Fifteen Years
CUB
Spring, 2000
THE BEAR FACTS
Citizens' Utility Board of Oregon...because the utilities bear watching

# Pacific Power Still Wants 13% Hike

## *Backs Down from 18.6% after CUB Action*

After a first-round battle with CUB, Pacific Power has backed down from its request for an 18.6% rate hike for residential customers. If approved, it would have been the largest hike in residential rates made by an Oregon power company in the past decade.

But it still wants a staggering 13% jump in residential rates.

Last November, ScottishPower, which owns Pacific Power, asked the Public Utility Commission (PUC) to allow a rate hike of 13% this year, and 5.6% in 2001 for a total rate hike of nearly 19 percent.

CUB adamantly opposed the hike. When the PUC held public hearings on the rate hike in Portland, Bend, and Klamath Falls, outraged CUB members turned out in force to blast the company's proposal.

The company's request flagrantly violated a previous agreement between PacifiCorp and its customers — rate case UE 94. UE 94 states that PacifiCorp cannot raise the price it charges to distribute its electricity more than 2% a year, and no more than 5% between 1998 and 2001. Yet it was asking the PUC to approve an increase of over $90 million dollars, or 48%. (You're billed for the cost of generating and transmitting electricity, as well as distributing it.)

So CUB asked the PUC to dismiss the entire rate case because it violated UE 94. You can find our motion on our web site at www.oregoncub.org/teeth/teeth/shtml.

On February 14, the PUC ruled in favor of CUB -- but allowed Pacific Power to amend its rate case. The company did so, proposing a 13% hike.

It also continues to base its request on its performance in 1998 -- the worst financial year in the company's recent history. The problem isn't that they're undercharging -- it's poor management.

We have many months of negotiations ahead of us. CUB will be fighting hard for you.

But you can help. Tell the PUC what you think of the rate hike. Write ATTN: UE 111 Hearings Officer, Public Utility Commission, 550 Capitol St. NE, Ste. 215, Salem, OR 97301.

# US West Refund Coming

It's finally here! US West's residential customers will probably see a refund of about $100 per phone line coming their way in May or June.

The bad news is that US West really owes each residential customer about $200 per line. But the staff of the Public Utility Commission bargained half of the refund away in settlement negotiations with US West.

The refund is the result of a PUC decision that US West was overcharging customers. When US West rejected that decision, the PUC sued, and CUB joined the lawsuit. US West tried to block CUB's intervention, but the Court of Appeals ruled in CUB's favor.

The PUC hasn't issued its final ruling on the case as we go to press, so the exact amount of the refund -- and its timing -- are uncertain.

But whatever the details, all we can say is, "It's about time, US West!"

# From the Executive Director

Dear CUB Members,

April marks the 30th anniversary of Earth Day. Ironically, we now face a global problem we didn't know about in 1970: climate change. World temperatures are rising much faster than they have at any time in the last 10,000 years -- mostly because we burn fossil fuels like coal, oil, and natural gas. Unless we reverse the trend, changing temperatures will transform our climate system and produce:

- increasingly severe floods and droughts
- threats to our food supply
- increased shore erosion and rising sea levels
- damage to forest ecosystems

Addressing climate change will have a dramatic impact on electricity consumers. But here are two things we can do that will help:

**1. Reduce our personal contribution to global climate change.** We need to weatherize our homes, choose compact fluorescent lighting, and replace worn-out appliances and furnaces with energy-efficient models. (See p. 3 for more information.)

**2. Boost renewable energy.** When burned, fossil fuels produce $CO_2$ and other gases that contribute to global climate change. "Renewable" sources like the sun, the wind, and geothermal sources don't. (Neither does hydroelectric power, but it has other negative effects.) If we're to make these renewable fuel sources affordable, we need to jump-start research and development by demonstrating that there's a demand for them. Participating in PGE & Pacific Power's "green" power programs is a great way to help.

It's all part of creating a brighter future for ourselves and our children.

Bob Jenks
Executive Director & CUB Charter Member



**THE BEAR FACTS** is the quarterly newsletter of CUB and the CUB Educational Fund.

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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# Save Money and Fight Climate Change
## *Energy Star Appliances are Key*

To stop climate change, we'll all have to work together to cut our household production of the gases that contribute to it, especially carbon dioxide ($CO_2$). You may not think of yourself as producing much $CO_2$, but your clothes washer, for example, can produce as much as 950 lbs of $CO_2$ each year! A comparable energy-efficient model could produce as little as 240 lbs a year.

In fact, replacing your old appliances with new, energy-efficient ones is one of the best ways to fight climate change. You can find them easily if you look for the ENERGY STAR label.

The Eric Shaich Memorial Fund underwrote research into several common energy-efficient product, listed below. Shaich Fund Intern Jed Jorgensen reports:

*Look for this label when shopping for appliances.*

In most cases the Energy Star models initially cost more than the standard. However, many are eligible for a state tax credit that can reduce the price difference greatly. And, over ten years, the cost of the ENERGY STAR appliances often works out to $100 *less* than the standard models, and sometimes the savings is even greater.

All comparisons (shown in the chart below) were made on models of similar design and features at several major appliance stores. To find models eligible for a state tax credit ask your retailer, or call the Oregon Office of Energy at 800-221-8035.

### *Dishwashers*

Dishwashers are rated by the amount of power they need to run and heat the water they need to operate. Keep an eye out for water-saver models. You can also save energy by air-drying your dishes.

### *Refrigerators*

Refrigerators with the freezer on the top or bottom are more efficient than side-by-side models. However, built-in icemakers and water dispensers burn extra energy. Whatever you choose, though, make sure you get the ENERGY STAR version. Doing so can knock a ton of $CO_2$ out of the atmosphere.

### *Washing Machines*

If possible, purchase a front-loading model. These washers save much more water and energy than top-loading machines.

### *Light Bulbs*

Compact fluorescent lamps (CFLs) are more energy-efficient than incandescent bulbs, and generally last six to 10 times longer. These bulbs cost more than their counterparts (and there are no tax credits), but they pay for themselves in energy savings over their lifetime. They also come in a variety of sizes.

We found a 20-watt CFL that produces as much light as a normal 90-watt bulb and lasts 60 times longer! That means you save energy, money, *and* the environment.

| | **Dishwashers** | | | | **Refrigerators** | | | | **Washers** | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Brand | Whirlpool | Whirlpool | Frigidaire | Frigidaire | Whirlpool | Whirlpool | Maytag | Maytag | Whirlpool | Whirlpool | Kenmore | Kenmore |
| | standard | E. Star | standard | E. Star | standard | E. Star | standard | E. Star | standard | E. Star | standard | E. Star |
| | | | | | | | | | | | | Front Loader |
| Fuel Cost over 10 yrs ($) | $444 | $353 | $405 | $334 | $679 | $516 | $432 | $332 | $665 | $288 | $632 | $167 |
| Purchase Price ($) | $300 | $370 | $188 | $238 | $1,299 | $1,500 | $770 | $900 | $351 | $576 | $470 | $700 |
| OR Tax Credit ($) | | $50 | | $70 | | $115 | | $80 | | $120 | | $190 |
| **10-year cost ($)** | $744 | **$673** | $593 | **$502** | $1,979 | **$1,901** | $1,202 | **$1,152** | $1,017 | **$744** | $1,102 | **$677** |
| 10-year energy use (kWh) | 6,880 | 5,470 | 6,280 | 5,180 | 10,220 | 7,770 | 6,700 | 5,150 | 10,320 | 4,470 | 9,800 | 2,590 |
| **Energy Savings (kWh)** | | **1,410** | | **1,100** | | **2,450** | | **1,550** | | **5,850** | | **7,210** |
| **CO(2) savings (lbs)** | | **1,299** | | **1,013** | | **2,286** | | **1,428** | | **5,392** | | **6,645** |

## For More Information:

**Oregon Energy Line**
(800) 457-9394

**Oregon Office of Energy**
(800) 221-8035
and 378-4040 in Salem

**Consumer Federation of America Foundation**
www.buyenergyefficient.org

# 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 November 10, 1999 and March 8, 2000, but we would like to single out the following members for special recognition:*

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## Keep CUB Prowling

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.

# Will Oregonians Foot the Bill when US West Beefs Up Service Quality in Washington?

US West claims that Senate Bill 622, passed last summer, requires that Oregon's phone service standards be weakened. Never mind that lawmakers and company representatives testified that the bill would *strengthen* service quality standards. If US West gets its way, then Oregonians could soon be paying to improve service quality for their neighbors up north.

How does that work?

US West is currently merging with Qwest Communications. Washington State approved the merger in exchange for substantial investments by US West to improve service quality in Washington.

But where does that money come from? Is US West going to take money away from its bottom line? We doubt it. More likely, it'll shift money from Oregon (and other states where it doesn't have to make any concessions to merge with Qwest) and put it into Washington's network.

Oregon can't strike a deal like Washington's. Our legislature has never given our PUC the authority to approve telecommunications mergers. (Though it can approve mergers between power companies.)

We think US West wants to weaken Oregon's service quality standards so it can invest less money here and put the difference into Washington's network.

Outraged? Urge the PUC to keep our service quality standards strong! Call them at 800-522-2404 or write the PUC at 550 Capitol St. NE, Ste. 215, Salem, OR 97301. If your legislators voted for SB 622 (call us or check our website at www.oregoncub.org/claws/claws.shtml to find out), let them know that you want Oregon's phone quality standards to stay tough.

# Leave a Legacy

CUB and the CUB Educational Fund are pleased to announce their participation in the Leave a Legacy program. It's a community-wide effort to educate people from all walks of life about the importance of making a charitable bequest in their wills to the charities of their choice.

LEAVE A LEGACY

Everyone -- donors, their heirs, and the communities charities serve -- can benefit from bequests. Such gifts can cut estate taxes -- and leave a lasting legacy in the community. We encourage you to consult with your attorney, accountant or financial advisor to determine the type of gift right for you.

To ensure that your gift reverts to CUB, we suggest the following wording in your will or any trust document: "I devise to Citizens' Utility Board of Oregon, an Oregon Non-Profit Corporation, the sum of $ ___ (or a % of the Estate), to be used for carrying out its mission." Our legal title is Citizens' Utility Board of Oregon, Inc., and our tax ID# is 93-0888912. Or you can make your gift to the CUB Educational Fund, which is also an Oregon non-profit corporation. Its tax ID# is 93-0921617.

For more information about Leave a Legacy, or how you can include CUB in your estate plan, contact Bob Jenks at 503-227-1984 or at cub@teleport.com.

## *Clean Wind & Salmon-Friendly Power -- How Clean & Friendly?*

Portland General Electric (PGE) recently launched a program that allows residential customers to have a portion of their power supplied by wind projects or by salmon-friendly hydropower. Pacific Power will offer a similar program in April.

Is this just another way for them to make a profit? No. Neither PGE nor Pacific Power will make any profit on these projects.

For $5.00 a month, PGE customers can buy a "block" of 100kWh (about 10% of a typical customer's monthly energy use). These blocks buy "Clean Wind" or "Salmon-Friendly" power.

About half of the money covers marketing and the higher cost of generating wind and salmon-friendly power. The other half buys new wind power or goes to salmon habitat restoration projects in the Northwest.

# CUB Wins $46.2 Million Battle with Pacific Power

## PUC Decision Sets Crucial Precedent

CUB won a big victory for customers in February -- thanks to a smart decision by the Oregon Public Utility Commission (PUC). The PUC ruled that Pacific Power had to give customers 95% of the $46.2 million in profits the company is expected to make on the sale of its Centralia-based power plant.

Historically, the cost of building any power plant like Centralia has been charged to customers, plus interest, over the expected life of the plant. Because of the compound interest, customers pay more for their energy than the market rate in the early years of the plant's operation. In later years, they pay a lot less.

However, Centralia is being sold off in the middle of its lifespan. That means that customers won't get the cheap power they paid for.

Since customers paid for building Centralia, CUB argued that customers should get 95% of the profit from selling it. The company wanted to give customers only 64% of the profits -- a difference of about $14.3 million. But the PUC agreed with CUB.

This is a crucial decision. As energy companies deregulate, this situation is going to repeat itself. The PUC's decision ensures that Oregon's power customers will reap the benefits of their own investments.

# Wish List

Please call Bob Jenks at 227-1984 if you can make a tax-deductible, in-kind contribution of any of the following to the CUB Educational Fund:

- recycled-content copy paper
- photocopier
- PC computers (486 or better), or compatible peripherals
- Adobe Photoshop and Adobe PageMaker 6.5 or better (PC-compatible)

# CUB Sides with Portland Against AT&T

AT&T wants to become a monopoly again -- this time as a cable provider. Why? Households will soon be able to receive internet access at blisteringly high speeds via cable networks. This ultra-high-speed access is usually referred to as "cable broadband."

AT&T wants to be the only company through which customers can gain access to programming. Right now, access to the internet is available from lots of different companies -- but if AT&T gets its way, it could soon be the only credible provider of access for high-speed internet access.

However, the City of Portland has control over the cable franchise. It told AT&T that it would have to open its cable network to independent internet access providers. AT&T took the City of Portland to court. CUB has filed an *amicus* brief supporting the City's position.

The Bear Facts is printed with soy-based ink on 50/35 recycled paper.

Fifteen Years

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