



The Bear Facts

Citizens' Utility Board of Oregon

PGE Trifecta of Cases

CUB is challenging attempts by Portland General Electric to overcharge customers for the electrical power they deliver to our homes, in three cases at the Public Utility Commission.

Boardman Power Plant

The first case is UE 192, regarding the forecasting of costs associated with PGE's Boardman coal-fired power plant. This plant was out of service for approximately 8 months in 2005-2006 due to problems on the gas turbine and the plant operated poorly the rest of those two years. The question in this docket is how many days we forecast the plant to be operational next year.

Traditionally, we have looked at the last 4 years of normal operation as a predictor of the next year's performance. A forecast based on 2005-2006 (as PGE proposes) would predict larger numbers of days off-line for the plant in 2008 than normal, which would require PGE to purchase more power in the market for about 6 cents per kwh (as opposed to the 1.5 cent cost of Boardman power), resulting in higher rates for customers. Because PGE negotiates power contracts on the open market, the exact costs at issue here are confidential, but we believe that using the years 2005 and 2006 in creating the Boardman forecast would increase rates by several million dollars in 2008.

CUB thinks it's pretty clear that 2005 and 2006 were unusual years, and, assuming the plant is back to normal operations, as the company claims, shouldn't be repeated. We are suggesting that the years 2001 through 2004 make a better 4-year average of the plant's expected operation under normal conditions. PGE calls CUB's recommended change in the 4-year average "arbitrary"; we call it just good sense. If you are going to predict for normal operations, you don't

base those predictions on very abnormal circumstances.

Biglow Canyon Wind Farm

The second case is UE 188, regarding the future rates of Biglow Canyon Wind Farm, currently under construction. PGE has asked that a charge to cover the cost of the wind farm be added to

bills starting in January 2008. This is a reasonable request and CUB has not challenged it. However, PGE is also asking that the Biglow charge continue unchanged into 2009, and that we *are* fighting, because we think to do so would overcharge customers.

In order to account for two factors, more customers and depreciation, we think the surcharge for Biglow should go down on individual households' bills in 2009.

Go to page 4 for a scorecard of how your State Representative and Senator voted in the 2007 session on the issues that matter to consumers.

Port Westward Gas Plant

Port Westward is PGE's brand new gas-fired electricity generation plant, completed and added to rates in June. Because the rate case that approved Port Westward costs came months before the plant was completed, CUB got the PUC to add a provision to that rate case allowing us to reexamine PGE's forecast of costs if Port Westward was delayed. The completion of Port Westward was delayed several months, providing us a chance to look at PGE's costs. Since those rates were set, the state tax rate charged to PGE has gone down. PGE's 2007 power costs have come in lower than expected. Finally, Port Westward construction cost less than forecasted.

CUB has asked the Commission to update these costs, so that the charge for Port Westward reflects these lower tax and operating costs. If the Commission agrees to revisit these costs there should be a retroactive credit going back to June for customers.

From The Executive Director

Since our last newsletter, two important members of the CUB family have passed away.

First, we lost Doug Still, a CUB Board member from Cottage Grove. Doug was a passionate activist who accomplished a great deal. He was a founder and long-time Board member of Emerald PUD, one of the most innovative publicly owned utilities in the country. He was an early advocate of solar energy and renewables. But Doug's important work was not limited to energy issues. He was a minister. He founded a community mental health center. He spent several decades working for social justice, doing community organizing with Cesar Chavez and Saul Alinsky, and going to jail after a demonstration led by Dr. Martin Luther King, Jr. (For more on Doug, go to http://oregoncub.org/archives/2007/07/doug_still.php)

More recently we lost John Glascock, a former CUB Board member and a great energy activist. After his retirement, John became a vital advocate for seniors and energy issues with AARP and CUB. He alone collected more than 1000 signatures on our referendum petition to stop PGE from charging customers a profit on the closed Trojan nuclear power plant in 1999. (For more information on John, go to http://oregoncub.org/archives/2007/09/john_glascock_1.php)

Both Doug and John were there in 1999 when Oregon rejected Enron's electric deregulation scheme and instead the legislature established our current energy policy. In 1999, Doug was with Emerald PUD, John was with AARP, and I was here at CUB. The three of us came together regularly as part of the Fair and Clean Energy Coalition, which was established to oppose Enron and advocate for energy policy that protected customers, invested in energy efficiency and renewables and protected low-income Oregonians. The policy we advocated passed. Doug's and John's contribution to that effort was immense.

Both went on to serve on the CUB Board of Governors where they gave significant leadership and support to our work. At CUB they were part of our family. We are proud of the contribution they made to Oregon. Both of them will be sorely missed.



Bob Jenks
Executive Director & CUB Charter Member



The Bear Facts is the periodic newsletter of CUB and the CUB Educational Fund.

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CUB's board meets 8 times per year.

CUB

610 SW Broadway, Suite 308
Portland, OR 97205
(503) 227-1984 (phone)
(503) 274-2956 (fax)
cub@oregoncub.org
www.oregoncub.org

CUB is a member of the National Association of State Utility Consumer Advocates (NASUCA) and the Consumer Federation of America (CFA).

NOTICE

CUB's Board of Governors is elected by CUB members. To find out more about serving on the CUB board and the election process, you can go to the CUB website at www.oregoncub.org and click on About CUB and follow the links from there. A candidate filing form, along with an election schedule and complete rules, is available at the website. A form and additional information can also be requested via postal mail by calling CUB at 503-227-1984.

Notice Date: 29 September 2007

2007 Legislative Session Wrap-Up

Sometimes when you say, "You're either for us or agin' us," you might be exaggerating. Other times, that really does sort of seem to sum up the situation. In this, our first Bear Facts summary of the CUB accomplishments of the 2007 Legislative Session, with accompanying voting chart showing the way legislators voted on energy and utility issues, we found an unusual pattern in the Oregon Senate. Most (77%) of Oregon State Senators were either with us 100% of the time in the voting record, or against us with a 0% CUB voting record. There were a few Senators who didn't follow the pattern, but there was definitely a pattern to be broken.

In the Oregon House, our voting chart shows more mixed results, but still shows that more than half of the House (31 Representatives) voted with customers' interests 100% of the time. No Oregon House member had a 0% score on the CUB voting chart. This is perhaps one of the indications of what a strong session it was, along with our ability to play offense down at the Capitol, rather than simply defense. In the process, we managed to pass some important legislation that will pay big dividends in the future for both customers and the environment.

Here is a short synopsis of the bills CUB was actively involved with. Following is the CUB voting chart indicating our elected representatives' performance in supporting clean energy, public power options, global warming action, low-income assistance and other important bills for utility consumers.

Energy

SB 461: Passed and signed into law. Increases the Oregon Energy Assistance Program from \$10 million to \$15 million per year (indexed to load and residential customer growth), helping many more Oregonians pay their electric bill. This helps all consumers because keeping ratepayers connected to the system, rather than being disconnected and reconnected, lowers costs for everybody.

SB 838: Passed and signed into law. The Oregon Renewable Energy Act requires that 25% of the state's energy needs be met from renewable resources by 2025. Allows smaller utilities to meet a lower standard, but requires every utility to integrate renewable energy into future planning to meet future energy needs. In addition, the bill also allows for additional energy efficiency measures above the 3% public purpose charge already dedicated to energy conservation. Since efficiency is the lowest-cost way to acquire energy, this is a big step forward. Finally, the bill also extended the public purpose charge (which currently funds

renewable and energy efficiency projects through the Energy Trust of Oregon) to 2025, beyond the former sunset of 2012. This demonstrates Oregon's continued commitment to a clean energy future and will help to stabilize the electrical system as a whole.

HB 2620: Passed and signed into law. Requires that 1.5 percent of most new public building construction be dedicated to including solar as part of the design.

SB 375: Passed and signed into law. Increases energy efficiency standards for certain named appliances. As a companion to the groundbreaking bill CUB helped pass last session, the 2007 bill added energy-saving standards for more appliances. The bill also allows the state Department of Energy to align Oregon standards with other standards adopted by other states.

HB 2211 and HB 2212 (included in HB 3201): Passed and signed into law. Originally HB 2211 increased the state Business Energy Tax Credit and HB 2212 increased the Residential Energy Tax Credit to provide additional incentives for using renewable energy in homes and businesses around the state. The Business Energy Tax Credit was also amended so that homebuilders could get a tax credit for including renewable energy systems in homes they were building and selling. Both bills became a part of an omnibus tax credit bill, HB 3201, which gained legislative approval and the governor's signature.

SB 994: Passed but vetoed by the Governor because of the diversion of public purpose funds. At the last minute, the Ways and Means Committee attempted to divert ratepayer public purpose funds dedicated to energy conservation and renewable energy resources (to pay down a debt owed by the Oregon Museum of Science & Industry). While CUB did not have an objection to helping OMSI, using dedicated ratepayer funds was inappropriate. After much grassroots lobbying and negotiation, the Governor ultimately issued a line-item veto of the diversion. (Note: Because SB 994 was a broad bill that included dozens of issues, we did not include it in our voting chart. Many legislators voted for or against it for reasons that had nothing to do with energy policy.)

Global Warming

HB 3543: Passed and signed into law. Created the Oregon Global Warming Commission to coordinate state policy development on addressing the long term implications of global warming and climate change. The bill also created the Climate Change Research Institute within the Oregon System of Higher Education and established goals for the reduction of carbon emissions. The bill will be a cornerstone for future global warming policy proposals.

Telecommunications

HB 2621: Died in committee. This bill was pushed by Qwest and would have deregulated the telecommunications industry in Oregon. While the bill also provided some additional consumer protections, CUB determined that the trade-off was

not good enough for consumers. Although Qwest worked very hard to move this bill forward, CUB — along with a range of other interest groups — managed to forestall the effort. Qwest will likely be back for another try.

Consumer Protection/Public Power

SB 443: Passed and signed into law. Provides for the possible creation of Oregon Community Power, a public entity that could purchase a current private utility if the utility was for sale and the customers and municipalities in the utility's service territory believed it would be in the customers' interest to bring the utility into public ownership. This bill was similar to another bill from the 2005 session, which CUB helped write but ended up opposing because of a provision that would have limited the benefits of the federal hydropower system to the new utility and raised customers' rates. This bill adequately addressed those concerns. This provides an alternative path to public ownership which would have been handy when Texas Pacific Group was trying to buy PGE. Consumers now have another way to protect themselves if they believe a potential purchase of an Oregon utility would not be in their best interest.

Overview

CUB is very happy with the overall successes of this Session, and hopes to extend and sustain our victories as we move forward. The Legislature has planned a month-long special session in February 2008 as part of an experiment to explore moving toward annual sessions. CUB will be on hand in February to move forward the next items on our list, and, as always, we'll need the help of our members to win more victories and turn aside anti-consumer proposals.

But for now, we thank you for your support in the 2007 session and know that we can all claim a part of a history-making session. Thanks, CUB members!

	Score	HB 3543	HB 2876	HB 2620	SB 461	SB 443	SB 375	SB 838
Sen. Jason Atkinson (R-Jacksonville)	83%	+		+	-	+	+	+
Sen. Brad Avakian (D-Portland)	100%	+		+	+	+	+	+
Sen. Alan Bates (D-Ashland)	100%	+		+	+	+	+	+
Sen. Roger Beyer (R-Molalla)	0%	-		-	-	-	-	-
Sen. Kate Brown (D-Portland)	100%	+		+	+	+	+	+
Sen. Ginny Burdick (D-Portland)	100%	+		+	+	+	+	+
Sen. Margaret Carter (D-Portland)	100%	+		+	+	+	+	+
Sen. Peter Courtney (D-Salem)	100%	+		+	+	+	+	+
Sen. Ryan Deckert (D-Beaverton)	100%	+		+	+	+	+	+
Sen. Richard Devlin (D-Tualatin)	100%	+		+	+	+	+	+
Sen. Ted Ferrioli (R-John Day)	0%	-		-	-	-	-	-
Sen. Gary George (R-Newberg)	17%	-		-	-	-	+	-
Sen. Larry George (R-Sherwood)	0%	A		-	-	-	-	-
Sen. Avel Gordly (I-Portland)	100%	+		+	+	+	+	+
Sen. Betsy Johnson (D-Scappoose)	100%	+		+	+	+	+	+
Sen. Jeff Kruse (R-Roseburg)	0%	-		-	-	-	-	-
Sen. Rick Metsger (D-Welches)	100%	+		+	+	+	+	+
Sen. Laurie Monnes Anderson (D-Gresham)	100%	+		+	+	+	+	+
Sen. Rod Monroe (D-Portland)	100%	+		+	+	+	+	+
Sen. Bill Morrisette (D-Springfield)	100%	+		+	+	+	+	+
Sen. Frank Morse (R-Albany)	50%	-		+	+	-	+	-
Sen. David Nelson (R-Pendleton)	83%	+		+	-	+	+	+
Sen. Floyd Prozanski (D-Eugene)	100%	+		+	+	+	+	+
Sen. Kurt Schrader (D-Canby)	83%	+		+	+	-	+	+
Sen. Bruce Starr (R-Hillsboro)	100%	+		+	+	+	+	+
Sen. Joanne Verger (D-Coos Bay)	67%	-		+	+	+	-	+
Sen. Vicki Walker (D-Eugene)	100%	+		+	+	+	+	+
Sen. Ben Westlund (D-Tumalo)	100%	+		+	+	+	+	+
Sen. Doug Whitsett (R-Klamath Falls)	0%	-		-	-	-	-	-
Sen. Jackie Winters (R-Salem)	33%	-		+	-	+	-	-

	Score	HB 3543	HB 2876	HB 2620	SB 461	SB 443	SB 375	SB 838
Rep. Jeff Barker (D-Aloha)	100%	+	+	+	+	+	+	+
Rep. Phil Barnhart (D-Eugene)	100%	+	+	+	+	+	A	+
Rep. Vicki Berger (R-Salem)	71%	-	+	+	-	+	+	+
Rep. Terry Beyer (D-Springfield)	100%	+	+	+	+	+	+	+
Rep. Suzanne Bonamici (D-Washington County)	100%	+	+	+	+	+	+	+
Rep. Deborah Boone (D-Cannon Beach)	100%	+	+	+	+	+	+	+
Rep. Brian Boquist (R-Dallas)	67%	+	+	-	-	+	A	+
Rep. Scott Bruun (R-West Linn)	100%	+	+	+	+	+	+	+
Rep. Peter Buckley (D-Ashland)	100%	+	+	+	+	+	+	+
Rep. Chuck Burley (R-Bend)	57%	+	+	-	-	+	+	-
Rep. Tom Butler (R-Ontario)	14%	-	-	-	-	-	-	+
Rep. Kevin Cameron (R-Salem)	33%	-	+	-	-	+	A	-
Rep. Ben Cannon (D-Portland)	100%	+	+	+	+	+	A	+
Rep. Brian Clem (D-Salem)	100%	+	+	+	+	+	+	+
Rep. Jean Cowan (D-Newport)	100%	+	A	+	+	+	+	+
Rep. John Dallum (R-The Dalles)	71%	-	+	-	+	+	+	+
Rep. Jackie Dingfelder (D-Portland)	100%	+	+	+	+	+	+	+
Rep. Chris Edwards (D-Eugene)	100%	+	+	+	+	+	+	+
Rep. David Edwards (D-Hillsboro)	100%	+	+	+	+	+	A	+
Rep. Sal Esquivel (R-Medford)	86%	+	+	+	-	+	+	+
Rep. Linda Flores (R-Clackamas)	43%	-	-	-	+	+	+	-
Rep. Larry Galizio (D-Tigard)	100%	+	+	+	+	+	A	+
Rep. Bill Garrard (R-Klamath Falls)	29%	-	-	-	-	+	-	+
Rep. Sara Gelser (D-Corvallis)	100%	+	+	+	+	+	+	+
Rep. Vic Gilliam (R-Molalla)	33%	A	-	-	+	+	-	-
Rep. George Gilman (R-Medford)	43%	-	+	-	+	+	-	-
Rep. Fred Girod (R-Stayton)	29%	-	-	-	+	+	-	-
Rep. Mitch Greenlick (D-Portland)	100%	+	+	+	+	+	+	+
Rep. Bruce Hanna (R-Roseburg)	67%	+	+	-	+	+	A	-
Rep. Paul Holvey (D-Eugene)	100%	+	+	+	+	+	+	+
Rep. Dave Hunt (D-Oak Grove)	86%	+	+	+	+	-	+	+
Rep. Bob Jenson (R-Pendleton)	83%	+	+	+	+	+	A	-
Rep. Betty Komp (D-Woodburn)	100%	+	+	+	+	A	+	+
Rep. Tina Kotek (D-Portland)	100%	+	+	+	+	+	+	+
Rep. Wayne Krieger (R-Gold Beach)	43%	-	-	+	+	+	-	-
Rep. Jerry Krummel (R-Wilsonville)	43%	-	+	-	+	-	+	-
Rep. John Lim (R-Gresham)	100%	+	+	+	+	+	+	+
Rep. Greg Macpherson (D-Lake Oswego)	100%	+	+	+	+	+	+	+
Rep. Ron Maurer (R-Grants Pass)	43%	-	+	-	-	+	+	-
Rep. Jeff Merkley (D-Portland)	100%	+	+	+	+	+	+	+
Rep. Karen Minnis (R-Fairview)	33%	-	-	-	-	+	+	A
Rep. Susan Morgan (R-Myrtle Creek)	25%	A	+	-	-	A	A	-
Rep. Nancy Nathanson (D-Eugene)	100%	+	+	+	+	+	+	+
Rep. Donna Nelson (R-McMinnville)	57%	+	-	-	+	+	-	+
Rep. Mary Nolan (D-Portland)	100%	+	A	+	A	+	A	+
Rep. Andy Olson (R-Albany)	29%	-	-	-	-	+	+	-
Rep. Tobias Read (D-Portland)	100%	+	+	+	+	+	+	+
Rep. Dennis Richardson (R-Central Point)	29%	-	-	-	-	+	+	-
Rep. Chuck Riley (D-Hillsboro)	100%	+	+	+	+	+	+	+
Rep. Arnie Roblan (D-Coos Bay)	100%	+	+	+	+	+	A	+
Rep. Diane Rosenbaum (D-Portland)	100%	+	+	+	+	+	+	+
Rep. Mike Schaufler (D-Happy Valley)	86%	+	+	+	+	+	+	-
Rep. Wayne Scott (R-Canby)	0%	-	-	-	-	-	-	-
Rep. Chip Shields (D-Portland)	100%	+	+	+	+	+	+	+
Rep. Greg Smith (R-Heppner)	43%	-	-	-	+	-	+	+
Rep. Patti Smith (R-Corbett)	60%	A	-	-	+	A	+	+
Rep. Kim Thatcher (R-Keizer)	40%	A	+	+	-	A	-	-
Rep. Carolyn Tomei (D-Milwaukie)	100%	+	+	+	+	A	+	+
Rep. Gene Whisnant (R-Sun River)	57%	+	-	-	+	+	+	-
Rep. Brad Witt (D-Clastkanie)	100%	+	+	+	+	+	+	+

BPA Residential Exchange Update

In June, the electric bills of most Oregon ratepayers went up about 14% due to a decision by the Bonneville Power Administration to suspend the Residential Exchange. The Residential Exchange was established in 1980 by the Northwest Power Act as a way to share the benefits of federal hydropower with residential and small farm customers of for-profit utilities in the Northwest. The suspension of the Exchange occurred after federal courts ruled against the process the BPA used to calculate the level of benefits.

At nearly the same time BPA suspended the Residential Exchange, it signed off on a new policy which limits the ability of citizens to gain access to federal hydro power by forming publicly-owned utilities. The combination of these

two policies mean that most Oregon customers do not receive federal hydropower benefits because they are served by for-profit utilities and cannot get federal hydropower benefits even if they form publicly-owned utilities.

CUB had hoped that all the regions' for-profit and non-profit utilities would be able to get together and agree on a settlement to reestablish the Exchange benefits in a manner consistent with the Court ruling. Unfortunately, this has not happened and most Oregon customers are heading into the winter with bills that are 14% higher than last winter.

BPA is a federal agency and CUB continues to urge members to contact their US Senators and members of Congress and ask their offices to contact BPA and let them know that, as winter heating bills rise for most residential customers in Oregon, this issue needs to be resolved fairly.

CUB Needs Your Help

CUB is making a special plea: We need a new (used) copier. We have been extremely fortunate in being the recipient of several different copiers from members through the years (most recently from Michael Davidson of A & E Tax Services – thanks again, Michael!).

But we ask a lot of our copiers, printing tens of thousands of pages per year, and older copiers can't handle that forever. For the past year or so, we have done without the sorting mechanism on our existing Toshiba, and we were happy to suck it up and sort even large documents by hand. But now the duplex function of our copier is on the fritz, and the ability to do two-sided copying is important, not only for space-saving reasons, but for the trees.

If anyone out there is planning to replace a well-functioning copier with a newer version anytime in the near future, and would be willing to donate your old one to CUB (it is tax deductible), please call us at 503-227-1984. Thanks for considering this request – it's a great way to support CUB's work on sustainable energy policy and consumer advocacy.

*The Bear Facts is printed
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Citizens' Utility Board of Oregon
PO Box 6345
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