Winter 1994

The Bear Facts

from The Citizens' Utility Board of Oregon

IN THIS ISSUE

CUB Finds Broad Support Against PGE Rate Hike

Ten consumer, environmental and senior organizations recently joined CUB in announcing their opposition to Portland General Electric's proposed 7.9% residential rate hike. According to the groups, the proposed hike is unfair to residential customers and violates state energy policy which encourages energy efficiency.

Specifically, the groups oppose charging ratepayers for a shareholders' profit on Trojan, cutting rates to large commercial and industrial customers, and placing the bulk of the rate increase on low-use residential customers.

"The Public Utility Commission (PUC) should deny PGE shareholders a continued profit on Trojan," said Ross Williams of the Columbia Group of the Sierra Club. "It's time to admit Trojan was a mistake and stop charging the public for it."

According to the coalition, if the PUC does not allow PGE to keep charging its customers for Trojan -- including shareholders' profit on the plant, recovery of shareholders' investment in the plant and the cost of cleaning up the plant site -- rates could be reduced for all customers.

"Cutting rates to large customers violates the state's energy policy, which is to encourage energy efficiency."

Coalition members also opposed PGE's attempt to cut rates for its largest commercial and industrial customers. "Cutting rates to large customers violates the state's energy policy, which is to encourage energy efficiency," said Tim Raphael, Program Director for the Oregon State Public Interest Research Group (OSPIRG). "Instead of helping customers decrease their energy use, PGE wants to falsely tell their largest users that energy is getting cheaper."

According to the coalition, 80% of this rate hike is being placed on the residential customer. "Consumers cannot be expected to shoulder this endless series of utility rate increases," said James Davis, Legislative Director of the Oregon State Council of Senior Citizens. "Utilities pretend that it really isn't that great an increase. Well, for those on fixed incomes, every dollar counts."

According to the coalition, it is critical that the PUC hear from ratepayers. "The PUC gets most of their information from the utilities and their largest customers who can afford to hire attorneys to participate in rate cases," said Bob Jenks,

See "PGE RateHike" next page.

Path to Sustainable Energy Precarious

CUB STUDY FINDS ELECTRIC SUPPLY, RATES AT RISK FROM NATURAL GAS INFLUX

As electric utilities in the Pacific Northwest look for new energy sources to fill the demand for more power, many are turning to the cheapest and handiest resource available -- natural gas. Although natural gas is clean relative to oil or coal, it is nonetheless a fossil fuel, a finite resource, and increasingly expensive.

The costs of an energy supply based upon fossil fuels are substantial, and will last far beyond the lives of the power plants themselves, but by far the most severe consequence is this: new electric generation from natural gas *instead of* energy efficiency and renewable resources is a barrier to affordable, sustainable energy.

Preliminary findings from CUB's study of the region's influx of natural gas to generate electricity reveal a disturbing trend. Despite regional energy policy which calls for reductions in fossil fuel use and a commitment to energy efficiency and renewable resources, developers and utilities are proposing to build 68 new gas-fired combustion turbine plants. Those plants will be capable of producing nearly 14,000 average megawatts (aMW) of electricity. The entire region -- Oregon, Washington, Idaho, and Montana west of the Rockies -- presently uses about 21,600 aMW.

In Oregon alone, there are proposals for twenty plants to produce 4,210 aMW. Although many of the proposed plants will

See "Natural Gas Risk" inside.

CUB Sues PUC Over Trojan Ruling

On February 4, CUB filed suit asking the Circuit Court of Marion County to overturn a PUC decision which allows PGE to continue charging ratepayers for the closed Trojan nuclear power plant.

Last year, PGE asked the PUC to rule on whether ratepayers could be charged for the costs associated with recovering their investment in Trojan, paying shareholders a profit on their Trojan investment and cleaning up the Trojan site.

In August, the PUC ruled that a 1978 initiative which says that a utility cannot charge ratepayers for any installation "not presently used for providing utility service to the customer" does not apply because voters only intended to stop utilities from charging for new power facilities while they were being constructed.

"It's important that we challenge this decision," said Bob Jenks, CUB Executive Director. "The initiative which 580,000 Oregonians voted into law is clear and straightforward. The PUC should not be able to rewrite it to allow PGE to charge $1 billion to ratepayers."

PGE Rate Hike *continued from first page*

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CUB Executive Director. "However, in this case, the bulk of the rate hike is targeted towards residential customers, so it is important that residential customers let the PUC know this is not a fair proposal."

Groups joining in the news conference included CUB, OSPIRG, Sierra Club, Oregon State Council of Senior Citizens, Solar Energy Association of Oregon, Multnomah County Democratic Party, Oregon Consumer League, Greenpeace, Peaceworks, Don't Waste Oregon, and Utility Reform Project.

The coalition position on PGE's ratehike proposal is:

PGE is not entitled to a $1 billion reward for closing Trojan, including a $500 million profit for shareholders. PGE wants to keep charging ratepayers for cleaning up the Trojan site, to recover their investment in the plant and to pay their shareholders a profit on their investment in the plant. Ratepayers should not be charged for a facility which does not generate electricity.

PGE should not cut rates to their largest commercial and industrial users, while raising residential rates. By cutting rates to the largest customers, PGE is discouraging them from conserving energy and falsely suggesting that energy is getting cheaper.

Low-use residential customers should not see rate hikes of 15%. PGE is proposing that residential customers as a class see a 7.9% increase, but residential customers who use the least amount of electricity will see increases of up to 15%.

All electric rates in Oregon are affected by PGE's rates through the Bonneville Power Exchange. So, whether or not you are a PGE customer, let the PUC know how you feel about this proposed increase. Write:

Joan Smith, Chair
Public Utility Commission
550 Capitol Street, NE
Salem, OR 97310-1380

Earth Day Energy Fast

Since 1970, April 22 has been celebrated as Earth Day. This year, everyone is urged to participate by cutting back or eliminating energy use during the "Earth Day Energy Fast" for three days — Friday, April 22, through Sunday, the 24th.

To have the greatest impact on energy savings during the fast, here are six recommendations from the national coordinators:

TRANSPORTATION
Use mass transit.

CLIMATE CONTROL
Reduce temperature settings.

LIGHTING
Retrofit with compact fluorescents.

FOOD PREPARATION
Prepare non-cooked meals.

WATER
Conserve.

ELECTRONIC COMMUNICATION
Reduce or eliminate.

These easy individual acts, performed by millions of people nation-wide, add up to an enormous demonstration of collective power.

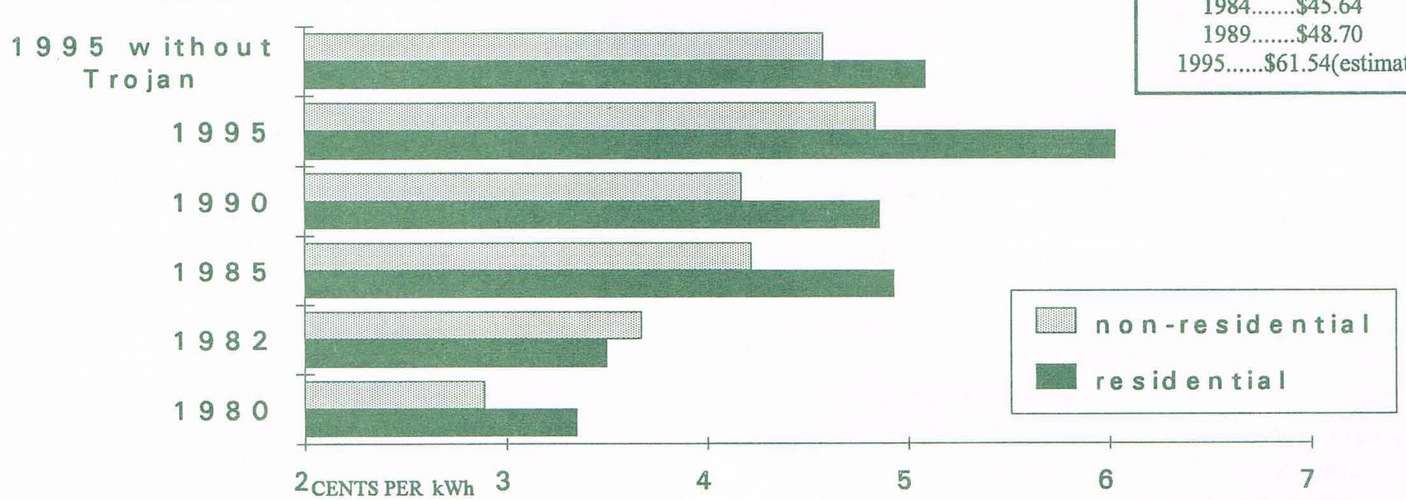
The United States is by far the largest energy consumer in the world — not a proud distinction. It means we have a special obligation to reduce consumption, and we have the opportunity to show that it can be done.

On April 24, watch for opportunities to participate in SUNDAY, to focus national attention on renewable energy resources and energy efficiency.

AVERAGE MONTHLY PGE RESIDENTIAL BILLS

1974	$15.93
1979	$28.38
1984	$45.64
1989	$48.70
1995	$61.54(estimate)

PGE's rates: 1980 - 1995



Natural Gas Risk *continued from first page*

never be built, the potential disruption of the long-term energy supply deserves a careful look. The table below lists the new and proposed gas-fired combustion turbine plants in Oregon as of January 1994.

The effects of this influx of natural gas on Oregon's energy supply include direct costs -- such as fuel price increases, limited supply, and an overbuilt transmission system -- and indirect costs which include greenhouse gases and all the "uncertainties" of environment and human health degradation.

Estimates for the supply of natural gas reserves and resources in the U.S. range from 30 to 80 years. A conservative average is 40 years at the 1990 rate of U.S. consumption.

Real gas prices at the wellhead will rise on average by four to five percent a year for the next twenty years or longer. During the past year, wellhead prices have risen by almost 14%.

Additional pipelines and distribution systems must be constructed to accomodate delivery from the wellhead to the end-user. The costs of expanding the natural gas transportation infrastructure are significant, and represent a long-term commitment to natural gas use.

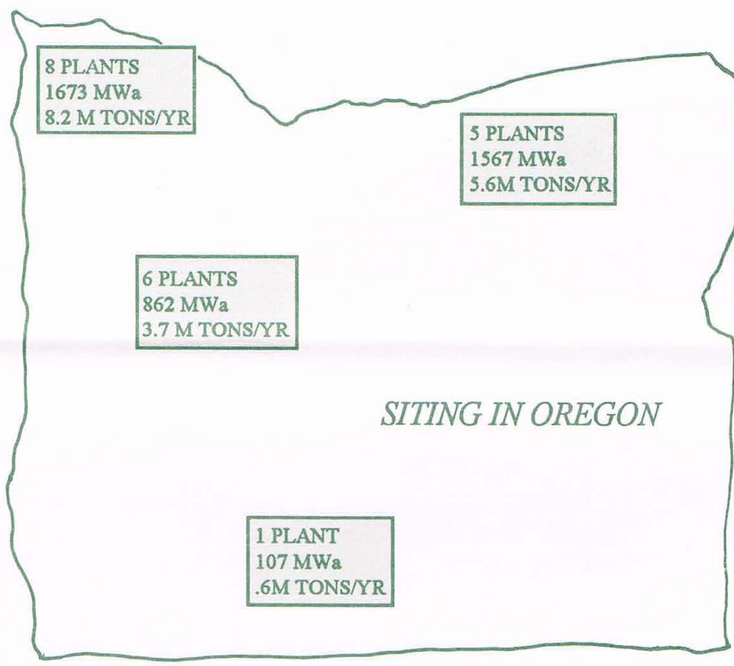
An added cost of fossil fuel generation will likely come in the form of taxes and penalties imposed for emitting greenhouse gases like carbon, sulfur, and nitrous oxides. With increasing international, national, and local attention being paid to global warming, the pressure to impose a carbon dioxide (CO_2) tax is increasing. Both the Oregon Department of Energy and the Cityof Portland have developed goals for reducing CO_2 to 80% of 1988 levels, and to accomplish the feat by 2005.

Global warming is receiving serious study not only from scientists and environmentalists, but by the insurance industry as well. Erratic weather conditions in the U.S. over the past six years have caused more natural disasters than in any previous recorded six-year period; with property insurance liability mounting, and the evidence accumulating that these climate changes have been caused by global warming, the insurance industry may well become a powerful lobby for a CO2 tax to discourage fossil fuel use.

Overall, Oregon's CO_2 output in 1990 was 34 million tons, and from electric generation alone was 4.8 million tons. If all twenty proposed plants are constructed and operate, that CO_2 output will quadruple, increasing by more than 18 million tons. The table of new and proposed gas-fired generation below also shows the amount of CO_2 which would be emitted by each plant.

The CO_2 tax is expected to fall within a range of $10 to $40 per ton. At the median of $25, Oregon's utility tax liability would increase by some $452 million each year.

Assured and proposed new gas-fired plants will be sited mostly in the northeast, northwest, and central western areas of Oregon. Columbia County, which lies just 40 miles north of Portland, could



site as many as eight plants producing 1673 aMW of electricity. The combined CO_2 output there would be 8.2 tons per year. The accompanying map shows the concentrations of intended new plants, with their combined output of power and CO_2.

Fossil fuel use carries substantial risks -- price, supply, transportation, and emissions taxes. None of these risks apply to energy efficiency, a more certain and cost effective resource than any power plant; nor do they apply to renewables, which are essentially "fuel free", and whose costs will diminish rather than increase as will those of fossil fuel generation.

The evidence is quickly accumulating against the short-term fossil fuel answer to the problem of electric supply.

[Excerpted from the draft CUB report, "The North west Power Supply at Risk from Natural Gas Electric Generation", February 1994]

New and Proposed Natural Gas Generation in Oregon, January 1994

Project	MWa	Tons CO2/year	Site/County
Assured construction			
Coyote Springs I	237	853,200	Boardman/Morrow
Hermiston Gen. Proj.	441	1,587,600	Hermiston/Umatilla
Planned Option			
Hermiston Power 1 & 2	435	1,566,000	Hermiston/Umatilla
Coyote Springs 2	237	853,200	Boardman/Morrow
Being considered/negotiated			
Beaver repower	240	1,320,000	Clatskanie/Columbia
Beaver repower	280	1,540,000	Clatskanie/Columbia
Boise Cascade	114	410,400	St. Helens/Columbia
James River W.	75	412,500	Clatskanie/Columbia
Trojan CCCT	198	1,089,000	Trojan/Columbia
Westlink	110	605,000	St. Helens/Columbia
Weyerhauser	95	342,000	Springfield/Lane
Malin/Bonanza	107	588,500	/Klamath
Potential			
Coburg Power	238	856,000	Coburg/Lane
Columbia Cnty Cogen	437	1,573,200	St. Helens/Columbia
OR Generating Proj	240	1,320,000	Brooks/Marion
Pioneer Energy	209	752,400	Newberg/Yamhill
Columbia Co/ARK	220	1,210,000	/Columbia
Willamette/Albany	40	220,000	Albany/Linn
Woodburn NG	40	220,000	Woodburn/Marion
Hermiston Gen.	217	781,200	Hermiston/Umatilla
Totals:	4,210	18,101,000	

HOUSEHOLD ENERGY USE AND YOUR ELECTRIC BILL

Saving energy is something everyone can do. Turning off lights when you're not in the room; lowering the thermostat at night; washing clothes in warm or cold rather than hot water; drying only a full load of clothes; buying energy efficient products such as fluorescent rather than standard light bulbs — these are all "painless" ways to save energy. But can one person really make a difference? Absolutely yes. For example, if you replace a single 75-watt bulb with an 18 watt compact fluorescent lamp, you save the electricity that a typical power plant would make from 770 pounds of coal. Furthermore, that single act will prevent 1600 pounds of carbon dioxide and 18 pounds of sulfur dioxide from being released into the air.

Personal household energy savings not only reduces the number of large polluting power plants needed to produce electricity, it reduces your electricity bill. The chart below shows the typical cost to operate many electric appliances. Products costing less than twenty cents per month — such as vacuum cleaner, toaster, blender, VCR — are not included.

You can determine the actual cost of operating any product by dividing the wattage by 1,000 to find the kilowatt total, multiplying by the number of hours the product is used in a month, and multiplying that figure by the rate per kilowatt hour listed on your electric bill. Remember that some appliances, like the water heater or refrigerator, are "on" continuously, but use electricity only when the elements are working to make heat or cold.

The CUB Guide to Evaluating Your Electric Appliances

Appliance	*Average Wattage*	*Typical cost per use*	*Power on*	*Typical cost per month*
Water heater	4500	$.85/day	continuous	$25.50
Window air conditioner	1340	$.07/hour	3 hours/day	$6.30
Space heater	1500	$.08/hour	2 hours/day	$4.80
Electronic air filter	50	$.06/day	continuous	$1.80
Blanket (queen size)	100	$.02/8 hours	8 hours/day	$0.60
Blow dryer	1000	$.01/15 minutes	15minutes/day	$0.30
Fan, exhaust	200	$.01/hour	1 hour/day	$0.30
Fan, furnace	420	$.15/day	continuous	$4.50
Electric Spa, portable*	1500	$.35/day	continuous	$10.50
Electric Spa, installed*	11000	$.60/day	continuous	$18.00
Hot tub*	11000	$1.20/day	continuous	$36.00
Waterbed (king size)	400	$.19/day	continuous	$5.70
Freezer, frostless	440	$.16/day	continuous	$4.80
Freezer, conventional	341	$.15/day	continuous	$4.50
Refrigerator, frostless	615	$.13/day	continuous	$3.90
Dishwasher	1300	$.20/load	1 load/day	$6.00
Hot water dispenser	750	$.05/1 gallon	.5 gallons/day	$0.75
Microwave oven	1500	$.03/20 minutes	20 minutes/day	$0.90
Oven, conventional	3500	$.07/hour	1 hour/day	$2.10
Oven, self-cleaning**	3500	$.04/hour	1 hour/day	$1.20
Range top, 6-inch	1600	$.08/hour	30 minutes/day	$1.20
Range top, 8-inch	2100	$.09/hour	30 minutes/day	$1.35
Toaster Oven	1200	$.04/hour	30 minutes/day	$1.20
Washer, hot/warm*	512	$.30/load	20 loads/month	$6.00
Washer, warm/cold*	512	$.10/load	20 loads/month	$2.00
Dryer	5500	$.10/load	20 loads/month	$2.00
Light, incandescent	100	$.04/8 hours	8 hours/day	$1.20
Light, fluorescent	44	$.016/8 hours	8 hours/day	$0.48
Light, outdoor sodium	70	$.05/day	12 hours/day	$1.50
TV, solid state color	145	$.01/hour	2 hours/day	$0.60
Computer w/printer	750	.$03/hour	1 hour/day	$0.90

*Products using hot water include cost to heat water.
Clothes washer set for warm wash/cold rinse costs 1/3 of hot wash/warm rinse.
**Self-cleaning oven feature used once a month adds 20 cents.

New CUB Board Members Needed From Every District

This Spring, CUB Board members will be elected from each of the five Oregon congressional districts. The Board of Governors consists of 3 members from each, for a total of 15.

Board members are elected by the CUB membership in their district by mail. The next edition of *The Bear Facts* will contain a mail-in voter's ballot in addition to statements from each candidate.

All CUB members meeting the qualifications listed on the application filing form below are eligible to run for election and serve on the Board.

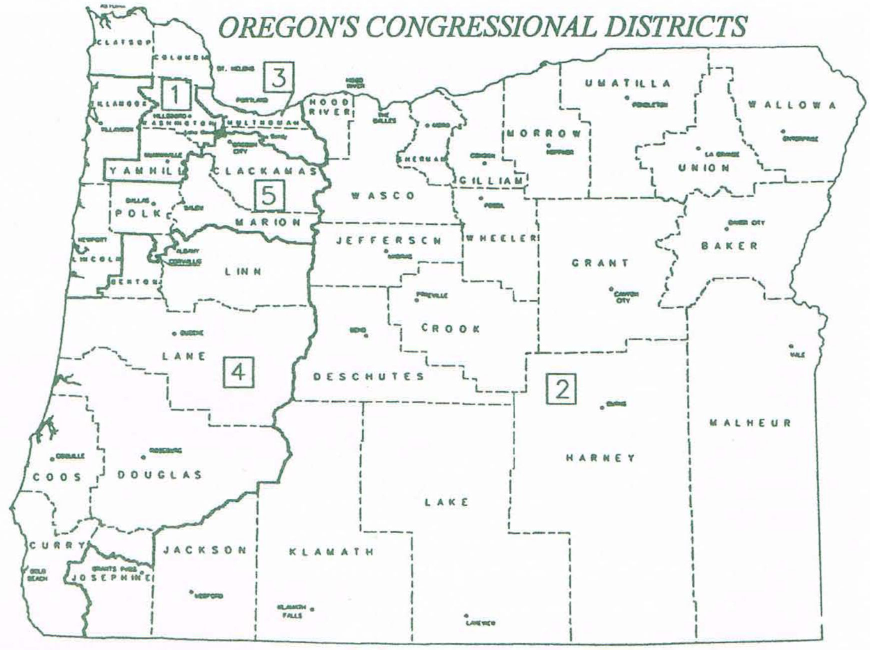
New Board members will begin serving terms up to four years in August.

The CUB Board meets monthly, usually in Portland, in addition to serving on committees and participating in CUB projects and campaigns.

The most important qualities for Board members are a commitment to building CUB, leadership, and the ability to work with others through consensus. Knowledge of utility issues is helpful, but one need not be a utility expert. Rather, the critical ingredient is an interest in working on behalf of Oregon's residential utility ratepayers.

Anyone wishing to serve on the CUB Board of Governors should fill out the accompanying form and send it to the CUB office. Information about CUB can be obtained by calling the office at 227-1984 in Portland.

OOPS! The last issue of *The Bear Facts* contained an article on electric rates which said "For the most part, the region's utilities (including the Bonneville Power Administration) have made minimal investments in conservation." While that is true of most, many public utilities in the region have made those investments and deserve credit for their conservation efforts. We will itemize and discuss those efforts when a future edition of *The Bear Facts* featues an article on utility conservation.



Citizens' Utility Board of Oregon
1994 Filing of Candidacy for Board of Governors

Directions: If you are a CUB member and wish to run for a seat on the CUB Board of Governors, you must submit this form to certify your eligibility for candidacy. Candidate filing forms must be received at the CUB office by 5:00 pm on April 15.

Name of Candidate ______________________________

Residence Address ______________________________

City ______________________ Zip ______________

Congressional District __________

Telephone(s) ______________________________

Mailing address (if different than above) ______________

____

I certify that:

1. I am at least 18 years old, a utility consumer, and a member of the Citizens' Utility Board.
2. I am a resident of the Congressional District stated above,from which I am seeking election to the CUB Board of Governors.
3. I am not employed by a utility which is regulated by the Public Uitlity Commission and which furnishes electric, telephone, gas, or heating service.
4. I do not hold, nor am I a candidate for, elective public office.
5. I am not a state public official.
6. I do not own or control, either singly or together with any immediate family member(s) utility stocks or bonds of a total value in excess of $3,000.

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

Signature of Candidate ______________________________

Date ____________

MAIL COMPLETED APPLICATION TO:
CUB, 921 SW Morrison, Ste 550, Portland, OR 97205

All candidates are invited to submit a 300 word statement giving their qualifications and reasons for running. This statement will be included in a voters' pamphlet to CUB members. Voters' pamphlet statements must be received by April 15.

Citizens' Utility Board of Oregon

CUB Office

921 SW Morrison, Ste. 550
Portland, Oregon 97205
227-1984

CUB CAN'T WORK WITHOUT YOU!

Not a government agency, CUB was created by Oregon's citizens and exists solely due to their support. CUB's members are the ratepayers of Oregon's utilities -- that's most of the state's population. More than likely, that's you!

If you're not yet a CUB member, join. It's easy. Use the enclosed envelope to send your annual membership dues. If you are not financially able to pay for your membership, you are still entitled to join.

All CUB members get the quarterly newspiece, The Bear Facts, and the satisfaction of knowing their support has yielded over $300 million in rate reductions and refunds over the past 10 years.

*And members, to help CUB produce and distribute The Bear Facts, please mail your contribution. Because **utilities bear watching!***

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

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