is, require utility monopolies to concentrate on the utility business by divesting themselves of ongoing investments in unrelated and unregulated businesses.

MEMBER ALERT!

MEMBERS: CUB has requested that night hearings be held across the state regarding the Pacific Northwest Bell (et. al.) \$2 per month rate hike case, and the Lifeline telephone service case. As of the time this newsletter went to press, dates and places for those hearings had not been set. Look for announcements in your local newspaper, and if you're concerned about these issues (as you should be), try to attend.

CUB CASES - con't

PORTLAND GENERAL ELECTRIC RATE RE-DESIGN, INCREASE IN SERVICE CHARGES, AND ELIMINATION OF LIFELINE RATES

CUB recognizes that it is generally cheaper to save electrical power by financing conservation than to build new electrical generation facilities, such as nuclear power plants. By encouraging electrical conservation, we put off the day these new plants will have to be built and paid for by higher rates.

A key element in a program for achieving energy conservation is an "inverted" rate structure, which charges more per unit of electricity the greater the use.

PGE wishes to make electricity rates less inverted so as to encourage more electricity consumption. They want to increase demand in order to increase sales over the long term. As part of its proposed restructuring PGE plans to partially eliminate lifeline rates: rates designed to assure a minimum of electrical service to low-income Oregonians.

With the assistance of Linda Williams and Jim Lazar, an expert in electrical rate design, CUB has intervened in this case. CUB is concerned that PGE's proposed rate structure may not be in the long-term interests of ratepayers. CUB is also opposed to proposed increases in monthly service charges of up to \$16 per month. (CUB was the only party to oppose these increases.)

★

NORTHWEST NATURAL GAS 12% RESIDENTIAL RATE INCREASE (\$29.4 million revenue increase)

Early in January, Northwest Natural Gas asked for rate increases which would generate \$29.4 million in additional revenue per year.

NW Natural proposed to increase residential rates by 12%. By contrast, the gas company's proposed rate increase for commercial customers is 10.5%, for noninterruptable industrial customers is 8.0% and for interruptable customers is 7.5%. Meanwhile, the price Northwest Natural Gas pays for its natural gas has been steadily declining during 1984 and 1985.

CUB will be represented by volunteer attorney John Stephens, who has experience in natural gas rate proceedings.

SALE OF CP NATIONAL CUSTOMER TERRITORY TO IDAHO POWER AND RATE INCREASE TO IDAHO POWER CUSTOMERS

CP National, which buys its electricity from Idaho Power wishes to sell its Oregon territory to Idaho Power. In this extremely complicated case, former customers of CP National will experience a whopping rate increase. In addition, Idaho Power will be asking for an rate increase, the amount of which is uncertain, as Idaho Power withdrew its first rate filing and has yet to re-file.

CUB has intervened to protect the interests of both sets of ratepayers in this proceeding.

★

PACIFIC POWER AND LIGHT RATE INCREASE (\$8 million in additional revenues)

CUB has intervened in a Pacific Power and Light request for \$8 million in additional revenue.

Linda Williams, CUB's attorney in this proceeding, requested a general, rather than limited, rate case, so that information concerning increased revenues would be considered along with information about purported losses. The request was granted and CUB went on to object to the utility's proposed rate of return. CUB's objections could save customers from \$7 to \$10 million. The Commissioner's decision on this case is pending.

PACIFIC POWER AND LIGHT AFFILIATED INTEREST PROCEEDING

Pacific Power and Light proposed to sell assets to a subsidiary, Western Distribution, which would market electrical distribution equipment. CUB objected to this proposal for a number of reasons, and cooperated with other intervenors having similar objections in the case.

After seven months of investigation and negotiation, and hearings on stringent rules proposed by the Public Utility Commission staff to regulate these kinds of transactions, PP&L withdrew its request to transfer the assets, however, PP&L still wants to do business with Western Distribution.

★

Citizens Utility Board of Oregon
P.O. Box 6345
Portland, OR 97228

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