ISSUED: June 26, 2008

## BEFORE THE PUBLIC UTILITY COMMISSION

## **OF OREGON**

UM 1002

WAH CHANG	)
Petitioner,	) ) RULING
V.	) )
PACIFICORP, dba Pacific Power	) )
Respondent.	, )

## DISPOSITION: FURTHER INFORMATION REQUESTED

By ruling dated February 7, 2008, I reopened this proceeding to receive information from PacifiCorp, dba Pacific Power (Pacific Power) regarding net revenues attributable to its service to Wah Chang over the five-year life of the special tariff. Pacific Power made its required filing on a timely basis. Because the contents of the filing were not conclusive, I direct Pacific Power and Wah Chang to provide further information.

Pacific Power's response to part (a) of the data request presumes that the company either (1) purchased power at the DJ COB index rate to serve Wah Chang or (2) supplied Wah Chang with surplus system power that would otherwise have been sold at the DJ COB index rate. Pacific Power is directed to clarify its response by answering the following questions:

- 1. Did Pacific Power, in fact, serve Wah Chang in this manner?
- 2. If not, why is the DJ COB index rate a good measure of the cost to Pacific Power and its customers of serving Wah Chang?

Pacific Power should submit records and work papers supporting its answers.

In the earlier ruling, I also asked that Pacific Power provide an exhibit that addresses the applicability of ORS 757.230 in this case. Pacific Power's response did not directly address this question.

The original contract was approved pursuant to the statute, which provides that the Commission, in approving a tariff filing primarily related to price competition or a service alternative, at a minimum, shall consider:

- (a) Whether the rate generates revenues at least sufficient to cover relevant short and long run costs of the utility during the term of the rates; and
- (b) Whether the rate generates revenues sufficient to insure that just and reasonable rates are established for remaining customers of the utility.

Pacific Power is requested to address how the Commission should apply that statutory standard in the context of its review of Wah Chang's petition in December, 2000, i.e., whether granting the petition and returning Wah Chang to standard tariff rates would meet these statutory standards.

Pacific Power shall make its supplemental filings not later than July 31, 2008. Wah Chang also may address the application of ORS 757.230 at that time.

Thereafter, a prehearing conference will be held to consider the need for, and nature of, any further proceedings.

Dated at Salem, Oregon, this 26th day of June, 2008.

PATRICK POWER
Administrative Law Judge