Oregon PUC blasts recent court decision that will drive up energy rates

by Bend_Weekly_News_Sources

BPA court ruling to have dire consequences; commission urges congressional solution as BPA suspends payments

SALEM, Ore. â€“ The Chairman of the Oregon Public Utility Commission this week blasted a recent federal court decision that will drive up energy rates. Lee Beyer said, â€œThis decision will take $128 million annually out of the pockets of residential and small farm customers served by Portland General Electric (PGE), PacifiCorp and Idaho Power.â€• The Chairman weighed in as the Bonneville Power Administration (BPA) delivered a letter today to affected utilities informing them the BPA will immediately suspend residential exchange payment benefits due to the uncertainty created by a 9th Circuit Court ruling issued earlier this month. Commission Chairman Lee Beyer said. â€œWe strongly disagree with this decision. The Commission will do everything within its power to get it reversed. This will include fighting it in the courts, seeking congressional intervention, and working with BPA, utilities and customer groups to craft a solution. Since it may take years to resolve this in the courts, I firmly believe Congress must step in with a short term fix. In the long term we need to change the Northwest Power Act to ensure BPA benefits are distributed fairly throughout the region.â€• It is estimated the loss of the residential exchange benefit will mean a rate hike of at least 13% effective June 1, 2007. The annual benefit for PGE is $76 million and $51.7 million for PacifiCorp. This money flows directly to customers and is not a benefit for utilities. â€œWhile rates will rise for most families in Oregon, others served by consumer-owned utilities will likely see rates drop,â€• the Chairman added. â€œThe Commission firmly believes all Oregonians deserve to share in BPAâ€™s relatively low-cost power, not just a select few.â€•

â€œThings could get worse. This does not include the potential for almost $900 million dollars in refunds for payments already received from BPA. The Court ruling also places at risk other settlements that establish benefits, at similar levels, for the October 1, 2006 through September 30, 2011 time period. And the Court ruling also places at risk any long-term resolution for preserving the benefits of the federal hydro system marketed by BPA,â€• the Chairman said. â€œWe look forward to working with our congressional delegation, BPA, the utilities and customer groups to find a way out of this problem. Our customers deserve nothing less.â€•

The court ruled May 3, 2007 that the Bonneville Power Administrationâ€™s 2000 Residential Exchange Program settlements that provide cash benefits to the private utilities ran afoul of the Northwest Power Act.

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