



THE BEAR FACTS

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

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PORTLAND, OR 97228

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AUGUST 22, 1986

New CUB board asks Maudlin to step down

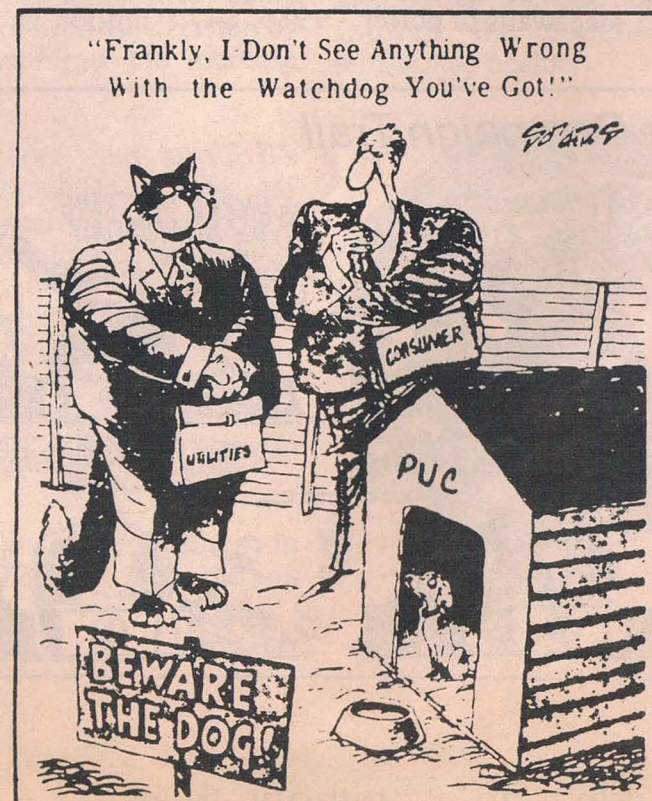
Citing "a gross violation of the public trust," CUB's newly-elected Board of Governors called for Public Utility Commissioner Gene Maudlin to resign. The announcement came at CUB's monthly board meeting on August 15th in Portland. The CUB Board also voted to ask the Marion County district Attorney to investigate whether the Commissioner violated Oregon statutes prohibiting official misconduct.

The Board action came after a CUB attorney discovered that the Commissioner had knowingly violated Oregon law when he allowed Portland General Electric to change the way it accounts for investment tax credits. This "accounting change" gave PGE \$68

Oregonians can no longer afford Commissioner Maudlin

CUB also called for Governor Atiyeh to step in and remove the Commissioner from office if he does not voluntarily step down. "Oregonians can no longer afford Commissioner Maudlin," said CUB's Vice Chairperson Eric Stachon. "He has clearly demonstrated that he will give the utilities whatever they want, no matter what it costs, even if he has to break the law."

million that previously would have been given to PGE customers over a 25 year period. PGE immediately used the money to write off a portion of its investment in the WPPSS #3 nuclear plant. An investigation by Oregon's Attorney General determined that the Commissioner's action violated a state law adopted by voters in 1978.



Editorial cartoon by Bill Sanders.
Reprinted courtesy of Field Newspaper Syndicate.

In a letter to Commissioner Maudlin from Attorney General Dave Mervin, CUB made the Attorney General's findings public on August 6th and

ELECTION RESULTS

The first permanent CUB Board of Governors took over the management of CUB from the Interim Board of Directors in June. The transfer of power was the culmination of 15 months of work by the Interim Board, who brought CUB from simply words on paper to its present strength of over 7,000 members.

The election of the Board of Governors was conducted by mail-in ballot, with every CUB member eligible to vote. 1,530 CUB members voted, approximately 25% of CUB's membership.

Three representatives were elected

from each of Oregon's five U.S. Congressional districts. The candidate who received the most votes in each district won a four-year term; the second most votes, a three-year term; and the third most votes, a two-year term.

Since taking office on June 10, the new Board has met three times, on June 27th in Salem, on July 18th in Eugene, and on August 15th in Portland. The new board members are listed below with the first listed in each district representing the one who received the most votes. (For example, in District 1, Tom Novick won a four-year term, Elmer Moke won a three-year term, and Jim Long won a two-year term.)

CUB BOARD OF GOVERNORS

District 1

Tom Novick
027 S.W. Arthur
Portland, OR 97201

Elmer Moke
7280 S.W. Wilson Ct.
Beaverton, OR 97005

Jim Long
Rt. 1, Box 233
Cornelius, OR 97113

District 2

Mavis McCormic
P.O. box 236
Keno, OR 97627

Jesse Loffer
740 N.W. Memorial Drive
Grants Pass, OR 97526

Charles Montee
338 N.W. 14th St.
Pendleton, OR 97801

District 3

Eric Stachon
2924 S.E. Morrison
Portland, OR 97214

Kathy Weaver
3234 S.E. 24th
Portland, OR 97202

Austin Collins
3125 N.E. Schuyler St.
Portland, OR 97212

District 4

Bob Ackerman
1212 South A St.
Springfield, Or 97477

Chris Palmer
P.O. Box 395
Myrtle Point, OR 97458

Kurt Harlan
P.O. Box 3334
Eugene, OR 97403

District 5

Lloyd Marbet
19142 S. Bakers Ferry Rd.
Boring, OR 97009

Jim Bernau
2245 Cloverdale Dr., S.E.
Turner, OR 97392

Peter Greenburg
2340 S.W. 15th
Albany, Or 97321

from Attorney General Dave Frohnmayer, Frohnmayer said, "We have concluded that you have provided funds to PGE and PP&L at the expense of ratepayers, to enable them to recover losses associated with terminated projects."

In addition to benefiting from being allowed to write off part of its losses in WPPSS, Frohnmayer's letter also said, "At the time of the accounting change, PGE appeared to be in an excess earnings position, earning substantially more than the previously authorized rate of return. The accounting change immediately eliminated this appearance, thereby lessening the company's exposure to a rate decrease."

CUB ENDORSES THREE MEASURES

In preparation for the upcoming general election, the CUB Board of Governors voted to endorse three ballot measures:

Ballot measure #4: This measure would create a 3-person Public Utility Commission. Currently, Oregon is the only state that has a one-person appointed PUC. If passed, decisions involving matters such as the PGE accounting change would have to be made in a public meeting. This measure was referred to the voters by the Oregon legislature.

Ballot Measure #8: Measure #8 would make it illegal for telephone companies in Oregon to institute mandatory Local Measured Telephone Service (LMS). In states where measured service is

mandated that the funds in question be refunded to Oregon ratepayers. In the days following CUB's announcement, Maudlin was criticized by Republican gubernatorial candidate Norma Paulus. Democratic gubernatorial candidate Neil Goldschmidt called for the Commissioner's resignation.

Governor Atiyeh commented that the Commissioner had simply made an error in judgment. CUB Chairman Robert Ackerman responded, "If I had someone on my payroll who made a 'judgment error' worth millions of dollars, I wouldn't keep that person on my payroll for a minute."

mandatory, local telephone rates have doubled. Right now, Oregonians have a choice between measured or flat rate service. Measure #8 seeks to preserve this choice in order to keep phone rates from increasing further.

Ballot Measure #14: This measure makes it illegal to continue operating nuclear power plants in the state of Oregon until a permanent, licensed waste facility can be found for the waste that has been generated.

CUB has found that, according to a study conducted by the Energy Systems Research Group of Boston, Mass. for Salem Electric, the economic costs of continuing to operate Trojan are "of similar magnitude" to the costs of shutting Trojan down.

\$250 million at stake in upcoming PGE hearing

CUB would like to save you and your fellow Portland General Electric (PGE) customers \$250 million. If that amount seems too fantastic to be true, then just consider this short list of issues now before Oregon's Public Utility Commissioner (PUC).

* PGE recently sold a 15% share of the coal-fired Boardman electric plant for \$233 million, \$102,440 million after taxes. CUB believes that much of that total is represented by San Diego Gas & Electric's purchase of 75 megawatts of power

from Boardman for 25 years. Under a 1979 PUC order, PGE must use most (or all) of the income from power sales to offset rates. PGE claims this is not a sale of power, but the sale of an asset, and thus ratepayers are not entitled to the rate offset required by the earlier order.

* Even though PGE is selling off 15% of the Boardman's power to Southern California, the utility wants its ratepayers to pay the equivalent of \$49.8 million in 1986, \$47.8 million in 1987, \$45

million in 1988, and lesser amounts thereafter for the new Colstrip 4 plant in Montana! CUB is questioning whether ratepayers are required by law to pay for an electric facility producing expensive power not needed in Oregon.

*PGE diverted \$68 million in investment tax credits in 1984. CUB believes PGE must return these credits to ratepayers (in the form of rate reductions) over several years and CUB is fighting to get them back.

The total ratepayer dollars at stake in these and other issues in which CUB is representing PGE customers is \$250 million.

How much money will it take CUB to save \$250 million? We think we can do an adequate, but "bear-bones," job for \$25,000. If 1,000 people sent us \$25 for an annual CUB membership, we could make a substantial difference in the outcome of this case.

CUB has already had some impact

on this case. Early on, PGE attempted to get Colstrip 4 into the rate base without a hearing, and without any guarantee that rates would be refunded if Colstrip 4 subsequently was found to be unnecessary. CUB objected and filed a Complaint, demanding a hearing. The Commissioner agreed. As a result, CUB may have already saved PGE customers approximately \$7 million!

Your help is crucial in CUB's biggest rate challenge to date. And you can be sure your money won't be wasted. CUB's office space is \$75 per month and less than 25% of the budget in its first year went to salaries. On top of this CUB makes the most of its volunteer support including our Board members, rate experts, lawyers, and CPA's which have offered time amounting to thousands of dollars worth of work. So you can be sure your money won't be wasted on frills.

Please give what you can to help us bring the much-needed balance to the rate making process.

On the Campaign Trail . . .



We couldn't do it without them . . .

CUB's work would be much more difficult and slow-moving if it should receive a refund of the \$2 per month fee that was added to

CUB applies for tax exemption

As CUB members, many of you have wondered whether your membership dues and contributions to CUB are tax deductible.

At the moment they are not.

used for lobbying efforts.

The first draft of an informational brochure about the CUB Educational Fund has already been designed, and approval by the IRS is expected in the next eight to ten

difficult and slow-moving if it weren't for the work of our dedicated volunteers and other professionals who work at no charge or for very reduced rates. CUB gives a special thank you to:

Bill Leidy: Bill is a CPA who volunteers his services to CUB. He has computerized our bookkeeping system and does all of CUB's books on a monthly basis.

Bill Woodburn, Bob Woodburn, Simon ffitich, and Rion Bourgeois: Bill, Bod, Simon, and Rion have done extensive research and legal work on telecommunications cases CUB has taken on. In recent rate proceedings, they argued that telephone customers in Oregon

per month fee that was added to local phone bills earlier this year.

George and Irene Starr: Even though George finished his term as Treasurer of the Interim Board in June, he has continued to give CUB invaluable help to insure a smooth transition. Irene put in many hours this Spring double checking all of our computer membership records.

John Stephens: John is doing a tremendous job representing CUB in the current PGE rate case. Becasue of John's reserach, CUB found out about Commissioner Maudlin's illegal actions regarding PGE's investment tax credits. (See article page one)

But we hope that by tax time next year, your contributions to the newly-created CUB Educational Fund will qualify for state and federal tax deductions.

Back when the Interim Board of Directors first created the legal documents for CUB, a lengthy debate took place over what kind of federal tax status to pursue. Eventually, the Board applied for 501 (c)(4) classification, which permits the organization to lobby at the legislature and participate in political campaigns. But contributions are not tax deductible.

In order to offer CUB's members the option of tax deductibility, the Interim Board voted in April to incorporate the CUB Educational Fund, a non-profit Oregon corporation with a 501 (c)(3) tax status. Contributions to the Fund, if approved by the Internal Revenue Service, will be tax deductible. Monies accrued by the fund will be used to finance research and educational activities supporting CUB's advocacy on behalf of utility consumers, and may not be

is expected in the next eight to ten weeks.

We hope the Educational Fund proves to be a hit with our members... Remember CUB at tax time!

CUB NAMES INTERIM EXECUTIVE DIRECTOR

Callers to the CUB office will no longer hear the voice of Amy Keiter on the telephone. You can, however, still hear Amy by tuning in to KGW Radio (Portland) early on weekday mornings. Amy left the Citizens' Utility Board in late July to take a news reporting position with KGW.

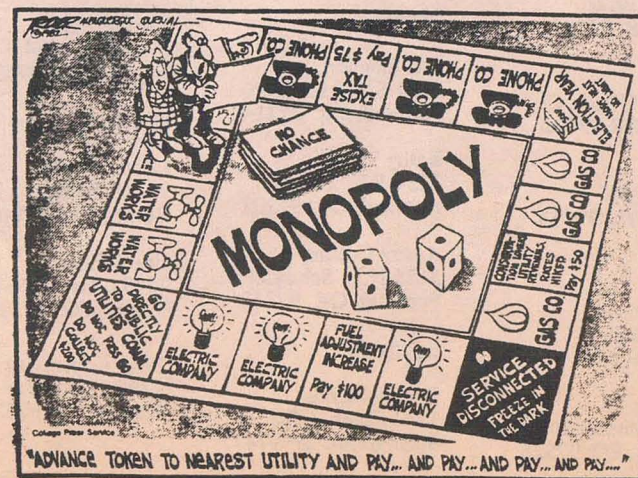
In to replace Amy is Barbara Head who was named the Interim Executive Director by the CUB Board. Barbara was active in the initiative campaign to create CUB, and has a varied background in community organizing. Barbara has a Bachelor of Arts degree in Communications from Lewis and Clark College.

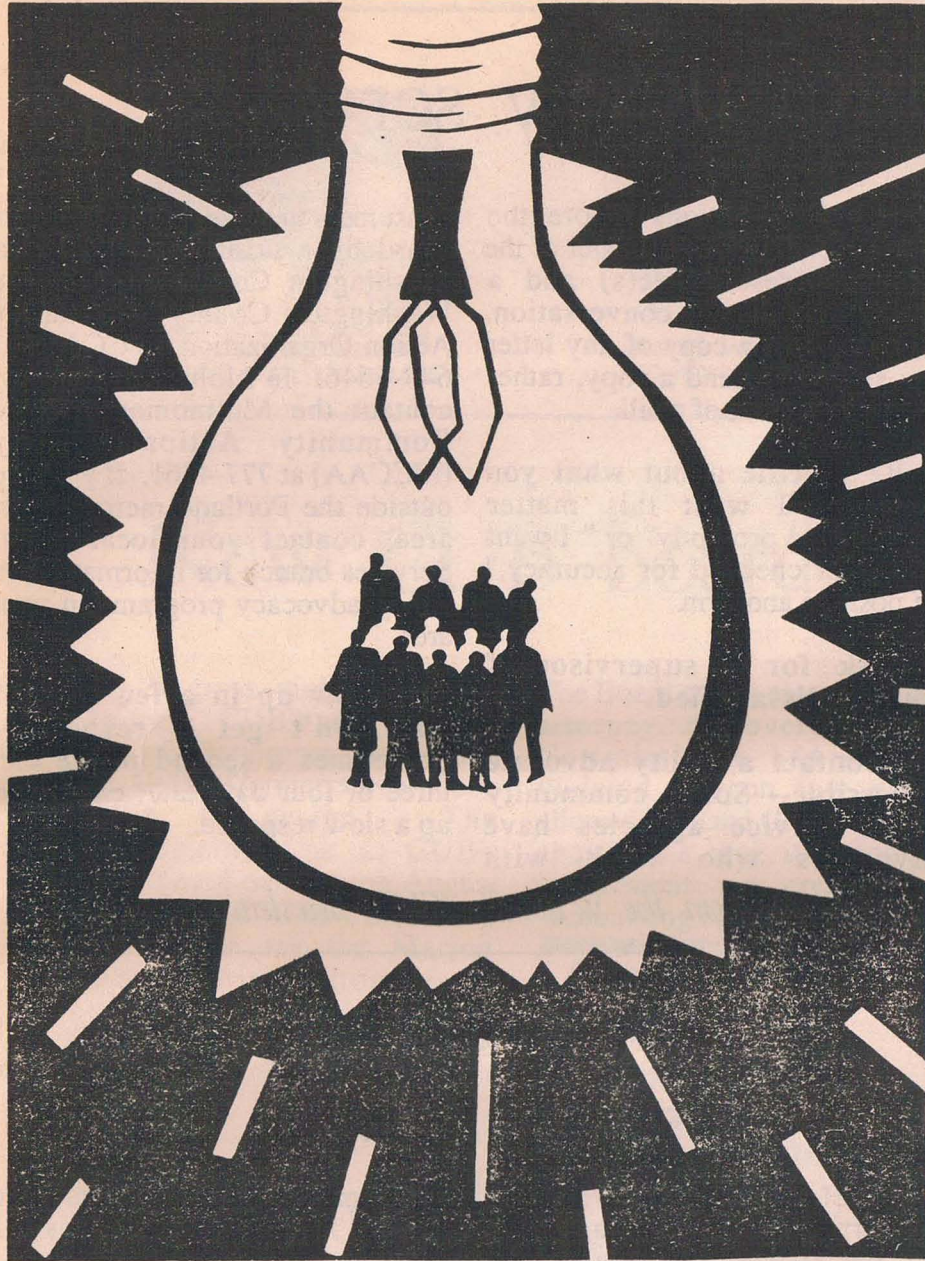
CUB NEEDS YOUR HELP!

YES, I CAN VOLUNTEER TO HELP WITH:

- DATA ENTRY
- OFFICE WORK/ FILING
- LEGAL RESEARCH
- MAILINGS
- OTHER _____

NAME: _____
ADDRESS: _____
PHONE: _____





CUB victory!

United Telephone drops rate request

--by Amy Keiter

The 44,000 residential customers of United Telephone of the Northwest in Oregon have been spared a \$2.75 per month increase in their local telephone bills thanks to the efforts of CUB.

The telecommunications staff of the Public Utility Commission agreed with CUB's experts that United Telephone was financially healthy, and that a \$1.74 million rate increase was not necessary. On April 21, Commissioner Gene Maudlin announced the decision by United to withdraw the increase request.

Rion Bourgeois, one of CUB's volunteer attorneys in the case said CUB was instrumental in the decision to withdraw.

"CUB called the PUC's attention to several key issues, including the (financial) update request," said Bourgeois. "I consider this a major victory for CUB and Oregon ratepayers."

United filed its revenue request in November of 1985, based on

midyear results. CUB attorneys Bourgeois, and Simon ffitch, working with CUB's telephone consultants Bob and Bill Woodburn, requested that United update its records to year's end. They also requested that the PUC consider the updated records in light of the current financial climate, including falling interest rates.

CUB found that a comparison of United's financial condition during their last Oregon rate case (in 1982) showed the company to be remarkably healthy.



Highest phone rates in the West . . .

CUB takes action on telecommunications cases

--by Jim Long

A status report of telephone costs in Oregon in comparison with other western states shows that urban

Charge on all Local Ratepayers in the State. Effective Jan., 1986 PUC Commissioner Maudlin

Companies.

UT 43--Same as UT 42 for

These are very important utility matters which can have long-term impact on all of our monthly

residential telephone rates as of 12/31/85 were \$15.88. These rates are 29% higher than in Idaho, 23% higher than in Washington, and 48% higher than those in California. Oregon business telephone flat rates are 21% above nearby Washington, 35% higher than those in Idaho, and they are double those in Colorado and Wyoming as of 7/1/85. The status report was prepared for CUB by Bob and Bill Woodburn of Consumer Communications Consultants using data compiled by the Consumers Federation of America. CUB will use this information and more to fight phone rate hike requests.

In the UT 42 case, telephone companies want a \$2 End User

provisionally approved a plan suggested by the telephone companies to increase local rates \$1 in January, \$2 effective in June, and \$4 effective in January, 1987. WE OBJECT! CUB will try to prevent these increases and instead, get refunds.

CUB is representing consumers through intervention or monitoring on the following telephone cases and matters:

UT 42-- Request for a \$2.00 increase in local exchange rates to offset revenue loss for reduced toll rates. The Public Utility Commissioner allowed this to go into effect prior to hearings subject to possible refund. This request is for Independent Telephone

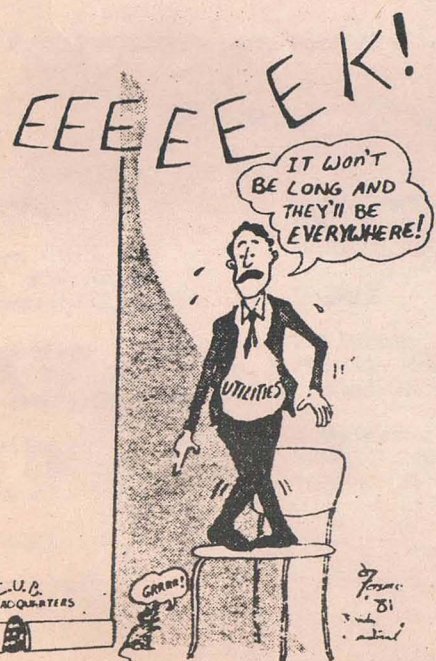
UT 43-- Same as UT 42 for Pacific Northwest Bell except that \$9,000,000 of the local exchange increase will be retained by P.N.B. and not used to reduce toll rates. UT 42 and UT 43 will, if approved, reflect a \$27,000,000 increase in local exchange rates.

UT 45-- An investigation into telephone company carrier access charges. This is a complex matter related to charges by toll competitors of P.N.B. (AmNet, MCI, etc.) that toll reductions requested in UT 43 are unfair competition.

UT 47-- Whether UT 42 and UT 43 Constitutes an Anti-Trust Violation (unfair competition by P.N.B.)

impact on all of our monthly telephone bills. Rion Bourgeois and Simon ffitch have provided invaluable pro bono legal assistance on every telecommunications issue in which CUB has been involved with the PUC office.

In other telephone matters, the CUB Board unanimously supports the efforts of Forest Grove, Cornelius, Banks, Gaston and western Washington County ratepayers for Extended Area Service to Beaverton and the Portland metropolitan area. GTE-NW customers in western Washington County have been isolated too long, having to pay long-distance toll charges to call eastern county and Portland.



Jim Forsmo, The Daily Cardinal

ASK A FRIEND TO JOIN!

YES, I want to join CUB and help fight unfair utility rate increases. Enclosed is my annual membership contribution.

(please print)

NAME (1) _____

NAME (2) _____

NAME (3) _____

ADDRESS _____

CITY _____ ZIP _____

TELEPHONE _____

CONGRESSIONAL DISTRICT # _____

(1) (2) (3)

☐ ☐ ☐ \$ 25.00

☐ ☐ ☐ 100.00

☐ ☐ ☐ 50.00

☐ ☐ ☐ 15.00

☐ ☐ ☐ _____

Minimum annual dues are set by law at \$5.00* so that those with limited incomes may become members. Please sign up for more if you can to make CUB strong.

*Can be waived in cases of financial hardship.

MAKE CHECK OR MONEY ORDER PAYABLE TO: Citizens Utility Board of Oregon,

☐ Visa ☐ MasterCard
Charge card number for Visa or MasterCard:

Expiration Date

Mo. Year

Interbank No. (for MasterCard)

CUB membership is open to all Oregonians 18 years of age or older.

Authorized
charge card
SIGNATURE _____

How to complain about your utility service

Ever have a complaint about a meter reading, deposit policy, disconnection notice, high bill, or some other matter where you feel dissatisfied with your electric, telephone, gas or water service? *You are not alone!* That's the first thing to remember--there are probably thousands of people like you. The second thing to remember is *you are paying for service*--so when you have a problem, you're entitled to a prompt and thorough investigation, and a correction if an error has been made.

CUB does not have the resources at this time to follow up on individual complaints. We wish we could, but at this time we believe our membership contributions are best spent challenging utility increases and policies which affect all customers.

In the future, CUB hopes to set up a service to handle individual complaints. Meanwhile, we are monitoring how well the Public Utility Commission handles complaints. The PUC is the state agency which sets the rates and service policies for public utilities. They are supposed to help resolve complaints of customers about utility service. Based on this study, we will make suggestions to the PUC as to how complaint handling and utility service policies can be improved. In the meantime, here are some suggestions on how to complain and get results.

HOW TO COMPLAIN AND GET RESULTS

1. Disconnection--Urgency--

If your complaint could lead to a disconnection, then be sure to tell the PUC this fact in the initial statement of your complaint. Even if you have to leave a telephone message at the PUC, mentioning that you could be disconnected will make it clear that you have an urgent problem, and will get you a quicker response from the PUC. Written complaints should be sent to Public Utility Commission, Labor and Industries Building, Salem, OR 97310.

2."An Ounce of Prevention"--

Keeping a careful eye on your utility bills is as important as comparing your checkbook to your monthly bank statement. If you keep careful records of your bills, and take meter readings yourself, you can spot errors in your bill more easily, and determine if your consumption is changing.

3. Before you call or write, plan what you will say--If you think there is an error or want to complain about something, prepare before you call the utility. Put all the relevant information before you and jot down the major points and questions you want to cover.

4. Keep records of all contacts, and copies of any letters--Good record keeping is essential. Make notes of your

phone conversations-- note the time, date, name and number of the utility representative(s) and a summary of your conversation. Always make a copy of any letter you send, and send a copy, rather than the original, of a bill.

5. Be specific about what you expect--"I want this matter investigated promptly" or "I want my meter checked for accuracy." Be positive and firm.

6. Ask for a supervisor if you're dissatisfied.

7. Contact a utility advocate if possible-- Some community social service agencies have advocates who work with

consumers to make their complaints heard by a utility company. In Washington County, contact the Washington County Community Action Organization (WCCAO) at 648-6646. In Multnomah county, contact the Multnomah County Community Action Agency (MCCAA) at 777-4761. If you live outside the Portland metropolitan area, contact your local Legal Services branch for information on utility advocacy programs in your area.

8. Follow up in a few days if you don't get a response-- Sometimes a second phone call three or four days later can speed up a slow response.

reprinted from the Wisconsin CUB newsletter (revised)

CUB COMES TO BEND, SALEM

The elected CUB Board of Governors has had meetings in four of the five U.S. Congressional Districts including Eugene, Salem, NW Portland, and East Portland. The remaining Congressional District #2 covers eastern and south central Oregon and will be the site of our next meeting. There is time allotted at the beginning of each CUB meeting for public input from

CUB members, ratepayers, and others. The next two meetings will be:
Friday, Sept. 26, 10am
place: Bend, OR
Friday, Oct. 24, 10am
place: Salem, OR

*Watch your local newspapers for specific locations.

and get results.

essential! Make notes of your

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The Bear Facts

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