

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 197

In the Matter of)	
)	REPLY BRIEF OF COMMUNITY
PORTLAND GENERAL ELECTRIC)	ACTION PARTNERSHIP OF OREGON
COMPANY,)	and OREGON ENERGY COORDINATORS
)	ASSOCIATION
Application for a general rate revision)	

Community Action Partnership of Oregon (CAPO) and the Oregon Energy Coordinators Association (OECA) submit this Reply Brief in response to the Opening Brief of Portland General Electric.

The Company has not Established the Cost Causation that Underlies its Schedule 300 Fees.

The Company argues that its fees are “cost-based.” The Company argues that “PGE derives these costs by building up the cost elements associated with each activity, taking into account the resources used for each function.” (PGE Opening Brief, at 43). The Company’s argument (supported by Staff) misses the mark.

CAPO/OECA have clearly documented that the “resources used for each function” are not causally connected to the activities to which they are allocated in the Schedule 300 fees. These expenses are not incurred as a result of the collection activities. The resources devoted to these activities do not increase as the number of collection activities increase.

The resources do not decrease as the number of collection activities decrease. (CAPO/OECA Exhibit 200, at 39). Indeed, PGE admits that the Company does not even *track* its expenses associated with the disconnection or reconnection of service, or with field visits. It cannot report what level of expenses is incurred for any particular customer class. (CAPO/OECA Exhibit 200, at 39, citing PGE Response to CAPO-1-023).

PGE's argument that the revenue from its Schedule 300 fees is accounted for as "Other Revenues" and used to reduce revenue requirement, as thus is not a "profit center" misses the mark as well. The allocation of revenue from miscellaneous fees is only relevant in the rate case setting. What CAPO/OECA have pointed out is that, given the lack of connection between the level of customer service activities and any expenses the Company incurs, as collection activities increase, the Company charges more in miscellaneous fees, and collects more in miscellaneous revenues, *even though there has been little or no increase in expenses* against which to apply that increased revenue. CAPO/OECA pointed out (and PGE did not dispute, since it is indisputable), that, from 2006 to 2007, the Company experienced an increase in its field collection expenses of \$72,262 (about 3.8%). In contrast, the Company collected an additional \$670,000 in miscellaneous fees in 2007 as compared to 2006 (\$1.87 million in 2007 compared to \$1.2 million in 2006). (CAPO/OECA Exhibit 200, at 40). CAPO/OECA point out that "while the Company experienced a 3.8% increase in field collection expenses (including allocated overhead) from 2006 to 2007, it will have booked a 39.5% increase in field collection revenues." (CAPO/OECA Exhibit 200, at 40). A fee that increases revenues by \$650,000 from one year to the next to cover less than \$75,000 in increased expenses is not a cost-based fee; it is a profit center. (CAPO/OECA Exhibit 200, at 40).

Industry Wide Investigation into the Impact of Rate Structures and Fees on Low-Income.

PGE states that the Company supports Staff's recommendation that the rate structure and fee issues raised by CAPO/OECA in this proceeding should be reviewed "in the context of an energy industry-wide investigation about the impact of utility policies regarding rate structures and fees on low-income customers." (PGE Opening Brief, at 44, citing Commission Staff/1100, Gorsuch/5). While CAPO/OECA would welcome an industry-wide investigation of the nature that Staff proposes, its support for this proposal is cautioned by the financial and resource stress that such an industry-wide investigation would place on nonprofit associations such as both CAPO and OECA. It is easy for Staff and PGE to recommend such an industry wide investigation when the disparity in resources between the industry and Staff, and the low-income nonprofit service provider community, is as great as it is. Should such an industry-wide investigation be commenced, CAPO/OECA requests that funding be provided to ensure that such an investigation allows CAPO/OECA an opportunity for meaningful participation.

For all the reasons stated above, as well as in its Initial Brief, CAPO/OECA pray the Commission grant the relief requested by CAPO/OECA in each and every respect advanced in this proceeding. CAPO/OECA further pray that the Commission grant such other and further relief as may seem just in the premises.

Respectfully Submitted,

/s/ Thomas James Abrahamson

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ON BEHALF OF
Community Action Partnership of Oregon
Oregon Energy Coordinators Association

CERTIFICATE OF SERVICE

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I hereby certify that on November 4, 2008, I served the foregoing Reply Brief of the Community Action Partnership of Oregon and the Oregon Energy Coordinators Association upon all parties of record in this proceeding by delivering a copy by electronic mail, and by postage-prepaid first class mail delivery to those parties accepting paper service. Additionally, five original copies were hand delivered to the Salem office of the Oregon Public Utility Commission.

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W=waive paper service, C=Confidential

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