

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 20, 2001

REGULAR  CONSENT  EFFECTIVE DATE \_\_\_\_\_

DATE: November 13, 2001

TO: Phil Nyegaard through Lee Sparling

FROM: Jack Breen III

SUBJECT: ELECTRICITY PRICE, POWER SOURCE, AND ENVIRONMENTAL LABEL FORMATS: Prescribe electric company and electricity service supplier price, power source, and environmental label formats pursuant to Oregon Administrative Rule 860-038-0300.

**STAFF RECOMMENDATION:**

I recommend that the Commission prescribe the electric company and electricity service supplier price, power source, and environmental label formats as shown in Attachment A.

**DISCUSSION:**

Oregon Administrative Rule 860-038-0300 provides, in part,

(2) For each service or product it offers, an electric company must provide price, power source, and environmental impact information to all residential consumers at least quarterly. The information must be based on the available service options. The information must be supplied using a format prescribed by the Commission. An electric company must also include on every bill a URL address, if available, for a world-wide web site where this information is displayed. The electric company must report price information for each service or product for residential consumers as the average monthly bill and price per kilowatt-hour for monthly usage levels of 250, 500, 1,000 and 2,000 kilowatt-hours, for the available service options.

(3) An electric company and an electricity service supplier must provide price, power source and environmental impact information on or with bills to nonresidential consumers using a format prescribed by the Commission. The electric company or electricity service supplier must

## ELECTRICITY PRICE, POWER SOURCE, AND ENVIRONMENTAL LABEL FORMATS

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provide a URL address, if available, for a world-wide web site that displays the power source and environmental impact information for the products sold to consumers.

To develop these formats, potential participants were advised in April 2001 that a workgroup was forming to address this issue. Phil Carver (Oregon Office of Energy) led the workgroup and developed the initial draft labels. The workgroup met through June. Portland General Electric (PGE) and Pacific Power & Light (Pacific Power) then conducted extensive market research to further develop and refine the formats. PGE representatives provided the following description of their research:

PGE and Pacific Power conducted quantitative telephone survey research and four focus groups with our respective customers. A focus group is a research setting where 10-12 customers sit in a room with a moderator. The moderator presented our advertising and direct mail efforts. PGE and Pacific Power representatives videotaped the sessions and watched from behind a mirror to listen to feedback.

Regarding labeling format, we presented the information in both pie chart and table format and the pie chart format overwhelmingly won out. Customers felt they needed not only numbers, but a graphic representation of the supply mix in order to understand it.

Overall, both residential and nonresidential customers responded very well to the pieces as they stand, and voted for the current portfolio category names. We gave them several to choose from and tested whether or not they understood what the name meant and what the options were about. The names shown are the result of this research and testing.

Based on the focus groups, we have met our objectives so far - people understand they have options, what those options were, what deadlines they have, if any, and where to go for more information.

In preparing my recommendations shown in Attachment A, I reviewed the work products of the workgroup and the information provided by the electric companies. I attempted to balance the need to prescribe a format that will allow consistency between comparisons, but will also allow some discretion in the presentation of the electric company and electricity service supplier consumer information.

The current proposed portfolio option names<sup>1</sup> are Basic Service, Fixed Renewable, Habitat, Renewable Usage, Time of Use, and Seasonal Flux (Pacific Only).

Small nonresidential customers<sup>2</sup> are eligible for portfolio options as well as direct access. Pacific Power suggests, and staff agrees, that it would be too burdensome to require the electric companies to provide all of the detailed information on or with each bill. Rather than providing all of the information in a printed format on or with each bill, I recommend that electric companies and electricity service suppliers be allowed to provide the full set of printed information on a quarterly basis if the entity provides a URL address for a world-wide web site that displays the power source and environmental impact information for the products sold to consumers on or with each bill.

**PROPOSED COMMISSION MOTION:**

The Commission prescribes the electric company and electricity service supplier price, power source, and environmental label formats shown in Attachment A.

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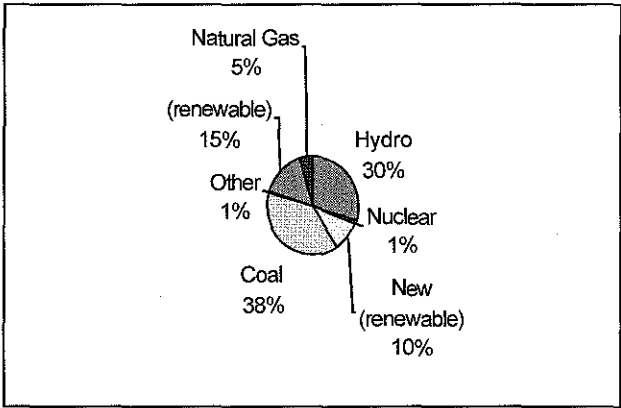
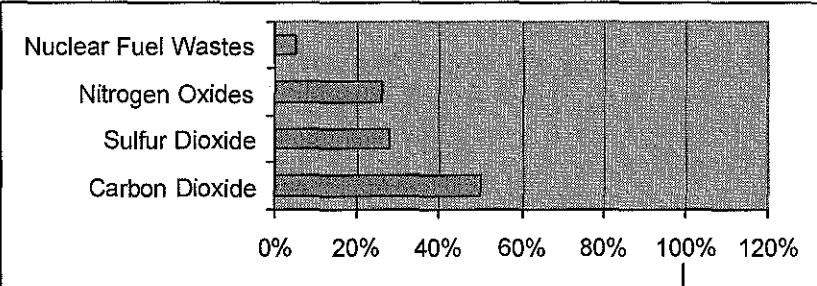
<sup>1</sup> The option names themselves are not part of the format and are not being prescribed by the Commission.

<sup>2</sup> A nonresidential consumer whose kW demand at any point of delivery is less than or equal to 30 kW during any two months within a prior 13-month period.

ELECTRICITY PRICE, POWER SOURCE, AND ENVIRONMENTAL LABEL FORMATS  
November 13, 2001

Attachment A

Basic Format

| <p><b>Cost Comparison</b><br/>These examples are based on four levels of use. Please refer to your bill to find out how much electricity you use each month.</p>   | <p><b>Option Name</b><br/>Option description</p> <table border="1"> <thead> <tr> <th></th> <th>250 kWh</th> <th>500 kWh</th> <th>1000 kWh</th> <th>2000 kWh</th> </tr> </thead> <tbody> <tr> <td>Bill Amount</td> <td>\$X.XX</td> <td>\$X.XX</td> <td>\$X.XX</td> <td>\$X.XX</td> </tr> <tr> <td>Description of additional charges</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Adjusted Bill Amount</td> <td>\$X.XX</td> <td>\$X.XX</td> <td>\$X.XX</td> <td>\$X.XX</td> </tr> <tr> <td>Average cents / kWh</td> <td>X.X</td> <td>X.X</td> <td>X.X</td> <td>X.X</td> </tr> </tbody> </table> |              | 250 kWh                        | 500 kWh             | 1000 kWh | 2000 kWh        | Bill Amount | \$X.XX          | \$X.XX | \$X.XX                  | \$X.XX | Description of additional charges |    |         |    |  | Adjusted Bill Amount | \$X.XX | \$X.XX | \$X.XX | \$X.XX | Average cents / kWh | X.X | X.X | X.X | X.X |
|--|--|--------------|--------------------------------|---------------------|----------|-----------------|-------------|-----------------|--------|-------------------------|--------|-----------------------------------|----|---------|----|--|----------------------|--------|--------|--------|--------|---------------------|-----|-----|-----|-----|
|  | 250 kWh  | 500 kWh      | 1000 kWh                       | 2000 kWh            |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Bill Amount  | \$X.XX   | \$X.XX       | \$X.XX                         | \$X.XX              |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Description of additional charges  |  |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Adjusted Bill Amount   | \$X.XX   | \$X.XX       | \$X.XX                         | \$X.XX              |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Average cents / kWh  | X.X  | X.X          | X.X                            | X.X                 |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| <p><b>Price Formula</b><br/>These price formulas relate only to the electricity price and do not include transmission and delivery costs or local taxes and fees.</p>  | <p>Describe Price Formula</p>  |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| <p><b>Supply Mix</b><br/>During the calendar year 20XX, your supplier plans to buy power or unique claims on the electricity produced from these types of power plants. The portion supplied by (electric company name) is based on recent utility production and purchases. (May not add to 100 percent due to rounding.)</p> |  <table border="1"> <caption>Supply Mix Data</caption> <thead> <tr> <th>Power Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Coal</td> <td>38%</td> </tr> <tr> <td>Hydro</td> <td>30%</td> </tr> <tr> <td>New (renewable)</td> <td>10%</td> </tr> <tr> <td>Natural Gas (renewable)</td> <td>15%</td> </tr> <tr> <td>Other</td> <td>1%</td> </tr> <tr> <td>Nuclear</td> <td>1%</td> </tr> </tbody> </table>   | Power Source | Percentage                     | Coal                | 38%      | Hydro           | 30%         | New (renewable) | 10%    | Natural Gas (renewable) | 15%    | Other                             | 1% | Nuclear | 1% |  |                      |        |        |        |        |                     |     |     |     |     |
| Power Source   | Percentage   |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Coal   | 38%  |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Hydro  | 30%  |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| New (renewable)  | 10%  |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Natural Gas (renewable)  | 15%  |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Other  | 1%   |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Nuclear  | 1%   |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| <p><b>Environmental Impact</b><br/>Amounts of pollutants per kilowatt-hour of supply mix, compared to the Northwest U.S. average.</p>  |  <table border="1"> <caption>Environmental Impact Data</caption> <thead> <tr> <th>Pollutant</th> <th>Percentage of Regional Average</th> </tr> </thead> <tbody> <tr> <td>Nuclear Fuel Wastes</td> <td>~5%</td> </tr> <tr> <td>Nitrogen Oxides</td> <td>~25%</td> </tr> <tr> <td>Sulfur Dioxide</td> <td>~30%</td> </tr> <tr> <td>Carbon Dioxide</td> <td>~50%</td> </tr> </tbody> </table> <p>Less than Regional Average &lt;&lt;&lt;&lt;&lt;&lt;   &gt;&gt;More than Regional Average</p>                               | Pollutant    | Percentage of Regional Average | Nuclear Fuel Wastes | ~5%      | Nitrogen Oxides | ~25%        | Sulfur Dioxide  | ~30%   | Carbon Dioxide          | ~50%   |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Pollutant  | Percentage of Regional Average   |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Nuclear Fuel Wastes  | ~5%  |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Nitrogen Oxides  | ~25%   |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Sulfur Dioxide   | ~30%   |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| Carbon Dioxide   | ~50%   |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |
| <p><b>Terms &amp; Conditions</b></p>   | <p>Describe Terms and Conditions</p>   |              |                                |                     |          |                 |             |                 |        |                         |        |                                   |    |         |    |  |                      |        |        |        |        |                     |     |     |     |     |

**Basic Format (con't)**

The Information on Environmental Impacts must be described as:

**Information on Environmental Impacts**

**Carbon Dioxide** is a major contributor to global climate change. Among the likely impacts for Oregon are less mountain snow pack and less water available in summer, higher sea levels, and threats to forests, crops, and fish and wildlife habitat. Coal and natural gas are the main sources of carbon dioxide from power generation.

**Nitrogen Oxides and Sulfur Dioxide** are air pollutants that affect human health, plants, fish and wildlife. Nitrogen oxides contribute to smog. Coal is the main source of these pollutants from power generation. Natural gas plants produce nitrogen oxides.

**Nuclear Fuel Wastes** contain the most radioactive and long-lived waste formed during operation of nuclear power plants. These wastes are stored at nuclear power reactor sites. The U.S. has no permanent disposal site for these wastes.

**Hydropower Impacts** - Some hydropower dams contribute to the decline of salmon and other fish and wildlife populations.

Source: Oregon Office of Energy

## ELECTRICITY PRICE, POWER SOURCE, AND ENVIRONMENTAL LABEL FORMATS

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Attachment A

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### **Residential and Nonresidential Formats**

#### Residential Format

The companies must use the basic format and add a column for each option. The information must be provided at least quarterly. The option must be described under the option name. The cost comparison information must be shown in dollars per month and cents per kWh. The cost comparison information may be shown separately from the other information in accompanying materials. The format includes the price formula (e.g., for a fixed renewable option: "Basic Service rate + an additional fixed monthly amount to purchase clean wind power = electricity price"). The supply mix and environmental impact information must be shown using the pie chart and bar chart formats shown in Basic Format. The main terms and conditions must be shown.

#### Nonresidential Format

Electric companies and electricity service suppliers must use the basic format and provide the information on or with each bill. Electric companies and electricity service suppliers may provide a full set of printed information on a quarterly basis if the entity provides a URL address for a world-wide web site that displays the power source and environmental impact information for the products sold to consumers on each bill. If the electric company or electricity service supplier bills a nonresidential consumer electronically, the labeling information may also be provided electronically.

Electric companies and electricity service suppliers are not required to use the detailed format in the Cost Comparison and Price Formula sections. They are required to provide price information. They may display that information based on their pricing structure.

electricity format

**OREGON PUBLIC UTILITY COMMISSION  
MINUTES OF PUBLIC MEETING**

9:30 a.m.  
November 20, 2001  
Main Hearing Room  
550 Capitol St. N.E.  
Salem, Oregon 97301-2551

*See Reg.  
Agenda  
Item 10  
+  
attached  
Staff Report*

**The meeting was called to order by Chairman Roy Hemmingway at 9:34 a.m. Also present were Commissioner Joan Smith; Commissioner Lee Beyer; Tom Barkin, Administrative Law Judge; and Paul Graham, Attorney-in-Charge, Department of Justice. There were two amendments to the Consent Agenda; withdrawing Item No. CA 10 and moving Item No. CA 1 to the Regular Agenda. The Regular Agenda was amended to include Item No. CA 1 and to hear Item No. 9 immediately following Item No. CA 1.**

**PUBLIC COMMENTS**

**None.**

**CONSENT AGENDA**

**Motion was made by Commissioner Smith to adopt the Consent Agenda as amended.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

**REGULAR AGENDA**

**TELECOMMUNICATIONS**

Finance: None

Affiliated transactions: None

Service: None

Tariffs: None

Other: None

## **ELECTRIC/NATURAL GAS**

Affiliated transactions:

CA 1. PORTLAND GENERAL ELECTRIC: (Docket No. UI 192) Application to enter into Conduit, Pole Attachment, and Optic Fiber Exchange of Rights Agreements with Portland General Distribution, LLC. (PGD), an Affiliated Interest.

**Tom Riordan, PUC staff, recommended the Commission approve Portland General Electric (PGE) Application to Enter Into Conduit, Pole Attachment, and Optic Fiber Exchange of Rights Agreements between Portland General Electric and Portland General Distribution, LLC (PGD), an affiliated interest, and include the following conditions:**

- 1. PGE shall provide the Commission access to all books of account, as well as documents, data, and records of PGE and PGD's affiliated interests that pertain to this transaction.**
- 2. The Commission reserves the right to review for reasonableness all financial aspect of this transaction in any rate proceeding or alternative form of regulation.**
- 3. PGE shall notify the Commission in advance of any substantive changes to the agreements, including any material change in price. Any such change shall be submitted in an application for a supplemental order (or other appropriate format) in this docket.**
- 4. PGE shall file, as soon as available, copies of the final journal entries recording the transaction.**

**Also, the Commission should grant the request for waiver of the requirements of OAR 860-027-0040 and OAR 860-027-0041.**

**Chairman Hemmingway asked that the recommendation on the staff memo be amended to include the conditions.**

**Motion was made by Commissioner Beyer to adopt staff's recommendation in Item No. CA 1.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

Other:

9. PUC/ENERGY TRUST GRANT AGREEMENT: (Docket No. UM 1042) Requests approval of Commission contract with the Energy Trust of Oregon to administer the conservation and renewable portions of SB 1149 public purpose



funds and issue an order directing PGE and PacifiCorp to transfer collected funds to the Energy Trust beginning March 1, 2002.

**Lynn Kittilson, PUC staff, recommended the Commission approve the proposed grant agreement between the Commission and Energy Trust of Oregon, Inc. and issue an order in Docket No. UM 1042 directing Portland General Electric (PGE) and PacifiCorp (Pacific) to distribute the conservation and renewables funds collected pursuant to Oregon Revised Statute (ORS) 757.612 (the statute) and Oregon Administrative Rule (OAR) 860-038-0480 to the Energy Trust, Inc. beginning March 1, 2002.**

**Chairman Hemmingway asked the attorneys to highlight the changes made since the last Commission review of the agreement.**

**Dave Elott, of Department of Justice, stated the agreement has a term of three years that is actually a rolling term. That means on the anniversary of the agreement, if proper notice of termination has not been provided by one party to another, an additional year will be added to the end of the term. In effect this means the Commission would have to provide three years' notice of termination if the Commission did not have cause for termination. There is a termination period under the agreement which is two years and requires continued funding of certain obligations even after termination. From the Commission's perspective there could be continuing funding obligations for as many as five years from the date the agreement was originally entered into. The shortest period of time in which the Commission could terminate the agreement for cause would be 120 days. There are provisions in the agreement requiring the Energy Trust to provide the Commission with numerous reports.**

**Bill Manne, representing the Energy Trust of Oregon, corrected Mr. Elott's statement in that on a for-cause termination, the contract calls for 60 days. The notice of concern process is not required in a for-cause situation.**

**Commissioner Smith stated accountability will still be a concern.**

**Motion was made by Commissioner Smith to adopt staff's recommendation in Item No. 9.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

Finance:

1. AVISTA UTILITIES: (Docket No. UF 4185) Requests an order authorizing the issuance and sale of securities not to exceed \$83,700,000.

**Thomas Morgan, PUC staff, recommended the Commission approve Avista Utilities' (Avista or Company) application to refinance its Pollution Control Bonds (PCBs) subject to the following conditions and reporting requirements:**

1. **Avista should demonstrate that the rates it achieves on the new securities are consistent with market rates or otherwise demonstrate that the rates it achieves are competitive. The demonstrations should be filed as soon as possible after each issuance and sale.**
2. **The Company should demonstrate that any early refunding is cost-effective.**
3. **The Company should file the usual Report of Securities Issued and Disposition of Net Proceeds statements as soon as possible after each sale.**
4. **Staff proposes that such authorization remain in effect as long as the company maintains senior secured debt ratings of at least BBB-/Baa3 (i.e., "investment-grade") from Standard & Poor's and Moody's Investors' Service, Inc., respectively.**
5. **Staff proposes that such authorization remain in effect as long as the all-in costs of the security do not exceed 5.60% including all fees and commissions pursuant to the issuance.**

**Mr. Morgan stated this item was placed on the Regular Agenda because staff was working on resolution of some questions on this matter on the date the agenda was due. Since that time those questions have been answered. Both staff and the company agree with the approval of this application.**

**Motion was made by Commissioner Beyer to adopt staff's recommendation in Item No. 1.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

2. AVISTA UTILITIES: (Docket No. UF 4186) Requests an order authorizing the issuance and sale of securities not to exceed \$250,000,000.

**Thomas Morgan, PUC staff, recommended the Commission approve the Company's application, as amended by Staff, for the issuance of \$114**

million in debt securities for refinancing purposes. Upon sufficient support to indicate lawful uses of additional funds, Staff would support further approval. Any approval should be subject to the following conditions and reporting requirements:

1. Avista's authority to issue new securities should be limited to the amount of refinanced medium and long-term debt that is anticipated through 2002 and that which has been used for purposes authorized under ORS 757.415 and is authorized for the refinancing of funds expended under its Line of Credit (further described in this Memo) having been shown to be used for obligations of the Company also allowed in ORS 757.415.
2. Avista should demonstrate that the rates it achieves on the new securities are consistent with market rates or otherwise demonstrate that the rates it achieves are competitive. The demonstrations should be filed as soon as possible after each issuance and sale.
3. The Company should demonstrate that any early refunding is cost-effective.
4. The Company should file the usual Report of Securities Issued and Disposition of Net Proceeds statements as soon as possible after each sale.
5. Staff proposes that such authorization remain in effect as long as the Company maintains senior secured debt ratings of at least BBB-/Baa3 (i.e., "investment-grade") from Standard & Poor's and Moody's Investors' Service, Inc., respectively.
6. Staff further proposes that the interest rate spreads are limited as provided for in the Attached Tables, Table 1 and Table 2.
7. The Company should provide an analysis upon entering into any interest rate swap that demonstrates that such contract would likely benefit ratepayers.

Mr. Morgan stated the company was able to provide sufficient documentation for staff's analysis. Based on the information provided, staff is able to recommend approval of this application.

Mr. Morgan recommended changing condition 1 of staff's recommendation to:

1. The Commission Orders 01-230 and 01-538 relating to the need for funds for the construction of Coyote Springs II are rescinded, and Avista shall not issue any securities pursuant to that authorization. Avista is authorized under this filing to issue up to \$250 million, in part for the construction of Coyote Springs II and other lawful purposes.

**Motion was made by Commissioner Beyer to adopt staff's recommendation as amended in Item No. 2.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

Service: None

Tariffs:

3. IDAHO POWER COMPANY: (Docket No. UE 131/Advice No. 01-9)  
Requests to increase the amortization of deferred excess net power costs from three to six percent.  
Effective date: November 28, 2001.

**Maury Galbraith and Ed Krantz, PUC staff, recommended the Commission approve Idaho Power's application to increase its amortization of the deferred excess net power costs from three percent to six percent, and allow the tariff sheets included in Advice No. 01-9 to go into effect on November 28, 2001, subject to refund.**

**Chairman Hemmingway asked how this application is different from PacifiCorp's that staff did not recommend approval on.**

**Mr. Krantz stated there is no opposition from parties on this application, and the amortization at 3 percent does not cover the interest.**

**Mr. Galbraith stated there are no prudence issues for the application of Idaho Power. For PacifiCorp the prudence of long-term contracts was an issue.**

**Bart Kline of Idaho Power stated they do not disagree with staff's analysis regarding the interest on a 3 percent amortization.**

**Motion was made by Commissioner Smith to adopt staff's recommendation in Item No. 3.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

4. PACIFIC POWER & LIGHT: (Advice No. 01-028) Requests approval of portfolio tariffs, Schedules 210 through 214.  
Effective date: March 1, 2002

**Rebecca Hathhorn, PUC staff, recommended the Commission allow Pacific Power & Light's (PacifiCorp) proposed portfolio tariff sheets, Schedules 210, 211, 212, 213, and 214, filed in Advice 01-028 to go into effect March 1, 2002 and suspend the alternate Schedule 213, in Attachment 1 of the filing.**

**Ms. Hathhorn stated there has been a minor change from what was adopted by the Commission on September 25. The habitat restoration, Schedule 213, will be a blended product and at a per kilowatt charge rather than a block rate.**

**Mr. Barkin stated he would prefer to see Schedule 213 withdrawn rather than suspended.**

**Mr. McDonald stated the company commits to withdrawing Schedule 213 in Attachment 1.**

**Motion was made by Commissioner Beyer to adopt sentence one of staff's recommendation in Item No. 4. He noted for the record that Schedule 213 in Attachment 1 is withdrawn.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

Other: None

5. PORTLAND GENERAL ELECTRIC: Presentation by the company on Winter Power Supply and Emergency Procedures. Informational only.

**Jack Breen, PUC staff, introduced Pamela Lesh, of PGE.**

**Ms. Lesh introduced Mary Turina and Steve Hawke.**

**Ms. Turina stated there is a better power supply situation going into this winter than existed last winter. That is primarily due to reduced demand. Across the region, they are seeing reduced demand, increased generation, and increased imports from outside the region. She stated that on a year-to-date basis their customers are using just over 3 percent less energy on a weather-adjusted basis.**

**Chairman Hemmingway stated he has continuing worries that Oregon does not have a curtailment process that would actually work. Rolling blackouts would be the only method with dealing with a shortage.**

**Mr. Hawke reported on storm preparation and rotating outage plans.**

**He stated the company is continuing to study a load-reduction program where in lieu of taking out their power, large customers would commit to a megawatt reduction over a period of time to give the same effect without dropping all of their production off-line.**

**Mr. Hawke stated the company plans to do a website demonstration for PUC staff.**

- 6. PACIFIC POWER & LIGHT: Presentation by the company on Winter Power Supply and Emergency Procedures. Informational only.**

**Jack Breen, PUC staff, introduced Bruce Hellebuyck of Pacific Power.**

**Bruce Hellebuyck, Terry Ray, and John Apperson delivered PacifiCorp's presentation (see presentation in file).**

**Commissioner Smith expressed concern that these plans are very company-centric to deal with these issues. She stated there needs to be a broader coordination.**

**Mr. Ray stated if it is a regional problem, the Northwest Power Pool has a security coordinator who will direct the need for load reductions. He stated PGE & PacifiCorp have made efforts to make the Oregon Office of Energy the single point of contact on a state level.**

**Phil Carver, of the Office of Energy, stated the Electricity Response Team (ERT) has as one of their major functions the responsibility of coordinating the four Governors' response of declaring an emergency. That would occur prior to curtailment of loads. The ERT is responsible for the communication of a declaration of an emergency. The ERT would communicate the emergency to the public at large and all the utilities. ERT is focusing on pre-blackout communication to save single-digit load by informing the public of the need to reduce usage.**

**Mr. Breen stated the procedures used in an emergency are consistent statewide.**

7. PORTLAND GENERAL ELECTRIC: Presentation by the company on Regional Transmission Organizations activities. Informational only.

**Stefan Brown, PUC staff, introduced Pamela Lesh, of PGE.**

**Ms. Lesh and Steve Hawk delivered a presentation on their Regional Transmission Organization, TransConnect. PGE has been working in conjunction with Sierra Pacific, Nevada Power, and three other regional utilities in the Northwest.**

**The TransConnect proposal has a five-year rate freeze with the exception of certain new construction, rate zones which integrate with RTO West, a performance-based rate system around the O&M costs, a unique way of thinking about A&G, benchmarks, capital expansion guidelines, and a rate-of-return request of 14.5 percent for the equity component.**

**Future steps involve a decision from FERC, companies would have to take the proposal to their board of directors to see if the business model is acceptable, state regulatory review would then need to occur, and then additional FERC filings would need to be made.**

8. PORTLAND GENERAL ELECTRIC: (Docket No. DR 28) Requests a Declaratory Ruling regarding its obligation under OAR 860-021-0135 to recover an overpayment.

**Item No. 8 was moved to the end of the agenda to give the parties time to negotiate.**

**Stefanie Andrus, of DOJ, recommended the Commission decline Portland General Electric's (PGE) request for a declaratory ruling. Generally, declaratory rulings are preventive remedies, designed to adjudicate rights and duties before wrongs have been committed. PGE requests a declaratory ruling regarding an action it has already taken, and that its customer alleges is a conversion and breach of contract. A declaratory ruling in this case would not be a preventive remedy, but would adjudicate whether a wrong has been committed.**

9. PUC/ENERGY TRUST GRANT AGREEMENT: (Docket No. UM 1042)  
Requests approval of Commission contract with the Energy Trust of Oregon to administer the conservation and renewable portions of SB 1149 public purpose funds and issue an order directing PGE and PacifiCorp to transfer collected funds to the Energy Trust beginning March 1, 2002.

**This item was heard before Item No. 1 on the agenda.**

10. ELECTRICITY PRICE, POWER SOURCE, AND ENVIRONMENTAL LABEL FORMATS: Prescribe electric company and electricity service supplier price, power source, and environmental label formats pursuant to Oregon Administrative Rule 860-038-0300.

**Jack Breen, PUC staff, recommended the Commission prescribe the electric company and electricity service supplier price, power source, and environmental label formats as shown in Attachment A.**

**Mr. Breen supplied a Revised Attachment A for Option B Alternative.**

**Commissioner Beyer asked if the companies had any plans to do any surveys on how well these formats were understood.**

**Sally Moholovich, of PacifiCorp, stated the companies have some quantitative research planned for April, 2002. Both PGE and PacifiCorp will be conducting the research through an outside firm.**

**Motion was made by Commissioner Beyer to adopt staff's recommendation using the Revised Attachment A with the Option B Alternative in Item No. 10.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

### UTILITY

Business matters: None

Other: None

### WATER

Finance: None



Affiliated transactions: None

Service: None

Tariffs:

11. WILDERNESS CANYON WATER: (Docket No. UW 82/Advice No. 01-10) Requests a general rate increase in the amount of \$2,444, or 33.8 percent. Effective date: December 1, 2001

**Renee Sloan, PUC staff, recommended the Commission, pursuant to ORS 757.215, that Wilderness Canyon Water's proposed tariffs requesting a general rate increase be suspended for six months effective December 1, 2001.**

**Item Nos. 11 and 12 were combined for voting.**

12. HILLVIEW WATER: (Docket No. UW 83/Advice No. 01-11) Requests a general rate increase in the amount of \$2,878, or 43.1 percent. Effective date: December 1, 2001

**Renee Sloan, PUC staff, recommended the Commission, pursuant to ORS 757.215, that proposed tariffs filed by Hillview Water requesting a general rate increase be suspended for six months effective December 1, 2001.**

**Ms. Sloan stated both companies are small investor-owned companies owned by Hiland Water Company.**

**Commissioner Beyer asked if staff thought it would take six months to review these tariffs.**

**Rebecca Hathhorn, PUC staff, stated she did not believe it would take a full six months. However, there are customer complaints, and she wanted to listen to the customers and resolve those issues. The customer complaints will be incorporated into the rate case.**

**Motion was made by Commissioner Smith to adopt staff's recommendations in Item Nos. 11 and 12.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

Other: None

9. PORTLAND GENERAL ELECTRIC: (Docket No. DR 28) Requests a Declaratory Ruling regarding its obligation under OAR 860-021-0135 to recover an overpayment.

**Stefanie Andrus, of DOJ, recommended the Commission decline Portland General Electric's (PGE) request for a declaratory ruling. Generally, declaratory rulings are preventive remedies, designed to adjudicate rights and duties before wrongs have been committed. PGE requests a declaratory ruling regarding an action it has already taken, and that its customer alleges is a conversion and breach of contract. A declaratory ruling in this case would not be a preventive remedy, but would adjudicate whether a wrong has been committed.**

**Ms. Andrus proposed the Commission table the petition for a few days. The parties could return to the Commission at the next public meeting with their agreement.**

**Mr. Barkin stated if the parties reach an agreement and PGE withdraws their petition for a declaratory ruling, it will not be necessary for them to appear at the public meeting.**

**Motion was made by Commissioner Beyer to table Item No. 8 until the December 3, 2001, public meeting.**

**Voting for: Commissioners Hemmingway, Smith, and Beyer.**

**Voting against: None.**

## **RULEMAKING**

## **RESIDENTIAL SERVICE PROTECTION FUND**

## **OTHER BUSINESS**

## **PUBLIC POLICY DISCUSSION**

**EXECUTIVE SESSION** *Pursuant to ORS 192.660(1)(h), executive sessions are closed to members of the public, except the news media. None scheduled.*

**The meeting was adjourned at 12:01 p.m.**