

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 0
Yeas:	Cameron, Clem, Conger, Matthews, Sheehan, Smith J., Holvey, Whisnant
Nays:	0
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	4/5, 4/19, 4/20

WHAT THE MEASURE DOES: Requires surcharge PacifiCorp collects from customers to recover costs to remove Klamath Dams to account for actual and expected changes in energy usage over time and account for actual and expected changes in the interest rates on the collected funds. Allows PUC to establish trust accounts for collected surcharges with the State Treasurer, to be invested according to statutory regulations. Allows PUC to establish each of the two trust accounts with a different trustee.

ISSUES DISCUSSED:

- Workgroup membership
- Rate spread between industrial and residential customers
- Restriction on investment of surcharges
- Potential to disrupt the Klamath Hydroelectric Settlement Agreement

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: In 2009, Senate Bill 76 directed PacifiCorp to collect a surcharge from its customers for the purpose of paying the costs to remove the J.C. Boyle Dam, and another surcharge for removing Copco 1 Dam, Copco 2 Dam, and Iron Gate Dam on the Klamath River. The surcharges collected are not to exceed Oregon's \$184 million share of the customer contribution of \$200 million. Currently, industrial customers have experienced a higher percentage increase in rates compared to residential customers. If one or more dams are not removed, under current law, the excess amounts left in the trust account will be used to implement relicensing requirements.