

People's Utility District would be 'wired for success'

By Judy Barnes and as appearing in The Oregonian, June 30, 2003.

Fashioning the smooth transition to public ownership of a utility like PGE – serving 750,000 customers scattered throughout six counties – is no simple task. But creating an outcome that protects the long-term economic interests of the region is worth the work.

There is more than one viable path to public ownership. The city of Portland's path is one. The path proposed by the Oregon Public Power Coalition is another.

Our coalition prefers the People's Utility District model of public ownership because:

- ◆ It vests decisions on energy policy in locally elected boards with one mandate – to provide reliable energy at cost.
- ◆ It guarantees jobs for PGE's current workers.
- ◆ PUD formation and operations are completely open processes, offering ratepayers maximum input and accountability.
- ◆ It provides the lowest rates. According to 2002 data from the Oregon Public Utility Commission, every PUD in Oregon has lower rates than PGE (www.oppc.net).

Our coalition's vision of the future consists of county PUDs in Multnomah, Washington, Clackamas, Yamhill and Marion counties and the portion of Polk County served by PGE.

Once formed, county PUDs can cooperate under an intergovernmental agreement written to preserve maximum autonomy for each county while facilitating cooperation in the "wheeling" of power between counties, joint purchase of generation assets or shared use of facilities. Local water PUDs already use this model.

Formation of a Multnomah County PUD in November would be the first step along this path.

Until others are formed, a Multnomah County PUD could cooperate with the counties and cities in PGE's territory to deliver reliable power and lower rates. Any cooperative arrangement possible if the city bought PGE would work equally well with any PUD exercising the constitutional powers granted it to acquire power and distribution assets and to provide electric service inside and outside its boundaries.

The integrity of our unified delivery system would thus be preserved at all times.

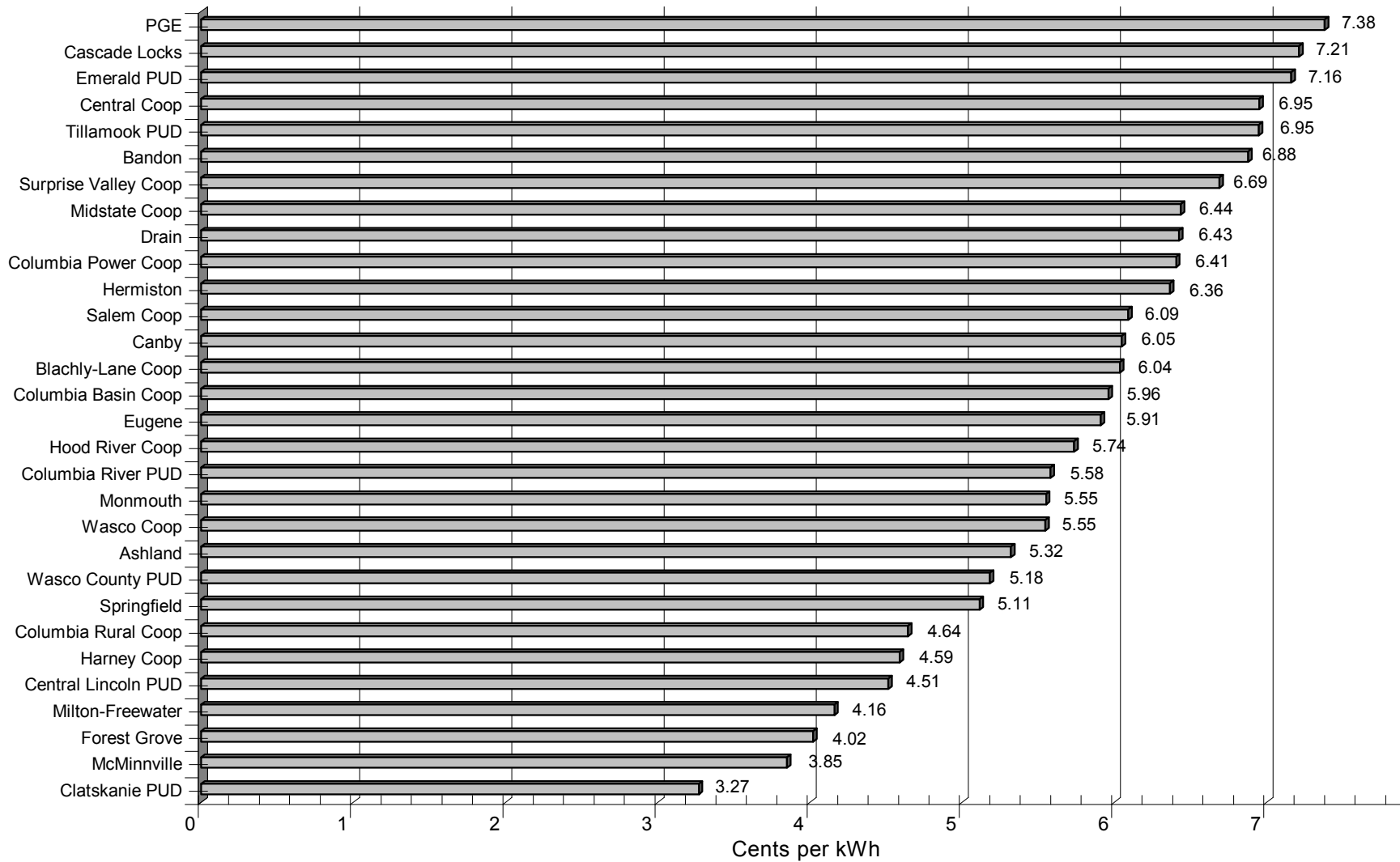
The Oregonian's editorial claims that the service area of a PUD would be "riddled with holes" are irrelevant ("Wired for failure," June 14). PGE's current territory is already "riddled" with holes. They are the public power utilities within it whose rates are significantly lower. PGE's 7.4 cents per kilowatt-hour for 2002 is beaten hands down by the overall rates charged in Canby (6 cents), Forest Grove (4 cents), McMinnville (3.85 cents) and Salem Electric Cooperative (6.1 cents).

The editorial's fears of a "chaotic non-system with no power supply" are groundless. The most recent local example of PUD formation – Columbia River PUD – acquired most of Columbia County from PGE in 1983. The cities of St. Helens, Scappoose, Columbia City and Rainier originally voted to stay with PGE. After Enron's takeover of PGE in 1997, voters annexed their cities into Columbia River PUD (Rainier annexed into Clatskanie PUD next door). In 2002, Columbia River PUD's average charge per kilowatt-hour was 5.6 cents; Clatskanie's was less than 3.3 cents. During the transition, no one experienced chaos or lack of power supply.

Those who once thought Enron buying PGE was a great idea now think a People's Utility District buying PGE is a bad idea. Could they be wrong again?

Oregon Electric Rates – 2002

PGE vs. 29 of the Largest Publicly-Owned Utilities



PGE rates are total PGE retail revenue divided by PGE total retail sales for 2002, from PGE's 2002 10K report. All others are not calculated but are taken directly from data on file at the Oregon PUC for 2002.