



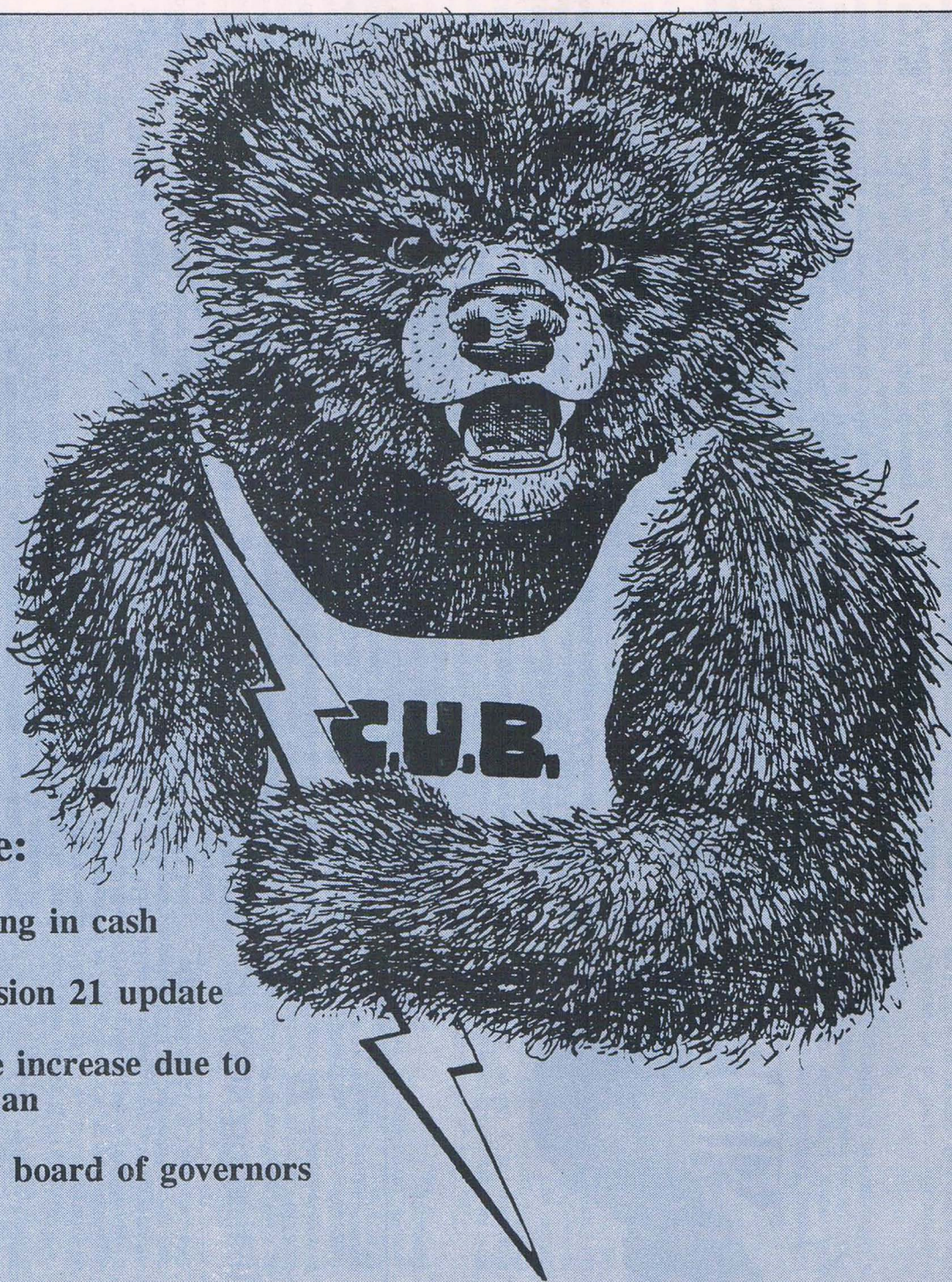
THE BEAR FACTS

CITIZENS' UTILITY BOARD OF OREGON

P.O. Box 6345
Portland, OR 97228

921 SW Morrison #550
Portland, OR 97205

Fall 1990



Inside:

- ◆ Paying in cash
- ◆ Division 21 update
- ◆ Rate increase due to Trojan
- ◆ New board of governors



THE BEAR FACTS

CITIZENS' UTILITY BOARD OF OREGON

P.O. Box 6345
Portland, OR 97228

921 SW Morrison #550
Portland, OR 97205

Fall 1990

Paying in cash: Your privilege or your right?

On Tuesday, May 8, 1990, the Citizen's Utility Board of Oregon filed a formal complaint with the Public Utility Commission against Pacific Northwest Bell (US West Communications). The complaint charges the phone company with decreasing the level of service to its customers in three situations which especially affect lower income and senior ratepayers. The three issues are 1) the closure of PNB's last two corporate payment centers in Medford and Portland, 2) the cessation of payments to community payment agents for collecting cash and critical payments, and 3) provision of free directories outside the US West 14 state region to Oregon libraries.

On June 1, 1990, PNB ceased operating its corporate payment centers in Portland and Medford, the only two remaining in Oregon. On June 7, the phone company stopped paying its community pay station owners for collecting cash payments and critical payments from customers.

The policy of no longer remunerating pay station owners has resulted in many pay stations no longer accepting cash and critical payments, forcing pay stations users to purchase a money order or write a check. It has also created a revolving door syndrome of pay stations with stations opening and closing. Almost as soon as the phone company recruits a new pay station (for no remuneration, with only the promise of increased foot traffic), the owner discovers that the increased foot traffic is bad for business, as long lines of bill payers at the check out counter hurt business. "It doesn't take a mental giant

most part. Bell's claim that increased foot traffic will be beneficial to business is fallacious," said Kimberly Webster, CUB's Executive Director.

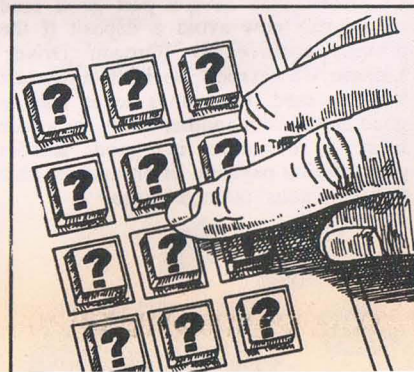
"We are outraged by the anti-consumer tenor of PNB's behavior," Webster said. "By closing its corporate payment centers, the phone company left community pay stations as the only alternative for customers paying their bills in cash. By ceasing to remunerate pay station owners, they further cut customers' options for paying in cash. The evidence of a 'lesser degree of service mentality' on the part of PNB concerns us in and of itself," Webster continued, "and the fact that these trends most keenly impact our most vulnerable citizens, the elderly, the disabled, the under and un-employed, demonstrates a level of corporate insensitivity which CUB finds reprehensible."

Community pay station owners collected \$24,000,000 in cash and critical payments for PNB in 1989, and were reimbursed \$185,000. The phone company contends that it is saving ratepayers money by not remunerating the pay station owners. "What they're doing is making it nearly impossible for poorer consumers to do business with them," said Webster. CUB contends that it is PNB's responsibility to remain accessible to its customers -- all its customers -- not just those who have the resources and the desire to keep a checking account and pay their telephone bills with a check.

In looking at the profile of community pay station users, CUB found

cash, thereby avoiding the expense of maintaining a checking account. The phone company's policy which has led to the closure of payment stations has greatly disrupted many phone customers' lives.

Another disturbing aspect of the pay station situation is that many pay stations have begun charging a fee for processing telephone bills. It is CUB's contention that the phone company is forcing de facto ratemaking by passively allowing its agents to charge a fee for collecting phone bills. In effect, Bell is charging a significant subset of its customers a fee for being allowed to pay their bill in Oregon. "In our discussions with pay station owners, we discovered that the phone company is encouraging pay station owners to charge their customers who pay in cash. Not only are they nodding their heads to what essentially constitutes a rate increase for their poorest customers, they are inviting their agents to increase rates," said Webster.



In testimony on August 22, during the second day of testimony on the hearing, CUB representatives Webster and Mike Sheehan elicited the following comments from a Bell employee and a PUC employee. Clifford Finch, the PNB employee in charge of finding and supervising pay stations, testified when asked if the users of pay stations were not a segment of PNB's customer base that mattered in the overall scheme of things, that anytime a company creates a new policy, "one set of people will be newly inconvenienced, and another set will be inconvenienced." Sheehan asked Mr. Finch to explain how many customers it would take to be considered a significant enough portion of the ratepayers to change the policy. At Phoenix Pharmacy, one of the pay stations involved in the complaint, no less than 6,000 people per month make cash and critical phone payments. Asked if 6,000 was a significant number, Finch replied, "When compared to one million customers, no, 6,000 is not significant." Terry Gaylord, manager and partner at Phoenix pharmacy, a Portland based community pay station, earlier testified that his pay station is near an independent living center for people with cerebral palsy. Many of them are wheelchair bound. When asked if those folks counted as a substantial reason for changing the policy, Mr. Finch repeated his earlier comment, that when policies change, some folks are inconvenienced, and some are inconvenienced.

Ed Morrison, the PUC's head economist on telecommunications testified that, "in these modern times of credit cards and bank checks, it is a privilege,

our payers at the check out counter not business. "It doesn't take a mental giant to understand that the folks who pay their bills in cash at pay stations are not likely to be individuals with a high degree of discretionary income. These folks pay their bills in cash to save money for the

in looking at the promise of community pay station users, CUB found that many pay all of their utility bills in cash at their community pay station. Many cash their disability, social security, or welfare checks at the pay station, then pay all their bills at the pay station, in



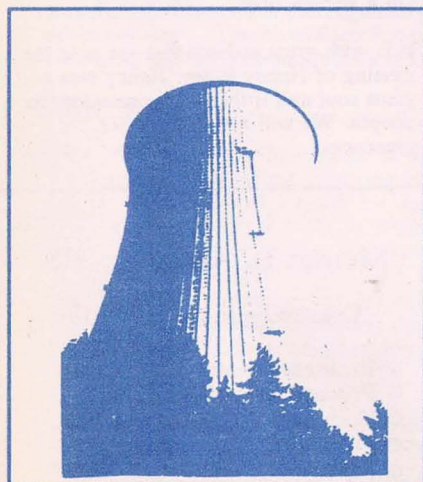
that, "in these modern times of credit cards and bank checks, it is a **privilege, not a right**, to pay bills in cash." (emphasis added) He added that he does not believe it is Bell's responsibility to

Continued on page 3

Trojan: Now they want you to pay for it!

by Lloyd Marbet

On March 17, 1990 customers of Portland General Electric (PGE) opened their mail to find that due to cost increases, customer growth, and service improvements, PGE wants to increase its rates by 11% starting January 1, 1991. This would raise an additional \$89 million in annual revenue, of which over two-thirds -- \$60 million -- is due to escalating costs at Trojan. In justifying this dramatic rate increase, PGE stated that it was planning to "invest in the Trojan Nuclear Plant so that it can produce more of its lower-cost electricity while further ensuring the highest standards of safety."



On April 16, 1990, CUB intervened before the Public Utility Commission in this rate case (UE 79) and since then

we've taken a closer look at Trojan's "lower-cost electricity" and "high standards of safety." Testimony from PGE shows that the costs of operating Trojan have increased by over 200% during the last four years. Trojan's operation and maintenance costs **alone** have increased by \$46.4 million dollars, and are expected to continue to increase by more than 10% per year. Annual payments for decommissioning which will rise from \$700,000 to \$14 million a year. Combined with other increasing costs, the overall unit cost of production at Trojan has risen from 5 mills in 1985 to over 21 mills per Kilowatt Hour (KWh) in 1990, an increase of over 400%. All of this reveals the hidden costs of operating an aging reactor highlighted by PGE's difficulty in safely operating the plant.

PGE has told us repeatedly that Trojan is an extraordinarily safe nuclear plant. Last October we learned otherwise. PGE was fined \$280,000 by the Nuclear Regulatory Commission for major safety violations. (See "PGE ignores safety, endangers Oregonians" in the Feb/Mar 1990 issue of The Bear Facts.)

In 1986, when Ballot Measure 14 proposed to close down Trojan, PGE claimed that the replacement cost for 100% of Trojan's power would be between \$300,000 and \$1.5 billion over the next 15 years. Using PGE's higher figure this amounted to a projected cost of about \$100 million per year. Since PGE only owns 67.5% of the plant, PGE customers would have been responsible for \$67.5 million per year, which is almost what PGE is now asking its customers to pay in order to continue the plant's operation.

Considering that PGE will be asking for additional rate increases in the future to cover more of the hidden costs of operating Trojan, it is apparent the balloon payments for nuclear power have only just begun.

No one knows what the true costs of decommissioning, waste disposal and accidents at Trojan will really be. Just one year ago Chernobyl was projected to cost the Soviet Union \$12 billion dollars. Economists now predict total costs of \$358 billion in property damage alone. Even this astronomical figure fails to take into account the greatest cost -- the impact nuclear power has on human health. According to Doctor Jay Gould and Benjamin Goldman in their new book Deadly Deceit: Low Level Radiation High Level Cover-up, the health effects of radiation exposure are far worse than ever imagined.

All of this gives credence to Ballot Measure 4, which would suspend the operation of Trojan until PGE proves to Oregon's Energy Facility Siting Council that a federally licensed waste storage facility is available for Trojan's waste, that the plant is cost effective to operate, and that Trojan can withstand major earthquakes. CUB has endorsed this measure.

The PUC and DOE conducted an independent investigation of Trojan, and will release and discuss their findings, opening the discussion for public comment on October 9, Tuesday, at 1:15p.m. in the PUC Hearing Room, in the basement of the Labor and Industries Building in Salem.

Say YES! To CUB

Join thousands of CUB members in the fight against utility companies' monopoly-inspired mentalities....Keep CUB strong and fighting for you.

Membership* in CUB comes in all shapes and sizes, there's an option just right for you.

- \$35 Friend
- \$ _____ Circle of Friends (monthly pledge)
- \$25 Supporter
- \$100 Sustainer
- \$250 Advocate's Club
- \$ _____ Other

*Membership dues may be waived in the case of financial hardship

CUB is a lobbying organization, and gifts to CUB are not tax deductible

(Clip and Send)

CUB Participation in Division 21 Deemed Great Success, New Consumer Rules Much Stronger

What results from over two years of meetings, gnashing of teeth, heated disagreements, bleary eyed nights of writing proposals, and testifying, organizing and more meetings? Most everything, you say. Indeed. In this particular case, we are speaking of CUB's participation in the rewriting of the rules governing utility regulations -- Division 21 -- which the Public Utility Commission adopted on July 17, 1990.

The Division 21 Rules cover all areas of utility regulation, including such consumer concerns as deposits, disconnects, medical certificates, multi-lingual information, conflict resolution, and payment of back utility bills.

Board of Governors member Kathy Weaver headed up the CUB contingent who joined the PUC staff, other advocacy groups, and utility company representatives in hashing out the new rules. Weaver said, "I'd like to thank all the CUB friends, members and supporters who volunteered time and energy on consumers' behalves. Judy Schilling, Mike Sheehan, Rion Bourgeois, Linda Williams, Jim Davis, Nate Davis, Rhys Scholes, OPEU, the Human Rights Coalition, Austin Collins, the Gray Panthers, Bill Weismann, Oregon Alliance for Progressive Policy, the Low Income Consumers' Union, Jim Smith, the Oregon State Council of Senior Citizen's and United Citizens, AARP, Laura Olson, Lloyd Marbet."

The new Division 21 Rules afford significantly stronger consumer protections than the previous rules.

•Consumer Rights and Responsibilities
CUB proposed a new rule which was adopted by the Commission, mandating that consumers will receive a summary of their rights, upon initiation of service, and not less than once a year thereafter. Telecommunication utilities will publish consumer rights prominently in the

directory which it distributes to its consumers annually.

•Foreign Languages

The Commission adopted a rule for multilingual notices which mandates that all disconnect notices shall contain standardized information detailing the situation, the consequences, and the options for remedy in Spanish, Vietnamese, Cambodian, Laotian, and Russian. "The availability of information in other languages is one of CUB's greatest victories in this proceeding," said Kathy Weaver.

•Disconnect Notices

Another important new rule which CUB proposed and the Commission adopted, protects customers who live in a building where utilities are paid by their landlords. It provides that, if the landlord is in jeopardy of a utility shutoff, and receives a shutoff notice, the tenants will receive a duplicate notice, therefore allowing them to seek remedy of the situation themselves by contacting the utility company.

•Medical Certificates

Yet another CUB inspired victory is in the area of medical certificates. Under the old rules, medical certificates granting disconnect relief could only be signed by physicians. CUB was concerned that lower income and isolated rural customers might not be able to find a physician, or be able to afford to see one. The new rules reflect this concern, and provide that a physician's assistant or nurse practitioner may also sign the medical certificates.

•Deposits

Customers who have a past good credit record can now avoid a deposit if they provide positive ID (Oregon Driver's License, US passport, Social Security card, Welfare card, etc.) or a letter showing good credit from another utility, or a letter from a customer in good standing guaranteeing payment in an amount equal to two months' average usage.

CUB fought for a minimum deposit amount not to exceed one month's average usage, but the rules adopted call for a deposit to not exceed two month's average usage. "We believe that a deposit in the amount of two month's usage is overly taxing on lower income individuals, and CUB will closely monitor the situation, watching for a greater number of disconnect notices," Weaver assured.

As the winter approaches, CUB staff and Board of Governors will watch carefully as the new rules take effect. "Winter will be the litmus test to let us see how all the new rules work for consumers. Should CUB observe any consumer hardships as a result of the new rules, we are ready to take action quickly," said CUB Executive Director, Kimberly Moore Webster.

CUB In Transition

The old adage, "the more things change, the more they stay the same," is readily applicable to CUB this spring/summer. Barbara Head, CUB's Executive Director of 4 1/2 years left the organization with many well wishes and a hearty bon voyage, on May 18, as she embarked upon an extended tour of the Soviet Union, Hungary and the United Kingdom. Her fastidious and thorough work left an indelible mark on CUB, and she is missed.

Charlie Potter, CUB's Canvass Director, left to pursue a graduate degree at Lewis and Clark College just days prior to Barbara's departure. The canvass was ably handled by Jim Hilton, long time CUB canvasser and field manager, through May and June. The canvass is currently on "sabbatical," while we assess our ability to adequately support that programmatic function.

Lisa Coburn, CUB administrative assistant, departed for Seattle in June to be

replaced by Amie Carrie, who subsequently left to pursue her studies at Barnard College.

CUB's new Executive Director, Kimberly Moore Webster, came on board just prior to Barbara's departure. With a background in non-profit administration and fundraising and lobbying for grassroots organizations on a national, state, and local level, Webster brings a decade of diverse experience and expertise to CUB. In introducing herself to CUB members, she offers, "I am excited to work with the many good folk who make CUB what it is. I see many, many opportunities for growth, and I look forward to being a part of CUB's evolution, and to making CUB a more and more effective organization."

Webster hired a full time Administrative Assistant, Chris O'Shea, who begins work in September. "Chris' background in all forms of communications is impressive, to say the least. I'm anxious to have her as a partner in my work at CUB. I think we'll be able to drastically increase CUB's productivity with her full time assistance."

Webster continued, "With all the staff changes of the past few months, some things have remained the same. Our work in the regulatory process continues, as does our planning for the legislative session and the work we're doing with consumer advocacy."

Volunteers!!!

Volunteers!!

Your CUB Needs You.

Stimulating Conversation and Delicious Coffee Guaranteed. Call Chris at 227-1984 if you can help.

CUB Announces Two New Giving Programs

The Citizen's Utility Board is fortunate to have a broad base of member support. Many CUB members have been with CUB since its inception, providing encouragement, participating in CUB activities, and giving financial support to keep our program moving forward.

To move CUB into its next phase, one of growing influence in the regulatory and legislative arenas, our challenge is to build a base of support that is even more stable. Addressing this need, we've created two new giving programs, the CUB Advocate's Club, and the CIRCLE OF FRIENDS.

The Advocate's Club is our major donor program. Individuals making a gift to CUB or to the CUB Educational Fund of \$250 and more will receive, in addition to regular membership benefits, the CUB Advocate, CUB's newsletter for major donors, which will feature some aspect of CUB's work in depth. Advocates will also receive invitations to all major donor functions.

The CIRCLE OF FRIENDS is CUB's new monthly giving program. Pledging a minimum of a \$5.00 gift per month, CIRCLE members will receive a reminder notice and a special CIRCLE update on some CUB advocacy item. The CIRCLE OF FRIENDS giving program is a painless way to increase one's giving to CUB, and participant's annual membership will renew automatically.

With both of these new programs, CUB member's names will be listed in the Bear Facts honor roll.

Steve Gorham, CUB Board of Governor's chairperson, commented, "The Advocate's Club and the CIRCLE OF FRIENDS represent a new challenge for CUB members, a challenge unlike those

we've presented before. This time the challenge for each of us is to look at our commitment to CUB and ask ourselves, 'Am I doing all I can for CUB?' For many of us, the answer is no, not yet. These two new programs represent the opportunity for all of us to do more. And, with CUB's track record of winning battles on behalf of consumers, we know going in that our increased investment is a sound one. So, doing more for CUB only means that CUB will be able to do more for us."

"Don't get me wrong," Gorham continued, "CUB appreciates every dollar anyone has ever contributed to us. We understand that many people already give all they can, and we are not asking anyone to give beyond the point at which they feel able. What we want and need is for every CUB member and supporter to put CUB on the top of the list. It's that simple. Make CUB an important giving priority."

"The challenges we face in dealing with utilities' monopoly-driven mentalities are certainly not lessening as time progresses. And, the threat to ratepayers - especially lower income and elderly - grows every time utilities go unchallenged. We need to be stronger, more effective, with each day that passes. We need to be in more places at one time. And, we can't be everywhere we need to be unless we have additional resources for staffing and programmatic work. We need our members desperately because our members - and all Oregonian rate payers - need CUB desperately."

CUB members interested in joining the Advocate's Club or the CIRCLE OF FRIENDS may do so by filling out the membership coupon in this newsletter. Remember, there's a seat in the Advocate's Club and in the CIRCLE OF FRIENDS open just for you.



CUB Honor Roll

(major donors and monthly pledgers)

Advocate's Club

Anonymous
Jerry and Marilyn Wilson

CIRCLE OF FRIENDS

David Allen
Nancy Helget
Wilbur Brown
Kenneth Corliss
Kimberly Moore Webster
Lucille Waite
Irene and Charles James
Helen L. Button, MD
Oscar and Virginia Coen
Kathryn and Richard Kohl

Notes from the Bear's Den

Since taking the job of CUB Executive Director in May of this year, several folks have availed their brains, their good humour, and their expertise to me consistently. I want to express my hearty and heart felt appreciation to each of them.

Mike Sheehan	David Allen
Laura Olson	Kathy Weaver
Steve Gorham	Lloyd Marbet
Anita Russell	Amie Carrie
Lisa Coburn	Fred Heutte
Bill Leidy	Rion Bourgeois
John Clay	Joyce Bay

Huzzahs to each of you. Thanks for helping me through a crash course in regulatory work and CUB history and operations!

On a serious note...

It is with great sadness that we note the passing of Nancy Ryles. Nancy was a great soul and truly an advocate for the people. We will sorely miss her presence.

Sharon L. Anthony, MS

Consulting in the areas of:

- Business automation
- Process simplification
- Technical and Grant writing
- PC selection and training
- PC installation
- Disaster Recovery

Portland, Oregon
(503) 232-8531

Paying in cash continued from front page

create a situation whereby any customer wishing to pay in cash may do so at no additional charge.

Bell dropped another bombshell during its testimony when they admitted that, when a customer pays a bill at a pay station, and receives a receipt for payment, the bill is not actually credited on the customer's account until it reaches the PNB office in Seattle. "This is an internal management decision on Bell's part, one which CUB believes represents an absolute misrepresentation of their service agreement to cash paying customers," Webster said. "Customers are not informed when they receive a receipt for their bill that their payment is not yet credited. If someone waits until the last minute to pay and pays in cash at a pay station, that individual has no way of knowing that the payment is not credited until it gets to Seattle. Consequently, that individual could incur late charges, or even a disconnect notice, depending upon the individual circumstance. This is an issue CUB will be investigating in the days ahead."

Regarding the provision of telephone directories to the libraries in Oregon, after divestiture, PNB ceased providing phone books free to libraries for areas outside its own 14 state region. This lack of free directories has resulted in many libraries diverting funds from their acquisition budgets to maintain their directories, while many other libraries have simply begun providing outdated directories for their patrons. At the same time that PNB ceased providing directories for libraries, they've also increased the charge for in state and out of state directory assistance.

The Oregon Library Association (OLA) worked closely with CUB on the directory portion of the complaint. On July 17th, during the first day of the complaint hearing, eight librarians from all across Oregon, representing urban, rural, university, and community college libraries, testified. The OLA members gave strong testimony, stating very clearly

that they believe it is US West's responsibility to provide free directories from outside its fourteen state region as part of its cost of doing business.

Information provided by the Multnomah County Library, echoed by every other library participating in the complaint, suggests that the directories are heavily used by a range of patrons, for a variety of reasons. The libraries are providing the space for the telephone directories and the support staff it takes to maintain them, and they answer questions free of charge when patrons call seeking directory-related information.

CUB feels the phone company bears a responsibility to its customers and advertisers, to make up-to-date information available at no cost to consumers.

Ed Morrison from the PUC stated that he and the staff do not believe it is the phone company's responsibility to provide directories free to libraries.

In a post-hearing interview, Mike Sheehan summed up the complaint in saying, "PNB's position is absolute bunkum for three reasons. First, other ratepayers don't benefit: any savings go directly into Bell coffers and in no way benefit other ratepayers -- Bell's shareholders get to keep any savings, at least until the next general rate case when CUB will litigate the issue again if we lose here.

"Second, PNB's grey-suited corporados, in planning this strategy have set forth to fleece the groups of ratepayers who are the least mobile in our society: the elderly, those in wheelchairs, and the poor. The law, however, requires that all groups of ratepayers be treated fairly and without discrimination (ORS 759.035, 759.260 and 759.275). PNB cannot justify making it very difficult and expensive for some ratepayers to pay their bills on the grounds that it may pass some of the loot on to other ratepayers.

"Finally, PNB's new policy, and the language that PNB was using at the hearing, appear to leave open the

possibility that if PNB is successful in getting away with paying the new pay stations nothing to collect for the Company, then it may in the future begin to charge the pay station operators for the privilege of collecting -- arguing that the pay stations can simply further increase service fees to ratepayers to cover the charge.

"In sum, all of this is just another PNB effort to raise rates and lower service -- without Commission approval -- at the expense of senior citizens, those in wheelchairs, and the poor, apparently with an utter indifference to the inevitable misery which they must know will follow. This is just one more example of PNB's decision to take the bottom line as its guiding lights and the low road as its route."

Undaunted by PNB and the PUC staff's anti-consumer attitudes, CUB hopes that through our efforts in this complaint, the Commissioners will require Pacific Northwest Bell to once again remunerate its community pay station owners for providing the service of collecting cash and critical payments so that every Oregonian who needs or wants to is able to pay cash for phone bills. And, further, that PNB will be required to furnish out-of-area directories to Oregon's libraries. The decision will not be made until sometime in the early part of 1991.

CUB extends thanks to the Oregon Library Association, Ann Billeter, George Happ, Sue Burkholder, Fran Cardoza, Ginnie Cooper, Michael Gaston, Dale Kibbey, Ralph Delamarder, Nancy Kibbey, Wayne Hatch, Terry Gaylord, Marcia Cooperman, Barbara Head and Amie Carrie, for providing background information and testimony in this case.



CUB Seats New Board of Governors, Elects New Officers

The Citizen's Utility Board held elections in spring and early summer, and seated one new board member from District four, John-Erik Nilsson, of Eugene, and re-elected three incumbents. Kirk Roberts from District 1, Margot Beutler from District three, and Lloyd Marbet from District 5 were re-elected. All 1990 board seats are four year terms. There are still vacancies in District 2 and District 4. CUB encourages interested members to apply for these positions.

Once seated, the new board set about to elect its leadership for the 1990-91 term at its July meeting in Portland. Out-going Chair, Laura Olson, in making her final comments, praised the group for its hard work in strengthening CUB internally. "The five year planning process which David Allen led the board through sets out goals we strive to meet as an organization and establishes goals for better representing consumers in the state. This plan represents a great forward step in CUB internal organizational growth, and I applaud the board for participating in the creation of the plan. I am also thankful and pleased to say that our work this past year resulted in the formulation of a greatly improved personnel policy." Olson also commended Kathy Weaver for her work on the Division 21 Rules.

"If I had three wishes for CUB's future, they would be for us to pass intervenor funding in the '91 session, for us to find a more effective vehicle for involving more members in our work, and to

CUB Case Notes



This column will provide brief updates on the status of a small number of the various cases CUB is involved in. Should you wish to know more about any one case, wish to attend hearings, provide volunteer support, or in any way be more closely involved with any CUB case, call the CUB office. We welcome and encourage CUB member participation in our regulatory and advocacy work. Thanks to Rion Bourgeois providing the telecommunications entries.

UE 47 & 48

This PGE rate case dates back to 1986. CUB argued for a refund, charging that an interim rate increase granted by former Commissioner Gene Maudlin in 1986 was unjustified. In its original rate order, taking effect October, 1987, the PUC rejected CUB's arguments for the refund. CUB filed a motion to reconsider and the PUC ordered PGE to return more than \$37 million, plus interest to ratepayers.

PGE appealed the PUC's decision, and in July, the PUC reversed its earlier decision, and ordered PGE to refund only 15.7 million, with no interest, to ratepayers. Residential ratepayers get a bad deal in this settlement. PGE is being allowed to restore more money to its own earnings than they are being required to refund to ratepayers. CUB is not in agreement with this settlement. We are currently awaiting the order from the Commission, and will assess whether or not to appeal after considering the order.

UE 79

See the longer article in this issue of Bear Facts. This is PGE's latest rate case, originally an \$89 million request in rate hike, which PGE later revised down to \$80 million. The PUC staff has recommended a 1% rate increase, amounting to less than \$1 million. Hearings for this rate case begin in November.

UI 54

The PUC in August, 1989, ordered Pacific Northwest Bell (PNB) to resume publication of the yellow page directories, and collect the profits therefrom to help support the local phone system. It also ordered that directory revenues would be imputed to PNB for ratemaking purposes until PNB resumed publication. PNB appealed to the Multnomah County Circuit Court, and the order was stayed pending the appeal.

PNB argued that yellow page directories were a competitive, unregulated activity conducted by a separate subsidiary, U.S. West Direct, Inc., and that the PUC lacked authority to regulate it. CUB intervened and filed briefs in support of the order. Judge Redding affirmed the PUC. PNB has appealed. Rion Bourgeois will file a Respondent's Brief in the Court of Appeals.

UT 85 Revenue Reduction Order

In December, 1989, the PUC ordered PNB to reduce its revenues approximately \$24 million per year. The primary source of the revenue reduction was a reduction in PNB's income tax expense due to the 1986 Tax Reform Act. PNB argued that the Staff had illegally imputed U.S. West Direct, Inc. yellow page directory revenues to PNB, and that if those revenues were not imputed to PNB, there should be no rate reduction. As it did in UI 54, the PUC ruled that directory revenues should be imputed to PNB, and ordered the rate reduction. It ordered PNB to reduce all its rates pro rata

(proportionately) until a final rate design order was issued.

PNB appealed to the Multnomah County Circuit Court, and CUB intervened. Over CUB's objection, Judge Redding granted PNB's motion to stay the order pending the appeal based upon a stipulation between PNB and the PUC that in the event the order is affirmed, the excess revenues will be refunded. When Judge Redding affirmed the PUC in UI 54, CUB moved to set aside the stay order in UT 85 because the directory revenue issues which is the primary issues in UT 85 had already been decided in UI 54. Judge Redding denied CUB's motion on the ground that it is possible that he might be reversed by the Court of Appeals.

The PUC filed a Motion to Dismiss PNB's UT 85 appeal on the grounds it should have been filed in Marion County. Judge Redding denied the motion, ruling that Multnomah County Circuit Court has jurisdiction to hear the appeal. CUB requested a briefing schedule to move the case along.

UT 85 Rate Design Order

The PUC issued the final rate design order in UT 85 on June 27, 1990. The PUC gave the vast majority of the rate reduction to big business.

Since the final rate design order by its terms is not in effect until the appeal of the revenue reduction order is complete, and since PNB has been ordered to refund excess revenues collected pending the appeal, presumably any refund should be computed based upon the rate design in the revenue reduction order which is the order currently in effect, but for Judge Redding's stay order which also orders the refund. That rate design is more beneficial to residential ratepayers, and would result in a larger refund to residential customers than the rate design in the PUC's order which by its terms will only become

a more effective vehicle for involving more members in our work, and to procure better media coverage."

CUB commends and sends deepest appreciation to Laura Olson for her leadership as Chair during the past two years.

And, CUB welcomes the new executive committee: Steve Gorham, Chair, Judy Schilling, Vice-chair, David Allen continuing as Treasurer, Terry Brainerd Chadwick continuing as Secretary, and Kathy Weaver continuing as member at large.

J. RION BOURGEOIS

ATTORNEY AT LAW

721 S. W. OAK
PORTLAND, OREGON 97205
503-222-7466



effective in the future. However, CUB may have to litigate this issue when it comes time to grant the refund.

CUB Board of Governors

District 1

Kirk Roberts
115 SW Bancroft
Portland, Or. 97201
223-9766

Judy Schilling
Route 1, Box 269
Gaston, Or. 97119
648-6646

Terry Chadwick
134 1/2 NW 21st
Portland, Or. 97209
725-3246

District 2

Nancy Helget
1535 Alexander Pl. NE
Pendleton, Or. 97801
276-4351

John Hodges, Sr.
711 Hillside Ave.
Klamath Falls, Or. 97601
882-2767

Vacant Seat

District 3

Kathy Weaver
3234 SE 24th
Portland, Or. 97202
239-7695

Margot Beutler
2165 NE Hancock
Portland, Or. 97212
282-0285

David Allen
1625 SE 25th
Portland, Or. 97214
228-9561

District 4

Laura Olson
45014 McKenzie Hwy
Leaburg, Or. 97489
896-3298

John-Erick Nilsson
2329 W. 28th Ave.
Eugene, Or. 97405
687-2371

District 5

Lloyd Marbet
19142 S. Bakers Ferry
Boring, Or. 97009
637-3549

Steve Gorham
341 State St.
Salem, Or. 97301
364-6494

Martin Fisk
330 NW 32nd St.
Corvallis, Or. 97330
737-2296

Ed Epley

3053 NW Harrison
Corvallis, Or. 97330
752-3152

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

Address Correction Required

The Bear Facts

The Bear Facts is the newsletter
of the Oregon Citizens' Utility
Board.

Editor: Kimberly Moore Webster

Contributors: Sharon Anthony
Rion Bourgeois
Mike Sheehan
Steve Gorham
Laura Olson
Kathy Weaver
Lloyd Marbet

Non-Profit Org
U.S. Postage
PAID
Portland, OR
Permit No. 2134