

ISSUED: August 18, 2009

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1424

RAINBOW YOUTH GOLF EDUCATION  
PROGRAM, INC.,

Complainant,

vs.

PACIFICORP, dba PACIFIC POWER,

Defendant.

RULING

**DISPOSITION: PREHEARING CONFERENCE SCHEDULED**

On March 13, 2009, Rainbow Youth Golf Education Program, Inc. (RYGEP), filed a consumer complaint against PacifiCorp, dba Pacific Power (Pacific Power or the Company), raising various issues related to Pacific Power's provision of electric service to RYGEP. On April 2, 2009, Pacific Power timely submitted a motion to dismiss the complaint. On May 20, 2009, a prehearing conference was held via telephone.

During the prehearing conference, the parties discussed the allegations in the complaint and the scope of the Commission's jurisdiction. During the conference I stated that RYGEP's complaint would be dismissed because the Commission could not award the monetary damages sought by RYGEP in certain portions of its complaint and because the remainder of the complaint appeared to seek impermissible changes to provisions regulated by Commission-approved tariffs.

A fair reading of RYGEP's complaint, however, reveals that RYGEP is challenging not only the technical calculation of its "minimum contract billing" charge—the parameters of which are mandated by tariff—but also whether one component of that charge, the

“installed cost” of the facilities underlying the “facilities charge,” is itself reasonable.<sup>1</sup> The installed cost of the facilities does not appear to be set by tariff.

On July 6, 2009, a bench request was issued to Pacific Power seeking additional information about RYGEP’s contract minimum billing and facilities charge, which involves the “installed cost” of the facilities. Pacific Power responded to the bench request on July 15, 2009. On July 31, 2009, RYGEP filed a response.

### ISSUES FOR PREHEARING CONFERENCE

RYGEP challenges the cost of the facilities constructed by Pacific Power, alleging that the facilities could have been constructed at a much lower cost. Pacific Power states that the estimated cost of the facilities was \$13,616. It is not clear, however, how Pacific Power reached this estimate. Nor is it clear whether the “facilities charge” included in RYGEP’s contract minimum billing charge should be based on Pacific Power’s estimates or on the actual cost of construction.<sup>2</sup> A prehearing conference will be convened to discuss this issue. Pacific Power is asked to make a Company witness available who can respond to questions involving RYGEP’s construction project. The following questions, and any necessary follow-up questions, will be discussed during the prehearing conference.

- Pacific Power contends that RYGEP’s charges, including the minimum contract billing charge, are set by Commission tariff. In its response to the July 6, 2009, Bench Request, Pacific Power stated that RYGEP’s total job cost was estimated at \$13,616.

Does Pacific Power contend that the \$13,616 estimate is mandated by Commission tariff? If so, please point to the appropriate tariff(s) and explain how the estimate is derived from those tariffs.

- Under Pacific Power’s Oregon Schedule 300, a “facilities charge” is equal to “1.67 percent of the installed cost of the facilities per month” for facilities installed at the Company’s expense, and “0.67 percent of the installed cost of the facilities per month” for facilities installed at the consumer’s expense.

Does Pacific Power understand the “installed cost” of the facilities to mean the actual cost of the facilities (here, unclear), or the estimated cost of the facilities (\$13,616)? To the extent any legal guidance exists to support Pacific Power’s position, please provide it.

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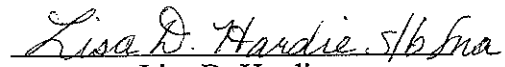
<sup>1</sup> Pacific Power’s Oregon Rule 13 states that a customer’s “contract minimum billing” is the greater of (1) the customer’s monthly bill, or (2) 80 percent of the customer’s monthly bill plus a “facilities charge.” Under Pacific Power’s Schedule 300, the “facilities charge” is equal to “1.67 percent of the installed cost of the facilities per month” for facilities installed at the Company’s expense, and “0.67 percent of the installed cost of the facilities per month” for facilities installed at the consumer’s expense.

<sup>2</sup> This estimate, along with an estimate of RYGEP’s annual electricity usage, serves as the basis for the Company’s calculation of the facilities charge.

- Please explain how the Company prepared the \$13,616 estimate.
- Does Pacific Power have documentation (such as invoices or other documentation of costs) supporting the actual costs of RYGEP's construction job?

A prehearing conference will be scheduled for *September 1, 2009*, at *1:30 p.m.* to establish any additional procedures that may be necessary.

Dated at Salem, Oregon, this 18<sup>th</sup> day of August, 2009.

  
Lisa D. Hardie  
Administrative Law Judge

UM 1424 Ruling 8-18-09