



Spring, 1999

THE BEAR FACTS

Citizens' Utility Board of Oregon...because the utilities bear watching

Santa's Back Early! Plans to Give over One Billion Dollars of Your Money to Utilities

Where's the Grinch when you need him? Here's what private utilities like US West and PGE/Enron could find in their stockings when the legislature ends:

SB 622 (formerly SB 142): The Biggest Phone Bill You've Ever Seen

Remember Senate Bill 142? It was designed to give US West the \$400 million it owes its ratepayers, as well as an additional \$97 million a year.

Intense pressure from CUB members and others forced the bill's supporters to change the number of the bill to 622. But don't be fooled -- it's worse than ever. SB 622 would:

- ◆ jack up *all* residential phone bills (not just those of US West customers)
- ◆ cut service standards; and
- ◆ allow unlimited profits.

Higher Rates. If the bill passes, residential rates will jump at least 10% -- and possibly over 50%.

Lower Standards. SB 622 replaces current service quality standards with weaker ones for the next four years. After that, there would be no enforceable service standards at all.

Unlimited Profits. Defenders crow about the "price caps" in this bill. It's true, basic local service would be capped - - *after* the price hikes above. Furthermore, a loophole would allow US West to set prices above

the caps. Lastly, the Public Utility Commission (PUC) would have no authority to accept, reject or investigate prices.



HB 3220: The Trojan Tax

Enron/PGE is charging ratepayers a profit on Trojan nuclear power plant (closed since 1992). CUB says that's illegal, under a law approved by Oregon voters in 1978. Last year, the Oregon Court of Appeals agreed. Now Enron/PGE is pushing House Bill 3220, which erases the 1978 law -- retroactively. At stake is \$304 million. Unfortunately, this bill has been sent to the Governor for his signature.

The PUC argues that PGE needed an incentive to close Trojan. Only problem is, PGE was forced to close Trojan *before* the

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Energy Bill Moving Ahead

CUB's electric restructuring plan, the Fair & Clean Energy Plan, is now part of Senate Bill 1149. Our plan protects residential customers of private utilities like PGE and Pacific Power from the competitive market, assures them access to low-cost Northwest hydropower, and gives them the option of purchasing clean, renewable

energy. It also requires utilities to invest in energy efficiency programs and contains Universal Service protections for low-income households.

Call your State Representative and urge him or her to vote yes on SB 1149. For more information on CUB's plan, see the Fall, 1998 issue of *The Bear Facts*.



From the Executive Director

Dear CUB Members,

I want to thank all of you who wrote or called the legislature about the utility-sponsored bills to raise rates. Not only do your letters send a powerful message to legislators, but it helps me when I'm in Salem to know that I have so many people behind me.

Though the legislature is winding down, there's still time to make your voices heard. I urge you to contact the Governor's office about them, even if you've contacted your representatives. Because time is short, it's best to call if you can.

SB 622, US West deregulation. If this passes the House (and it may not), US West wants to negotiate a compromise with Governor Kitzhaber. Urge him to oppose it if it raises your phone bill.

HB 3220, PGE's Trojan Tax. Ask the Governor not to support a bill that will cost ratepayers more than \$300 million.

HB 2579, the Yellow Pages Giveaway. This bill will cost ratepayers \$72 million per year. We've bottled it up in committee, but it could reappear in the final days of the session. Call the Governor - ask for a veto.

SB 1149, Energy Restructuring. This bill contains CUB's Fair and Clean Energy plan and is a positive step forward. Call the Governor and urge him to support this one.

His phone number is (503)378-3111; fax is (503) 378-4863. You can write him at 254 State Capitol, Salem, OR 97310.

Again, I want to thank you for your grassroots efforts. It's clearly made a difference and has been exciting to watch.

**Because
utilities
bear
watching**



Bob Jenks
CUB Member

THE BEAR FACTS is the quarterly newsletter of the Citizens' Utility Board of Oregon (CUB).

CUB is:

- a non-profit organization established by Oregon voters to advocate on behalf of Oregon's utility ratepayers.
- governed by a Board of Governors from throughout Oregon, elected by Congressional District.
- a member of the National Association of State Utility Consumer Advocates (NASUCA) and the Consumer Federation of America (CFA).

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Help Fight Utility Shenanigans

CUB Seeks Candidates for Board of Governors

Want to help CUB:

- ✎ fight corporate greed?
- ✎ pressure utilities to make responsible environmental decisions?
- ✎ protect the rights of residential consumers?

Here's your chance.

CUB is recruiting candidates from all five congressional districts to run for its Board of Governors.

Board terms last four years;

terms will begin at the end of the calendar year. The Board meets monthly, usually in Portland (though members can participate by phone). Members must attend at least 8 meetings every year (either in person or by phone), and be available for phone consultation.

Members should be prepared to donate at least 8-1/2 hours of time each month, distributed approximately as follows:

- 2-1/2 hours - Board meetings

- 2 hours - Preparation/reading for Board meetings
- 2 hours - Additional background material

More time may be required for committee meetings, special events, etc.

Interested? Fill out the form below and mail it back to us by August 2, 1999. Members will vote when the next issue of *The Bear Facts* is mailed.

Declaration of Candidacy

Directions: In order to run for the CUB Board of Governors, you must fill out this form to certify that you are eligible to run. All candidates are invited to submit a typed statement (300 words, max.), giving their qualifications and reasons for running. Your statement will be included in the next newsletter mailed to CUB members. Mail or deliver completed applications and statements to: CUB, 921 SW Morrison, #511, Portland, OR 97205, by **5:00 pm on August 2, 1999.**

Name of Candidate _____

Residence Address _____

City _____ Zip _____

Telephone _____ E-mail _____ Congressional District (1-5) _____

Don't know your Congressional District? Check with your County Elections Commission.

Mailing address (if different from above) _____

I certify that:

1. I am at least 18 years old, I am a utility consumer, and I am a member of CUB.
2. I am a resident of the Oregon Congressional District listed above, from which I am seeking election to the CUB Board of Governors.
3. I am not employed by a utility regulated by the Oregon Public Utility Commission that furnishes electric, telephone, gas, or heating service.
4. I do not hold elective public office and am not a candidate for any.
5. I am not a state public official.
6. I do not own or control, either singly or together with any immediate family member, utility stocks or bonds of a total value in excess of \$3,000.

Want More Info?

Call Bob Jenks

503-227-1984

Signature of Candidate _____ Date _____

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.

CUB Thanks Its Loyal Members

CUB receives **no** state funding and depends on its members for 80% of its operating budget. Space doesn't permit us to list all those who contributed between February 5, 1999 and June 4, 1999, but we would like to single out the following members for special recognition:

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(monthly donations)

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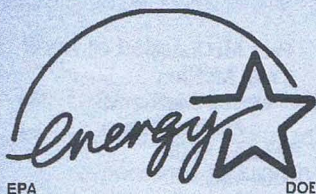


If you have provided for CUB in your estate plans, please let us know. If not, let us show you how. Write Bob Jenks,

Executive Director, CUB, 921 SW Morrison, #511, Portland, OR 97205, or call (503) 227-1984.

Your gifts ensure that CUB will always be around to fight for what you believe in.

Consumer Tip: Energy Star Labels Save Money, Energy, and the Planet



Two months ago, my refrigerator and dryer broke down in the same week. Before I bought replacements, I researched the energy use of every appliance I

looked at.

Since then, my electric bill has gone down about \$10 per month. While the new appliances cost a little bit more than some others I looked at, the money I save on my power bill over the next couple years will more than make up the difference.

Because my new

appliances use less energy, they also pollute less. According to figures from the state Office of Energy, over the next decade I'll cut my personal production of NO_x by 42 pounds, SO₂ by 43 pounds, and carbon dioxide (a major factor in global warming) by over 20,000 pounds.

— Bob Jenks

You don't have to be an energy expert like Bob (see box at left) to achieve savings on your energy bill. Just look for the ENERGY STAR label (see illustration).

The ENERGY STAR is given by the US Environmental Protection Agency and the US Department of Energy to products that exceed federal energy efficiency standards. By purchasing energy efficient products, the average Oregon household can reduce its yearly energy bill by more than \$200.

This savings also protects the environment. For example, more than one-third of Oregon's electricity comes from coal. Using less energy = less coal burned = less air pollution.

Many energy efficient appliances are also eligible for a state tax credit. The CUB Educational Fund (CEF) is working on a guide to buying energy efficient appliances to explain the ENERGY STAR program and the state tax credit. If you're interested, send a SASE to CEF Energy Guide, CUB Educational Fund, 921 SW Morrison, #511, Portland, OR 97205.

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Santa: CUB to Steal Utility Christmas

Continued from p. 1

PUC agreed that it could collect profits on the closed plant. Worse, this bill sets a dangerous precedent: it removes the incentive utilities have to build safe, cost-effective plants.

Here's two more bills that are dormant as we go to press. They could be revived at any time:

HB 2579: Yellow Pages Giveaway

Development of the Yellow Pages was paid for by the captive customers of phone company monopolies like GTE and US West. Once advertising made the Yellow Pages profitable, the profits were split between the phone company and

its customers. House Bill 2579 gives away your share of this revenue — for free. Monthly phone bills for GTE customers would increase by over \$2; US West customers would see theirs rise by about \$3.50. Over five years, that's a windfall of \$370 million for US West alone.

HB 3615: Revenge on the Regulators

In 1986, CUB worked to pass a ballot measure that created the current, 3-person PUC. Legislators, however, are concerned that the PUC is doing its job -- protecting customers -- too well. House Bill 3615 is designed to remove the

current commissioners in favor of 5 replacements approved by pro-corporate lawmakers. In addition, it would de-fang the PUC by stripping commissioners of their staff, leaving them unable to protect customers from unfair rate increases and service quality problems. The potential cost is incalculable.



Merger Mania

US West Goes "Global" -- But Why?

Last month, US West announced that it will merge with Global Crossing, a small company based in Bermuda that specializes in international fiber optic lines. Global Crossing was founded fewer than 3 years ago.

CUB is skeptical that there is any benefit for US West customers. US West describes the deal as a merger of "equals."

But a glance at the chart below shows this is untrue.

Given its serious service quality problems, US West should invest in its basic phone network. Instead, this deal seems to be about raiding its revenues to invest around the globe. In other words, US West service could be about to get a whole lot worse.

	Employees (#)	1998 Profits
US West	54,000	+\$1.5 billion
Global Crossing	200	-\$135 million

PacifiCorp Merger Offers Little

In December, ScottishPower proposed to merge with PacifiCorp, Oregon's second largest electric utility.

Is it a good idea? Probably not.

In its favor, ScottishPower has offered to increase spending on energy efficiency, renewable energy sources, and service quality if the merger is approved. Yet it has refused to provide any evidence to CUB staff that electric rates will be lower.

In fact, ScottishPower officials recently admitted that they plan to ask for rate *increases* after the merger is approved. However, they still refuse to discuss details.

Unless ScottishPower shows that rates will be lower after the merger, CUB believes the Public Utility Commission (PUC) should reject it.

CUB Blasts "Number Portability" Fee

This month, US West, GTE, and other Oregon phone companies added a fee to customers' monthly bills. The new charge is designed to cover the costs of making "number portability" possible.

Number portability means you get to keep your phone number if you switch local phone companies. (It doesn't apply if you're moving to a new residence.)

The problem is, US West is already overcharging

its customers. The Public Utility Commission (PUC) has ruled that its rates should be cut by \$97 million per year. Under the circumstances, the 54¢ monthly fee is unfair.

"US West's rates are already too high," says Bob Jenks, CUB's Executive Director. "A company that's overcharging customers has no business adding additional fees." CUB will work to get the company to eliminate this charge.

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