

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 171

In the Matter of the Request of )  
)  
PACIFIC POWER & LIGHT ) PREHEARING CONFERENCE  
(dba PacifiCorp) ) MEMORANDUM  
) AND RULING  
Klamath Basin Irrigation Rates. )

**DISPOSITION: PROCEDURAL SCHEDULE ESTABLISHED;  
PETITIONS TO INTERVENE OF KLAMATH OFF-  
PROJECT WATER USERS AND KLAMATH WATER  
USERS ASSOCIATION GRANTED; MOTION OF  
WATERWATCH AND ONRC DENIED**

On March 2, 2005, a prehearing conference was held in Salem, Oregon. The primary purpose of the prehearing conference was to establish the parties to the proceeding and to establish a procedural schedule for the docket.

Appearances were entered as follows: Jason Jones and William A. McNamee appeared on behalf of Oregon Public Utility Commission (Commission) Staff (Staff); Katherine McDowell appeared on behalf of PacifiCorp; Melinda Davison appeared on behalf of the Klamath Off-Project Water Users; Edward A. Finklea appeared on behalf of the Klamath Water Users Association; Jason Eisdorfer participated by phone on behalf of the Citizens Utility Board (CUB); Jim McCarthy participated by phone on behalf of the Oregon Natural Resources Council (ONRC); and John DeVoe and Lisa Brown participated by phone on behalf of WaterWatch of Oregon.

**Procedural Schedule**

The parties agreed to, and we adopted, the following procedural schedule:

Petitions to intervene and requests for issue fund grants due	March 14, 2005
PacifiCorp files Motion for Summary Disposition	March 31, 2005
Staff and intervenors file Responses	April 28, 2005

All parties file replies to Motion for Summary Disposition and/or Responses	May 12, 2005
Oral Argument	May 19, 2005 at 9:30 a.m.
Settlement Conference	June 2, 2005
Prehearing Conference	TBD after Commission Order entered

The dates for filing are considered “in hand” dates.

PacifiCorp indicated that all parties agreed that the Commission should enter an order in UE 171 that resolved the primary issues within the suspension period in effect for UE 170. PacifiCorp also indicated that there was agreement among the parties that it is practically necessary to resolve primary issues in UE 171 prior to the conclusion of UE 170 in order to address any residual issues from UE 171 in UE 170.

Parties indicated that the purpose of holding a prehearing conference, after a Commission Order is entered in this proceeding, would be to address whether any residual issues from UE 171 need attention in UE 170. Parties indicated that should residual UE 171 issues be taken up in UE 170, it would be likely that supplemental testimony would be necessary in UE 170.

In its Motion for Summary Disposition, PacifiCorp intends to primarily address the issue identified in the Revised Joint Ruling opening this docket, issued on February 24, 2005, regarding the appropriate rate for future service for parties that are currently served under rates established by two long-standing contracts. Other parties reserved the right to differently frame the primary issue in the case, or to raise sub-issues, in Responses. PacifiCorp did not object, expressing the caveat that should parties raise any issue unanticipated by PacifiCorp, additional time may be needed to allow for discovery. The schedule was adopted with these understandings.

The Klamath Off-Project Water Users and the Klamath Water Users Association each raised a question regarding the need to intervene in UE 171. We construed their inquiries as petitions to intervene in UE 171 and asked whether any parties objected. As no objections were voiced, we granted the petitions to intervene of the Klamath Off-Project Water Users and the Klamath Water Users Associations in UE 171.

WaterWatch and ONRC each raised the question of how intervention in UE 170 would be handled if residual UE 171 issues were raised in that proceeding. PacifiCorp indicated that it would not oppose the intervention of WaterWatch and ONRC in UE 170 at the time residual UE 171 issues were taken up. We ruled that intervention in UE 170 to address residual UE 171 issues could be addressed, to the extent necessary, at the prehearing conference to be scheduled after a Commission order is entered in UE 171. To the extent any data requests are submitted in UE 170 that address potential UE 171 residual issues, parties agreed to serve the data requests on the service lists for UE 170 and UE 171. We also note that, should residual issues in UE 171 be taken up in

UE 170, sufficient time will be allowed for UE 171 parties to request relevant data requests in UE 170.

Motion of WaterWatch and ONRC

On February 28, 2005, WaterWatch and ONRC submitted a joint motion requesting that UE 170 open houses scheduled for Portland and Medford be designated as joint open houses in UE 170 and UE 171, or alternatively, that new open houses be scheduled for UE 171 (Joint Motion). At the prehearing conference, we asked parties to orally comment on the Joint Motion, or to express intention to file written comments on an expedited basis. No party expressed intent to file written comments. PacifiCorp and Staff indicated no opposition to all remaining UE 170 open houses encompassing UE 171 parties and issues. PacifiCorp objected, however, in the interest of economy of resources, to separate open houses being scheduled for UE 171. The Klamath Off-Project Water Users indicated that the primary purpose of open houses is to inform the public of rate issues and to take public comment on those rate issues. The Klamath Off-Project Water Users stated that since the issues to be addressed in UE 171 are primarily legal in nature, open houses in that docket were unnecessary and inappropriate.

The traditional purpose of open houses is to provide information to the public about factual and policy issues in rate cases, and to allow public comment. We believe the issues to be raised in UE 171 to be primarily legal in nature, addressing the interpretation of existing contracts. Consequently, open houses would not typically be scheduled in UE 171. Nevertheless, recognizing that there is likely to be significant public interest in UE 171 issues in the Klamath Falls area, we have designated the UE 170 open house to be held in Klamath Falls as a joint open house in UE 170 and UE 171, incorporating parties and issues from both dockets. Although we recognize that there may be persons outside of Klamath Falls that are interested in UE 171 issues, and acknowledge that three persons attended the UE 170 open house in Bend on February 28, 2005, to express public comment about UE 171 issues, we do not believe it is necessary to designate the UE 170 open houses in Portland and Medford as UE 171 open houses. We will, however, take all public comment expressed at any and all of the UE 170 open houses, including comment on UE 171 issues. Moreover, any person may file written public comments by electronic or regular mail with the Commission at any time. Further instructions are provided at the Commission's web page at [www.puc.state.or.us](http://www.puc.state.or.us).

Dated this 3<sup>rd</sup> day of March, 2005, at Salem, Oregon.

---

Michael Grant  
Chief Administrative Law Judge

---

Traci A. G. Kirkpatrick  
Administrative Law Judge