ISSUED: February 7, 2008

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1002

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

DISPOSITION: PROCEEDINGS REOPENED

I believe it would be helpful for the Commission to have information on the extent to which PacifiCorp, dba Pacific Power (Pacific Power) and its customers benefited from the provision of service to Wah Chang under the terms of the MESA. Therefore, I direct Pacific Power to submit an exhibit that provides, for each month during the five-year term of the tariff, the difference between the company's net revenue with service to Wah Chang, and its likely net revenue in the absence of any service by Pacific Power to Wah Chang. Pacific Power shall submit all work papers supporting these calculations. The exhibit should explain the assumptions used in the analysis and identify sources of uncertainty. For example, how would Pacific Power's wholesale purchases and sales have been different if it had not served Wah Chang? Are the wholesale prices used in the analysis subject to change depending on the outcome of ongoing Federal Energy Regulatory Commission (FERC) proceedings, and, if so, how significant is this uncertainty?

The exhibit also should address the applicability of ORS 757.230, which requires 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.

The parties should address the application of the statute as of December, 2000, when Wah Chang filed this petition.

Pacific Power shall file its workpapers as part of the exhibit.

Pacific Power shall make its filing not later than March 31, 2008. A prehearing conference will be held to set a date for Wah Chang to file a response and to consider the need for, and nature of, further proceedings.

Any response filed by Wah Chang also should address the application of ORS 757.230.

Dated at Salem, Oregon, this 7th day of February, 2008.

Patrick Power Administrative Law Judge