

The Bear Facts

1984 - 2014



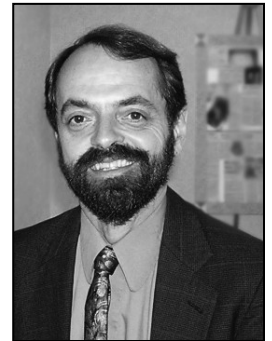
Citizens Utility Board
30 Years and Counting **of Oregon**

Spring 2015

CUB Connects Program Takes Center Stage in 2015

A Message From Bob Jenks

With CUB's regulatory team keeping such close tabs on electric energy rates and policy, it can be easy to forget that we also advocate for telecommunications customers. It's certainly been an interesting year so far in the telecommunications sector. In late February, the FCC announced sweeping changes to their approach to internet service in the U.S. by re-classifying cable broadband service under Title II of the Communications Act. This effectively allows the FCC to regulate the cable industry in ways that were not previously possible, such as disallowing the blocking of legal content, or preventing the establishment of "paid fast lanes".



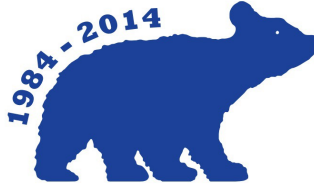
At the same time, in a much less publicized decision, the FCC also formally assumed the authority to overturn state laws restricting expansion of municipal broadband. This opens the door for communities and cities to build their own broadband networks to compete with private companies like Centurylink and Comcast. These two FCC decisions taken together have wide-reaching implications for the preservation of net neutrality and for fostering healthy competition between service providers.

Meanwhile, the telecommunications landscape in Oregon continues to be complicated and confusing for consumers, and many suburban and rural areas still have only one or two options for phone and internet providers. In our ongoing effort to demystify these services for Oregonians, CUB is putting a renewed focus this year on our **CUB Connects** program (www.cubconnects.org).

A program of the CUB Policy Center, *CUB Connects* provides side-by-side comparisons of phone and internet options in zip codes throughout Oregon. The website contains a huge amount of information that must be maintained as service providers adjust their prices, plans, and policies. To that end, we hired intern, Emily Cain, in March and she is already hard at work researching service providers and contributing lots of great ideas for improvements to the *CUB Connects* website.

We are also in the end stages of fulfilling a generous grant from the Consumer Federation of America to produce and translate educational brochures on phone and internet issues, and partner with local community organizations to distribute them to Spanish-language communities in the greater Portland area. We are excited at this opportunity to expand our services to a significant and under-served population, and will be using this effort as a pilot from which we can look at translating materials into other languages that are commonly spoken in this region.

(Continued on inside page)



CUB Several Utilities Seek Higher Rates

Portland General Electric and Cascade Natural Gas have filed general rate cases to increase their rates next year, and Pacific Power is seeking a rate increase in a power cost case. In general rate cases, all costs are at issue; whereas a power cost case is limited to power costs such as fuel and purchased power.

PGE: PGE recently filed a general rate case which proposes to raise rates by 2.6% in January 2016 and an additional 4.3% later in the second quarter of 2016. The reason for the second increase is that it corresponds with the date that PGE's new power plant comes on-line. PGE proposes to partially offset these increases by paying a refund to customers over one year rather than two years. In addition, because the BPA's residential exchange credit (the mechanism that shares benefits of the federal hydro system with customers of investor owned utilities) is increasing, residential customers will receive an additional offset. The net effect is that rates would go down by 1.2% in January, before they go up by 4.3% in the second quarter of the year.

CUB has some concerns with this proposal. First, PGE is asking to raise its profit margin, a move that CUB will strongly oppose. Then, PGE's filing mixes its rate increase proposal with the BPA credit in a way that makes it difficult to identify the full effects of PGE's proposals. Finally, folding the refund into a single year, rather than two years, will reduce the rate increase in 2016, but guarantees a rate hike in 2017. CUB plans to spend the next couple of months taking a hard look at PGE's filing, and looking for ways to reduce or eliminate these increases.

Cascade Natural Gas: Cascade Natural Gas recently filed its first general rate case since the 1990s. It is proposing to raise residential rates by 3.4% starting early in 2016. Cascade claims the primary cause of the increase is the capital investments it is making in its gas pipeline, including replacing the old bare steel pipe that runs through the older parts of Bend, Oregon. Cascade is also proposing a mechanism to require customers to pay for Cascade's share of cleanup costs associated with a plant in Eugene where coal was turned into natural gas in the first half of the 1990s. The property has been owned, over the years, by Pa-

cific Power, Cascade, NW Natural Gas, and Eugene Water & Electric Board. It is not clear why Cascade's customers in Central and Eastern Oregon should have to pay for this.

Pacific Power: While Pacific Power did not file a general rate case, it has made two filings which change prices associated with power costs. The first filing was associated with a proposal to close the utility's Deer Creek Coal Mine, and therefore eliminate a huge source of potential future liabilities. CUB examined this filing and agreed with the transaction, but disagreed with how the utility planned to charge ratepayers for the deal. CUB negotiated an agreement with Pacific Power to change the ratemaking treatment in a manner which reduces the rate hike associated with this deal from an increase of 3% to an increase of 1.1% for residential customers. The second filing, which was just made, reflects changes in power costs such as fuel. The proposed increase of 0.9% is, according to the filing, associated with rising coal costs at its Bridger and Naughton coal plants, and a decrease in revenue from selling excess power on the wholesale market. CUB is just beginning its review of this second filing.

Check out our blog at www.oregoncub.org for updates on each of these cases as they progress throughout the year!

CUB Connects Program Takes Center Stage in 2015

(Continued from front page)

Looking forward, we are aiming to increase our CUB Connects outreach in the coming months through appearances at Portland-area street fairs, house parties, and collaborations with State legislators and like-minded community organizations.

We are **seeking willing volunteers to join our Outreach Team**. Contact us to learn more about this great opportunity to become a telecom consumer advocate! You can reach our CUB Connects team at **(503) 227-1984 x19**, or toll-free at **1-855-892-4314**.



CUB Reaches Halfway Point in Legislative Session

The 2015 Oregon legislative session is quickly reaching the halfway point. CUB has been working on several bills to protect utility consumers. Here are a few of the key bills:

Coal: Coal is a risk to ratepayers and we need to protect ourselves from future coal investments. There is a general consensus among the public that utilities need to wean themselves off coal-based resources. CUB has been working to define reasonable timelines for accomplishing that goal. This has been the top priority for CUB this session.

Solar Water Heaters: CUB wants benefits for consumers who install solar water heaters. Working with John Patterson of Mr. Sun Solar, CUB is pushing for a tax credit that would give the same value to solar water heaters as solar photovoltaic panels. You can read more about this issue in our recent blog post:

www.oregoncub.org/news/posts/saving-solar-water-heating-in-oregon

Appliance Efficiency Standards: CUB has worked for a decade to make sure that appliances sold in Oregon are among the most efficient in the country. Each time we've worked to adopt new standards, we've had to go through the legislative process. But appliance efficiency standards are very technical. It would be a better approach if Oregon could adopt future standards through an administrative process. CUB is pushing this approach with the bipartisan help of several legislators, notably Sen. Michael Dembrow (D-Portland) and Sen. Alan Olsen (R-Canby).

Utility Shut-off Moratorium: CUB has long believed that there should be times when utilities should not be able to shut off service to a customer, especially if the weather is very cold or very hot. Utilities often do a voluntary moratorium but have resisted having a consistent policy. CUB is working with a wide range of stakeholders to set a basic floor for shut-off policy statewide. This is a basic justice issue that is even more important as smart meters and a smarter grid allow utilities to disconnect service with the push of a button.

Announcing: CUB 2015 Photo Contest!



CUB is holding a **PHOTO CONTEST** this summer to spotlight Oregon's energy customers and their values, and we want YOU to participate!* Awesome prizes will be awarded in August to the top 3 submissions!

Dates of the contest:

Wednesday May 27—Wednesday July 8

Criteria: We want original photos that represent the values of Oregon's utility customers, our connection to the environment, and our natural energy resources.

Examples: families playing together, any kind of outdoor scene especially those particular to your part of Oregon, and energy related pictures like water dams, wind farms, rooftop solar installations, etc.

How to submit an entry:

- Visit our website at www.oregoncub.org/photo-contest-2015 to read up on the contest rules, file type and size specifications, and to download a release form.
- Complete the form and email it along with your photo entry to outreach@oregoncub.org.
- You can also follow along with the campaign on our Facebook page: www.facebook.com/OregonCUB, or our Twitter (@OregonCUB).

*All submitted photos will be the property of CUB and may be used in CUB's outreach materials, on our website, social media, and/or other messaging.



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Your membership makes a difference!

CUB membership is important. That is because we are, first and foremost, a membership organization operating exclusively on behalf of Oregon's utility ratepayers (that's you!) CUB upholds your deeply-held values by advocating for fair utility regulations and for forward-thinking policies that safeguard the interests of residential customers while ensuring a cleaner and safer environment.

While anyone can become a member for as little as \$5 a year, in celebration of our 30 years of service to residential utility customers, we're asking our supporters to join us in a new campaign: We're calling it the **Anniversary Club**. Our goal for the Anniversary Club is to raise an additional \$30,000 in 2015 by asking our members to contribute \$100 to help us reach that goal. Then, in January of 2016, we will all celebrate together at an Anniversary Club Gathering where Bob Jenks and other CUB staff will be on hand to tell you what is coming up for the new year.



Above all else, the launch of the Anniversary Club reflects our need to keep pace with an evolving and increasingly complex regulatory and policy landscape. We know that contesting false utility claims and defending the public interest is an ever present need and will never come without a price tag.

So please, join today by visiting www.oregoncub.org/membership/anniversary-club or enclose a check in the attached envelope. You can also reach us directly and contribute by phone at (503) 227-1984 x21. Remember, no matter the size, your membership gift makes a difference.