

Davison Van Cleve PC

Attorneys at Law

TEL (503) 241-7242 • FAX (503) 241-8160 • tcp@dvclaw.com
Suite 400
333 SW Taylor
Portland, OR 97204

January 24, 2018

Via Electronic Filing

Chair Hardie
Commissioner Bloom
Commissioner Decker
201 High St. SE, Suite 100
Salem, OR 97301

Re: In the Matter of PUBLIC UTILITY COMMISSION OF OREGON
Investigation into the Treatment of New Facility Direct Access Load.
Docket No. UM 1837

The Industrial Customers of Northwest Utilities (“ICNU”) appreciates the Commission’s interest in developing a new load direct access (“NLDA”) program, and, in general, supports Commission Staff’s public meeting memo and its recommendation in this matter. While parties differ on the details of a NLDA program, briefing and comments filed thus far in this docket demonstrate almost total consensus that the Commission has the authority to create such a program that is consistent with the public interest and at least reduces transition charges.

Creating a NLDA program that lowers transition charges would be consistent with this Commission’s obligation to “eliminate barriers to the development of a competitive retail market structure.”^{1/} ICNU is confident that policies could be put in place that lower or eliminate transition charges for NLDA customers, while also ensuring that other ratepayers are held harmless, or even benefitted. Moreover, broadening the state’s direct access programs would benefit ratepayers, utilities, independent power producers, and the state as a whole.

ICNU does, however, disagree with Staff’s conclusion on page 4 of its memo that increased economic development from a NLDA program should be excluded from consideration of this program’s benefits because such development allegedly is a state interest, not a ratepayer interest. While it is arguably true that economic development specific to a NLDA customer is not a ratepayer interest, Staff ignores the additional economic development that will occur as a

^{1/} ORS § 757.646(1).

consequence of NLDA customers joining utilities' systems, and how that development will affect ratepayer interests. These NLDA customers create additional jobs and potentially new businesses to support those new jobs. The homes their employees live in, and the new businesses that support them, will be served by the utility as cost-of-service loads, thereby directly benefitting all ratepayers. Additionally, NLDA customers will purchase transmission and distribution service from utilities, which creates a broader customer base across which to spread related costs, thus lowering bundled rates for cost-of-service customers. The Commission should not dismiss these impacts simply because the NLDA customer itself will not be paying bundled rates. ICNU notes that the Commission can approve Staff's recommendation without addressing this issue now.

Additionally, while ICNU does not oppose Staff's recommendation that the parties brief the issue of whether a NLDA program should be limited to customers who commit to purchase 100% renewable energy, ICNU does not believe briefs on this issue are necessary. As ICNU argued in its reply comments in this docket, limiting a NLDA program in this way, under current law, would plainly be unduly discriminatory to customers who do not make such a commitment (or unduly preferential to those who do).^{2/} Nevertheless, to ensure all parties have their say on this issue, ICNU does not oppose this additional procedural step.

ICNU looks forward to engaging with the Commission and other parties to craft rules that establish a fair and accessible NLDA program.

Dated this 24th day of January, 2018.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Tyler C. Pepple

Tyler C. Pepple

Riley G. Peck

333 S.W. Taylor, Suite 400

Portland, Oregon 97204

(503) 241-7242 (phone)

(503) 241-8160 (facsimile)

tcp@dvclaw.com

rgp@dvclaw.com

Of Attorneys for the Industrial Customers of
Northwest Utilities

^{2/} ORS § 757.310.