

**Clatskanie P.U.D.**

PO Box 216  
Clatskanie, OR 97016  
(503) 728-2163  
Fax: (503) 728-2812

April 20, 2004

Oregon Public Utility Commission  
Salem, Oregon

Commissioners:

In regard to the Commission's docket UM926, Clatskanie PUD supports the comments of the Public Utilities submitted by the Public Power Council, Oregon Municipal Electric Utilities, Oregon Rural Electric Cooperative Association and the Oregon People's Utility District Association.

CPUD does not support the Commission staff position terminating the deferral of RRD payments and recommends that you direct PacifiCorp to continue deferral of the RRD. There is no reason to allow this additional benefit to PacifiCorp's residential ratepayers at the expense of PGE's residential ratepayers and public utilities in Oregon.

The cost of allowing PacifiCorp to collect RRD payments would exceed \$80 million and raise rates for all other utilities in Oregon that buy energy from the Bonneville Power Administration. While PacifiCorp would receive approximately \$56.8 million in RRD payment, the net effect would be cost \$8.9 million for PGE's residential customers and about \$61.4 million for Oregon consumer-owned utilities over the next two years. Triggering the RRD would result in a net cost of \$13.5 million for Oregon utilities.

Additionally, PacifiCorp, in an agreement with Bonneville, agreed to defer the RRD payments until 2007-2011. The OPUC should support this original agreement between Bonneville and the investor-owned utilities.

Without a compelling reason for terminating the deferral, CPUD recommends that the Commission deny the staff's request in the interest of all Oregon ratepayers and in supporting the original agreement with Bonneville.

Sincerely,

Gregory A. Booth  
General Manager  
Clatskanie People's Utility District