

**RICHARD DEVLIN**

**State Senator**

DISTRICT 19

CLACKAMAS, MULTNOMAH &  
WASHINGTON COUNTIES



**OREGON STATE SENATE**

**900 COURT ST NE**

**SALEM, OR 97301**

October 27, 2005

Lee Beyer, Chairman  
Oregon Public Utility Commission  
550 Capitol Street NE #215  
Salem, OR 97308

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P.U.C

Dear Chairman Beyer:

The legislative effort that went into developing and passing Senate Bill 408 must be followed by rules that properly implement the letter and intent of the new law. Clearly, you have a difficult task in addressing complex tax and utility ratemaking issues.

I think we can agree that we want to remedy a problem where utilities collected in rates more than they paid to government to cover their income tax liabilities. But I remind you that SB 408's intent and directive are simple: Utility customers' bills should be reduced if utility owners paid less in taxes than what was collected through rates. Any necessary adjustments should be based on actual 2006 tax information and take effect in 2007. The Legislature did not want to punish utilities and parent companies that pay as much or more in taxes than they collect from customers.

As you and your fellow Commissioners work on rules to SB 408, I urge you to maintain consistency with the letter and intent of the law.

Sincerely,

Richard Devlin  
Senator, Senate District 19

CC:

Commissioner Ray Baum

Commissioner John Savage

Governor Theodore R. Kulongoski

