

BEFORE THE OREGON PUBLIC UTILITY COMMISSION

Comments Submitted by the Washington Public Utility Districts Association

Docket UM 926

April 21, 2004

On March 16, 2004, the Oregon Public Utility Commission (OPUC) heard public comment on the staff recommendation to direct PacifiCorp to (a) terminate its deferral of the "Reduction of Risk Discount" (RRD) and (b) order PacifiCorp send a letter to BPA with a 120 day notice demanding payment of the RRD from the Bonneville Power Administration (BPA) commencing October 1, 2004.

On March 24, 2004, OPUC invited interested parties to submit comments on the staff recommendation and thus WPUDA submits the following comments in the above referenced matter.

23 of WPUDA's 28 PUD members provide electric service to over 830,000 electric residential, commercial, industrial and irrigation meters serving 1.5 million people in the state of Washington. Our members providing electric service are preference customers of the Bonneville Power Administration (BPA) and take delivery of approximately one-third or 33% of the electric energy marketed by BPA. Consequently our members will assume approximately 1/3 of the costs of any RRD payments made by BPA and will be substantially impacted by any order of OPUC regarding the RRD.

While WPUDA does not typically file comments before the OPUC, and while we recognize that WPUDA members are usually not substantially affected by OPUC actions, this case has region wide impacts that affect ratepayers not only in Oregon, but throughout the Pacific Northwest, including Washington State and our members, therefore we request that OPUC take our comments into consideration in their deliberations.

First, we note that other public power utilities and/ or associations have filed or will file comments in this proceeding and we request that OPUC, for the record, take notice of our support of and agreement with those filings.

Next we are aware, and know that OPUC has been informed that there is a draft agreement between BPA, PacifiCorp and Puget Sound Energy (PSE) regarding this RRD circulating for comment, as well as court action filed by multiple utilities in the region regarding the RRD and other issues surrounding the RRD. WPUDA's request is that OPUC postpone their decision on staff's memo until the other venues and remedies in this matter are exhausted.

Given that PacifiCorp's deferral of the RRD includes payment with interest, PacifiCorp's ratepayers will not be harmed by OPUC not acting at this time should the court rule in BPA's favor or an alternative settlement be worked out. And should the court's rule in the utilities favor, OPUC would not have further complicated an already complex issue by issuing an order in a matter that is not yet ripe.

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Respectfully Submitted

David P. Warren  
Government Relations Director

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