

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 499

In the Matter of the Adoption of Permanent
rules to Implement SB 408, Relating to
Matching Utility Taxes Paid with Taxes
Collected.

COMMENTS OF THE LEAGUE OF
OREGON CITIES

I. INTRODUCTION

The League of Oregon Cities offers these comments in the matter of the adoption of permanent rules to implement SB 408. Our comments address issues of importance to cities in Oregon and their residents. This testimony is submitted by Andrea Fogue, Senior Staff Associate for the League of Oregon Cities. The League of Oregon Cities (LOC) is a voluntary association representing all 241 of Oregon's active incorporated cities. Founded in 1925, the League provides a wide array of services from training and research to policy setting and legislative advocacy. The League's membership includes all 100 cities served by PacificCorp and 51 served by Portland General Electric. In addition the League represents all cities served by Avista and NW Natural Gas.

The League has an interest in protecting not only cities as consumers of electricity, but also the approximately 2.3 million ratepayers that reside in Oregon cities. In November of 2005, the League's Board of Directors met and determined a need to express their thoughts on AR 499. The foundation for these comments is provided by a set of principles adopted by the Board to assess recent purchase proposals for Oregon's investor-owned electric utilities. The following comments will address these principles:

- Preserve low-cost electricity
- Ensure reliability and safety of the electric system

II. PRESERVE LOW-COST ELECTRICITY

Oregon and other Pacific Northwest states enjoy some of the lowest electric rates in the country, largely due to the region's federal hydropower system. Not only is low-cost electricity essential to residential customers, but preserving low-cost electricity is critical to recruiting new businesses and industries to locate in Oregon, and boosting the state's economic vitality.

III. ENSURE RELIABILITY AND SAFETY OF THE ELECTRIC SYSTEM

As electricity is an essential commodity, it is critical that this proceeding ensure the reliability and safety of the system. This is not only important to protect the health and welfare of residents, but also for Oregon to attract and retain businesses.

IV. CONCLUSION

To the extent that decisions regarding AR 499 impact these principles, the League's Board of Directors wants to ensure that the Commission uphold these principles. These principles are critical to Oregon cities and their residents.

Dated this 17th day of November, 2005.

Respectfully submitted,

Andrea J. Fogue, League of Oregon Cities

CERTIFICATE OF SERVICE

I hereby certify that on November 17, 2005, I mailed an original and five copies of the foregoing CO
LEAGUE OF OREGON CITIES IN AR 499 to:

ADMINISTRATIVE LAW JUDGE KATHRYN LOGAN
PUBLIC UTILITY COMMISSION OF OREGON
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and on November 17, 2005, I hereby certify that the foregoing document was electronically mailed to all Per
maintained by the Public Utility Commission for the AR 499 proceeding who had an e-mail address posted.
those persons on the Service List who were not identified as having an e-mail address, a copy was sent by ma
sealed envelope, with postage paid, and deposited in the post office at Salem, Oregon on said day.

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