

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

Docket No. _____

In the Matter of the Petition for Investigation)
into PacifiCorp’s Rates and Tariffs.) PETITION FOR INVESTIGATION OF
) MULTNOMAH COUNTY DRAINAGE
) DISTRICT NO. 1 AND PENINSULA
) DRAINAGE DISTRICT NO. 2
_____)

Pursuant to ORS §§ 756.070 and 757.230, and OAR 860-013-0020, Multnomah County Drainage District No. 1 (“MCDD”) and Peninsula Drainage District No. 2 (“Pen 2”) (together, the “Districts”) hereby petition the Public Utility Commission of Oregon (“OPUC” or “Commission”) to open an investigation into the tariffs and rates pursuant to which PacifiCorp charges the Districts for electric service to the Districts’ facilities. Because PacifiCorp does not have a tariff that meets the Districts’ needs, the Commission should order PacifiCorp to develop a suitable tariff and file it with its next general rate case filing.

BACKGROUND

The Districts, both special districts organized under ORS Chapter 547, are in Northeast Portland, located on floodplains south of the Columbia River. They are responsible for flood control and stormwater management, are funded through landowner assessments, and are governed by landowner-elected boards of supervisors. The Districts use electricity to operate equipment that holds, releases, and pumps large volumes of water to prevent flooding and meet other public goals. Their activities protect thousands of public and private landowners from

flooding from the Columbia River and the lower Columbia Slough. This includes an estimated 55,000 jobs and \$16.5 billion worth of property, including the Portland International Airport and surrounding industrial businesses, and even the PacifiCorp field offices and several substations.

The rate schedules under which PacifiCorp bills the Districts for electric service do not meet the requirements of the Districts' usage, and as a result, the Districts are overpaying for their electricity. MCDD purchases electric service from PacifiCorp under four separate accounts. The main pumping station is served under Schedule 48, PacifiCorp's large industrial customer tariff, and the main office and two smaller pumping stations are served under Schedule 28, one of PacifiCorp's commercial customer tariffs. Pen 2 has one pumping station, which is served under Schedule 28. These rate schedules, which are designed for for-profit commercial and industrial users, include high demand charges that are placing an unwarranted, significant financial burden on the public service Districts. For example, as shown in Attachment A, between January and July 2006, the demand charges for the Districts' four pumping stations averaged more than 30% of the total bills for these facilities.

Representatives for the Districts have conferred with PacifiCorp representatives on this issue at length over the past two years, and the conclusion has been reached that PacifiCorp does not currently have any options that would allow the Districts to reduce their demand charges. Because PacifiCorp does not have a rate schedule that adequately meets the Districts' needs, the only remedy for this situation is to require PacifiCorp to develop a new tariff.

ARGUMENT

The Commission has authority under ORS § 757.230 to create service classifications based on usage. The statute requires the Commission to “provide for a comprehensive classification of service for each public utility.” ORS § 757.230(1). Service classifications may be based on such factors as the quantity used, the time when used, the purpose for which used, “and any other reasonable consideration.” Id. The Commission may then “authorize classifications or schedules of rates applicable to individual customers or groups of customers,” and the public utility must “conform its schedules of rates to such classification.” Id. The Commission should use its authority under ORS § 757.230 to require PacifiCorp to develop an appropriate rate schedule applicable to the Districts.

PacifiCorp’s Rate Schedules 28 and 48 are a poor match for the Districts’ needs. The Districts’ electric usage does not correspond with the typical industrial or commercial usages for which Rate Schedules 28 and 48 are designed. First, the primary purpose for which the Districts use electricity—to hold, release, and pump water for flood control purposes—does not reflect a typical industrial or commercial use. Second, the Districts’ electric use is highly seasonal and dependent on fluctuating needs for flood control. PacifiCorp’s Schedules 28 and 48 both include demand ratchets—Schedule 28 on the Load Size Charge and Schedule 48 on the Facilities Charge—that are designed so that industrial and commercial customers will spread out load or avoid spikes in demand. For the Districts, however, it is not possible to spread out load or avoid demand spikes without risking the flooding that the Districts are responsible for

controlling. Because the Districts must go above their normal demand levels to protect lives and property, they should not be penalized for those times of high demand.

Portland General Electric Company (“PGE”) has a tariff that is better designed for the Districts’ usage. PGE’s Schedule 49 is specifically designed to meet drainage pumping needs and is better designed for seasonal use. Significantly, it does not include the high demand charges that are in PacifiCorp’s Schedules 28 and 48. The Commission should require PacifiCorp to develop a tariff for which the Districts will qualify that is comparable to PGE’s Schedule 49. PacifiCorp should be required to file this tariff with its next general rate case filing, which is expected in September 2007.

WHEREFORE, the Districts respectfully request that the Commission issue an order requiring PacifiCorp to develop a tariff to meet the Districts’ needs and to file the tariff in its next general rate case.

Dated this 15th day of February, 2007.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.



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Of Attorneys for Multnomah County Drainage

District No. 1 and Peninsula Drainage District No. 2

Location	Schedule	Billing Date	Demand Charge	Total Bill	Percentage Demand Charge
Pump Station # 1	PRF				
		1/1/07	\$5,516.53	\$15,121.89	36.48%
		12/1/06	\$4,814.67	\$13,862.54	34.73%
		11/1/06	\$590.85	\$1,997.32	29.58%
		10/1/06	\$584.79	\$1,886.08	20.26%
		9/1/06	\$639.33	\$2,886.33	12.73%
		8/1/06	\$1,366.53	\$5,022.74	27.21%
		6/29/06	\$1,254.42	\$7,939.61	15.80%
		5/31/06	\$1,702.86	\$9,763.22	17.44%
		5/1/06	\$1,745.28	\$9,675.92	18.04%
		3/31/06	\$942.33	\$8,866.91	10.63%
		3/2/06	\$2,166.45	\$11,313.11	19.15%
		2/1/06	\$5,105.55	\$20,045.93	25.47%
		1/3/06	\$2,257.35	\$9,294.55	24.29%
			\$28,686.94	\$117,676.15	24.38%

Location	Schedule	Billing Date	Demand Charge	Total Bill	Percentage Demand Charge
Pump Station # 2	28				
		1/1/07	\$198.55	\$709.12	28.00%
		12/1/06	\$208.05	\$673.15	30.91%
		11/1/06	\$91.25	\$166.92	54.67%
		10/1/06	\$54.75	\$128.58	42.70%
		9/1/06	\$80.30	\$158.21	44.07%
		8/1/06	\$87.60	\$182.19	48.08%
		6/30/06	\$91.25	\$231.42	39.43%
		5/31/06	\$102.20	\$289.36	35.32%
		5/1/06	\$105.85	\$321.84	32.89%
		3/31/06	\$120.45	\$294.39	40.92%
		3/7/06	\$138.70	\$439.18	31.58%
		2/1/06	\$182.50	\$770.27	23.69%
		1/4/06	\$138.70	\$608.13	17.16%
			\$1,600.15	\$4,972.76	32.50%

ATTACHMENT A—PETITION FOR INVESTIGATION

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Location	Schedule	Billing Date	Demand Charge	Total Bill	Percentage Demand Charge
Pump Station # 3	110	1/1/07	\$257.54	\$947.07	27.19%
		12/1/06	\$262.80	\$769.16	34.17%
		11/1/06	\$131.40	\$267.05	49.20%
		10/1/06	\$135.05	\$256.28	52.70%
		9/1/06	\$135.05	\$273.15	49.44%
		8/1/06	\$135.05	\$264.62	38.88%
		7/6/06	\$153.30	\$348.02	44.05%
		6/6/06	\$131.40	\$326.19	40.28%
		5/5/06	\$262.80	\$516.77	50.85%
		4/10/06	\$146.00	\$472.53	30.90%
		3/10/06	\$146.00	\$546.00	26.74%
		2/8/06	\$273.75	\$1,242.71	22.03%
		1/12/06	\$273.75	\$949.49	28.83%
			\$2,443.89	\$7,179.04	34.04%

Location	Schedule	Billing Date	Demand Charge	Total Bill	Percentage Demand Charge
Pump Station - NE 13th	28	1/8/07	\$927.77	\$2,328.40	39.85%
		12/19/06	\$941.70	\$2,277.50	41.35%
		11/16/06	\$507.35	\$849.31	59.74%
		10/17/06	\$503.70	\$825.42	61.02%
		9/18/06	\$503.70	\$1,690.98	29.79%
		8/17/06	\$496.40	\$851.29	58.31%
		7/18/06	\$478.15	\$1,029.96	46.42%
		6/29/06	\$478.15	\$1,029.96	46.42%
		5/31/2006	\$470.85	\$925.09	50.90%
		5/1/06	\$478.15	\$1,108.72	43.13%
		4/18/06	\$481.80	\$1,002.82	48.04%
		3/6/06	\$474.50	\$1,208.91	39.25%
		2/2/06	\$890.60	\$2,580.82	34.51%
		1/4/06	\$901.45	\$2,041.09	44.17%
		12/1/05	\$901.55	\$1,629.77	55.32%
			\$9,435.82	\$21,380.04	44.13%

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February 15, 2007

Via Electronic and U.S. Mail

Public Utility Commission
Attn: Filing Center
550 Capitol St. NE #215
P.O. Box 2148
Salem OR 97308-2148

Re: Petition for Investigation of Multnomah County Drainage District No. 1
and Peninsula Drainage District No. 2

Dear Filing Center:

Enclosed please find an original and two (2) copies of the Petition for Investigation of Multnomah County Drainage District No. 1 and Peninsula Drainage District No. 2.

Please return one file-stamped copy of the document in the postage-prepaid envelope provided. Thank you for your assistance.

Sincerely yours,

/s/ Eric G. Shelton
Eric G. Shelton

cc: Dave Hendricks
Multnomah County Drainage District No. 1

Natalie Hocken
Pacific Power and Light