

The Bear Facts

1984 - 2014



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

Winter 2015

State of the Organization: Our Members Matter

A Message From Bob Jenks

With January barely behind us, 2015 is shaping up to be an exciting year with important work around new regulatory, legislative, and consumer issues in Oregon. With as much work as we will accomplish this year, we need you, our members (the real voice of utility customers in Oregon) to offer continued support. Your investment makes a difference.

In 2014, we shared with you news and updates about our accomplishments since being established 30 years ago by Oregon voters. This year-long celebration culminated with a raucous anniversary party! (See enclosed article.) CUB's efforts as Oregon's utility consumer advocate, however, didn't officially begin until 1985. So, in honor of this heralded beginning, I'm pleased to introduce an exciting initiative in which you can get involved.

The **2015 Anniversary Club Campaign** is a new initiative to raise an additional \$30,000 by asking 300 supporters to give \$100. If you give regularly, please consider bringing your gift up to, or increasing it by \$100. If you have been away for a while, why don't you renew your membership at \$100?

The truth is that protecting pocketbooks, defending the public interest in front of the Public Utility Commission, and advancing a legislative agenda which benefits Oregonians will never come without a price tag. *Here are just a few of the ways in which we will use member dollars to protect you and your interests this year:*

- CUB stands strong behind our commitment to developing clean energy resources that allow us to reduce pollution while controlling rate increases.
- Our analysts employ complex economic modeling and analysis, and CUB attorneys defend consumer interests by disputing unfair rate increase requests from the powerful investor-owned utilities.
- CUB's advocacy and lobbying efforts in Salem this session will continue to advance the discussion around the consumer and environmental policies that matter most to Oregonians.
- Our sharp Development and Communications team is reaching out to ratepayers across the state to discuss CUB's work on issues ranging from a free and fair internet, to climate change in Oregon, to water/sewer services in Portland.

Having recently surpassed \$6 billion in total rate-payer savings, we know that for every \$1 investment in our work, CUB saves Oregonians roughly \$1,700. So when you contribute \$100, you help us save yourself, and other customers of utility services like you, roughly \$170,000. Now that's a *return on an investment!*

Won't you join me in responding with an immediate contribution, or a pledge by April 30th? If you join or donate by that date you'll be honored as an inaugural Anniversary Club member. You can donate now using the enclosed envelope, respond to the letter sent last week, or you can always visit us online at www.oregoncub.org.

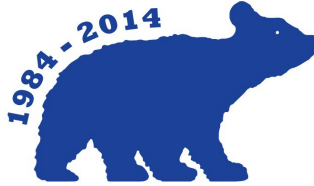
In summary: The State of the Organization is strong. I'm proud of CUB staff; our strong efforts in 2014, and all the work we're set to accomplish in 2015. Our energy is as high as it's ever been, and our goals are laser-focused. Now all that's left is your buy-in and continued support. At the end of the day, our members are, and always will be, what truly sustains us.

Your membership matters!

Best wishes for a great 2015, and many thanks for your support: past, present, and future!

Citizens' Utility Board of Oregon | www.oregoncub.org | 503-227-1984





Looking forward to 2015: Regulatory Updates

Clean Power Plan: Last year, the EPA shook up the energy world by releasing a draft rule called the Clean Power Plan -- sometimes referred to as 111(d) -- that will require states to reduce carbon pollution from power plants. The EPA got thousands of comments on the draft rule and is expected to issue a final rule this summer. For many years, we have done energy planning assuming that some sort of carbon regulation is coming sometime in the future. But we have never had real, actual regulation of carbon emissions that we can plan around. This rule will make it harder for utilities to defend expensive upgrades to old coal plants.

Profits on Pensions: Since 2012, CUB has been fighting utilities over their proposals to earn a profit -- paid by customers -- on money that is contributed to their pension plans. For years, utilities have provided pensions for their employees and customers have financed this pension expense each year in rates. As it stands now, the utilities will fully recover their pension costs from customers over the life of the pensions. In 2012, NW Natural asked the Public Utility Commission (PUC) to allow it to earn a profit margin on some of the money it contributes to the pension plan. PGE, Pacific Power, and Avista all jumped on the bandwagon and asked for profits on their pensions. CUB has been fighting against this since that time. In early 2015, CUB and the utilities will submit legal briefs to the PUC on this issue, and we are expecting a decision by mid-year.

NW Natural's Tale of Two Properties: NW Natural has two properties that were once used to secure gas for its customers. The first is where they manufactured gas from coal many years ago and is an environmental liability that will take millions of dollars to clean up. NW Natural thinks customers should bear this cost. The other property is a set of depleted wells in Northwest Oregon where the company had extracted gas to serve customers. Because a depleted gas well can be used to store gas, this property is an asset. NW Natural believes that shareholders should be allowed to keep most of the revenue generated by this asset. In other words; shareholders get the asset, customers get the liability. CUB has pointed out that these proposals are one-sided and unfair. CUB expects the PUC to make a decision on these cases early in 2015.

Industrial Energy Efficiency Subsidy: Energy efficiency is Oregon's cheapest resource. Energy efficiency programs run by the Energy Trust of Oregon reduce electricity at a cost that is significantly less than the cost of building new power plants. However, large industrial customers pay less of the cost of energy efficiency than everyone else, while also receiving the benefits of lower rates that are produced by energy efficiency investments. CUB believes this is unfair and likely unlawful. The PUC has agreed to open an investigation into this issue in 2015.

Rate Cases Galore: Of course, utilities are going to the PUC with proposals to raise rates significantly. Avista has already asked for a nearly 10% rate hike on its Oregon gas customers. PGE will file a general rate case soon. Cascade will file its first general rate case in years. Pacific Power and Idaho Power will be asking for increases that they will tie to increasing power costs. NW Natural will be arguing to raise rates for natural gas procurement and for investing in its pipelines. As always, CUB will gear up to challenge them.

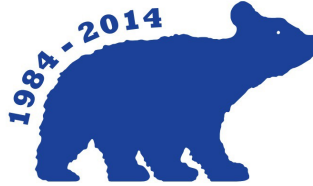
Coal to Clean: A Vision for a Better Oregon

Ask most people in Oregon about where their power comes from and they'll likely say something like "hydropower" or "the dams on the Columbia River." But for most people in Oregon, that's not true.

Most of the power produced by the Federal dams is allocated to publicly-owned utilities in the region -- municipalities, peoples' utility districts (PUDs), and rural electric cooperatives. But these utilities only serve about 30 percent of the load in Oregon. The rest of Oregon is served by private utilities and the vast majority is served by either Portland General Electric or Pacific Power.

According to the Oregon Department of Energy, about one-third of the state's overall electricity demand is met by coal power. If you are a PGE customer, that portion is almost identical. But if you are a Pacific Power customer, your power is made up of more than 67 percent coal. That comes as a shock to a lot of people.

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Coal to Clean: A Vision for a Better Oregon

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CUB has been working to reduce utilities' dependence on coal for several years. Some coal plants just don't make sense economically. Many require lots of money to comply with existing clean air and haze regulations, money that doesn't pencil out over the life of the plant. Simply put, *there are better ways to use ratepayers' hard-earned cash*. Also, coal is not a good bet for the future. We will have comprehensive climate policy at some point and reducing coal will be a key part of reducing greenhouse gas emissions. Finally, coal is risky for consumers. Working to reduce coal use now reduces the risk for a more sudden transition later.

The only coal plant in the state (Boardman, owned by PGE) is already slated to close by 2020. We can't order other states to close coal plants. But we can decide, as a state, that we want to reduce our dependence on coal.

That's what CUB is working on with several other groups: pushing the utilities to reduce their coal use to zero within 10 years and replace that power with a substantially cleaner mix. There have been two bills introduced in the Oregon Legislature to do just that: SB 477 and HB 2729. These bills seek to highlight how Oregon can move from coal to clean energy.

To keep updated on these bills, or to get involved in pushing for them, please contact CUB's Policy Director Jeff Bissonnette at jeff@oregoncub.org.

CUB Celebrates 30 Years in 80's Style

On Thursday evening, December 4th, CUB celebrated 30 years of consumer advocacy, in truly rocking 80's style with over 100 supporters, colleagues, members and friends at the EcoTrust building in Portland's Pearl District. A fabulous time was had by all!

The event featured 80's tribute band Jerris, led by Public Utility Commission Judge Mike Grant; a game of 80's-themed trivia led by CUB staff members Samuel Pastrick and Leslie Murray; a delicious spread of seasonal foods provided by Artemis catering; and a raffle with fabulous packages including performing arts passes, vacation tours, and even a growler of smoked beer brewed by Bob Jenks!



80's tribute band Jerris rocks the house!

CUB is grateful to our generous sponsors for supporting this event and joining in the celebration:

Mighty Bears:

NW Natural
Pacific Power
Portland General
Electric

Big Bears:

Avista
Cascade Natural
Gas



Nadine Hanhan, Dina Dubson (Renewable NW) and Sommer Templet show off their 80's fashions

We also extend our thanks to everyone who donated items to the raffle, to CUB Board Secretary Linda Tomassi for emceeding the event, and to everyone who attended the party for celebrating with us. Most especially, we are grateful to our members throughout Oregon. You are the reason we continue to work for lower rates and smarter utility investments. You give us the purpose and strength to keep fighting to make sure the utilities and regulators treat customers fairly. Thank you for ensuring that CUB is able to continue its work for Oregon consumers.

Here's to another 30 years!



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CUB Now Recruiting for Volunteer Speakers' Bureau

Do you enjoy meeting people and talking about the environment, renewable energy, and other utility consumer issues? Then CUB may have the perfect volunteer opportunity for you!

We are now recruiting individuals ages 18+ for a Volunteer Speakers' Bureau – a core group of dedicated volunteers who are passionate about CUB's mission and interested in talking about us with members of the community at street fairs, town hall meetings, and other community events.

You'll receive training and support from CUB staff on CUB's history and major accomplishments, summarizing our mission and our work, educating others on complicated energy initiatives like the smart grid and distributed generation, and inviting members of the public to join you in CUB membership.

If the CUB Speakers' Bureau sounds like it might be up your alley, get in touch today and we'll put you on our

volunteer mailing list. Contact Amelia Lamb at amelia@oregoncub.org or call 503-227-1984 x19.



*CUB Communications Associate Amelia Lamb
tables at Sundown at EcoTrust, July 2014*