

1 **BEFORE THE OREGON PUBLIC UTILITIES COMMISSION**

2  
3 **DR 10/UE 88/UM 989**

4  
5 **In the Matters of**

6  
7 **The Application of Portland General**  
8 **Electric Company for an Investigation into**  
9 **Least Cost Plan Plant Retirement. (DR 10)**

10  
11 **Revised Tariffs Schedules for Electric**  
12 **Service in Oregon Filed by Portland**  
13 **General Electric Company. (UE 88)**

14  
15 **Portland General Electric Company's**  
16 **Application for an Accounting Order and**  
17 **for Order Approving Tariff Sheets**  
18 **Implementing Rate Reduction. (UM 989)**

**UTILITY REFORM**  
**PROJECT**  
**ANSWER TO PGE**  
**MOTION TO**  
**CONSOLIDATE**  
**PHASES AND RE-**  
**OPEN RECORD**

19  
20  
21 The Utility Reform Project and associated parties (Marbet, Williams) and the  
22 Class Action Plaintiffs [hereinafter collectively "URP"] oppose the PGE Motion to  
23 Consolidate Phases and Re-open Record, filed November 15, 2006 ["PGE Motion"],  
24 with one exception: We agree that the parties should now brief the legal issue of  
25 whether the OPUC can order PGE to pay refunds to those customers who paid  
26 unlawful charges for Trojan during the 5.5-year period from April 1, 1995, through  
27 September 30, 2000 (the Phase 1 period). It has been our position from the outset  
28 that such legal issue should be part of Phase 1 and should have been the first item  
29 of business in Phase 1. The Commission rejected that position in 2004, at the  
30 express urging of PGE. PGE now reverses field and desires such briefing.

1 Further, PGE's motion amounts to a defective motion for rehearing or  
2 reconsideration of the Commission's final order on the scoping of this proceeding.  
3 That was Order No. 04-597, which became final on February 11, 2005, with the  
4 Commission's issuance of OPUC Order No. 05-091, which denied URP's  
5 application for rehearing and reconsideration. Not only is PGE's motion almost 2  
6 years too late, but it fails to provide any of the required elements of such a motion  
7 under OAR 860-014-0095. In addition, OPUC Order No. 05-091 itself (p. 11)  
8 states, "A party may appeal this order to a court pursuant to ORS 756.580." PGE  
9 did not appeal it and thereby waived its opportunity for further objection to it.

10 This late request to revisit a settled order, more than 2.5 years after its  
11 issuance (prior to the URP application for reconsideration), violates the law of the  
12 case doctrine. The purpose of the doctrine is to protect settled expectations of the  
13 parties, ensure uniformity of decisions, maintain consistency during the course of a  
14 single case, effectuate proper administration of justice, and bring litigation to an  
15 end. 21 CJS COURTS 149 (1990); **Vanderzanden v. Sexson**, 27 Or App 139, 143,  
16 555 P2d 946, 948 (1976); **Poet v. Thompson**, 208 Or App 442, 450, 144 P3d  
17 1067,1072 (2006). While often invoked upon appeal, the rule applies to the same  
18 question being raised a second time in the same tribunal. **Morley v. Morley**, 24 Or  
19 App 777, 781, 547 P2d 636 (1976). The Oregon Supreme Court explained in **Koch**  
20 **v. So. Pac. Transp. Co.**, 274 Or 499, 511-12, 547 P2d 589 (1976), that the

1 application of the doctrine is, ultimately, prudential to preserve the integrity of the  
2 process:

3 The policies underlying the doctrine of the 'law of the case' essentially  
4 parallel those served by the doctrines of *stare decisis* and *res*  
5 *judicata*/preclusion, i.e., consistency of judicial decision, putting an end  
6 to litigation of matters once determined, and preserving the court's  
7 prestige. [Vestal, 1967 UTAHLREV 1]. \* \* \* \*. The rationale is that a  
8 court should adhere to a previous ruling on an identical matter, whether  
9 rightly or wrongly decided, in order to advance the policies enumerated  
10 above.

11  
12 In this case, the "expectations of the parties" include the expectation that the  
13 Commission will follow its own rules and orders and that a party can reasonably  
14 know and predict expenditure of resources. Repeated revisiting of closed matters,  
15 causing reassessment of the need for expert testimony and investments of time,  
16 work a prejudice upon URP and interfere with efficient resolution of the issues.

17 The Commission is not authorized to make arbitrary and inconsistent rulings in  
18 the same matter.<sup>1</sup> There must be good cause shown for the granting of any  
19 motion. PGE offers no good cause for reopening the evidentiary record in Phase 1,  
20 and the evidentiary hearing in Phase 2 has not yet begun. PGE fails even to  
21 suggest any standards for reopening the evidentiary record in a discrete phase of a  
22 proceeding, where the record has been closed, now for more than a year. There

---

23 1. PGE cites ORS 756.558 as authority for revisiting the settled procedure in this  
24 case, but any exercise of Commission authority must itself avoid being arbitrary,  
25 and there are no rules adopted for the exercise of the powers conferred by this  
26 statute.

1 has been no change of circumstances, no claim of factual error (as no decision has  
2 issued);<sup>2</sup> and no "newly discovered evidence"<sup>3</sup> which could not have been known  
3 earlier. There has been no change in precedential case law since the briefing in  
4 Phase 1. The opinion in *Dreyer v. Portland General Electric Co.*, 341 Or 262,  
5 142 P3d 1010 (2006), has no direct impact on this matter. In any event, "courts  
6 presume case law to be in constant flux and are reluctant to reopen decided issues  
7 based on changes in decisional law alone." *Buckley Powder Co. v. State*, \_\_\_  
8 Colo App \_\_\_,70 P3d 547, 557 (2002). But we would not object to a quick round of  
9 briefing on the application of *Dreyer* to Phase 1, as noted below.

10  
11 **I. INTRODUCTION.**

12  
13 PGE offers no logical or substantiated reason for the Commission now to alter  
14 the course of these dockets from the Phases established in 2004 (with the one  
15 exception noted above). Further, it would appear not to make sense to proceed to  
16 Phase 2 in this remand docket, before the Commission has issued its decision to  
17 resolve Phase 1 and before the issuance of the Court of Appeals decision in *URP*  
18 *v. OPUC*, CA A123750 (appeal of the Marion County Circuit Court order invalidating  
19 OPUC Order No. 02-227 in UM 989) [hereinafter *URP v. OPUC* (UM 989 appeal)].

---

20 2. Compare ORAP 6.25 reasons for reconsideration.

21 3. Compare ORCP 71.

1           According to the Commission's logic in setting up the two phases, the baseline  
2 amount of Trojan investment for potential recovery in Phase 2 depends upon the  
3 outcome of Phase 1. Phase 1 placed large financial and time consumption burdens  
4 on URP but was nevertheless completed and fully briefed as of December 14,  
5 2005. Phase 2 cannot logically begin without completion of Phase 1, because the  
6 parties will not know the Commission's determinations as to the remaining  
7 legitimate Trojan investment balance as of the close of September 30, 2000.  
8 Without those determinations, URP will have no basis for preparing testimony or  
9 otherwise participating in Phase 2.

10           Further, the need for Phase 2 will be obviated, if the Court of Appeals in **URP**  
11 **v. OPUC** (UM 989 appeal) decides that OPUC Order No. 02-227 was correctly  
12 decided and did not require remand to the Commission. That would cancel the  
13 Marion County Circuit Court's remand of UM 989 to the Commission and  
14 necessitate the termination of Phase 2 in any event, as Phase 2 covers precisely  
15 the time period addressed in **URP v. OPUC** (UM 989 appeal).

16           **URP v. OPUC** (UM 989 appeal) case was scheduled for oral argument before  
17 the Court of Appeals on September 20, 2006, but the argument was cancelled at  
18 the last-minute request of PGE on September 14, 2006. Since then, PGE has filed  
19 a "Motion to Reverse the Judgment, Order the Parties to File Revised Briefs, and  
20 Abate this Appeal," to which both URP and the OPUC itself have filed memoranda  
21 in opposition. Both URP and the Commission argue to the Court of Appeals that it

1 should proceed to decide **URP v. OPUC** (UM 989 appeal), without delay, so that  
2 the Commission can productively proceed (or not proceed) with Phase 2. If PGE  
3 had not sought to cancel oral argument and to file a series of additional motions  
4 and briefs to the Court of Appeals, then **URP v. OPUC** (UM 989 appeal) could have  
5 been decided already.

6 PGE argues to the Court of Appeals that it should abate the appeal and not  
7 decide it until after the Commission has concluded both Phase 1 and Phase 2 of  
8 this remand proceeding. This makes no sense, because the Court of Appeals  
9 decision can entirely obviate the need for Phase 2. The logical sequence is for  
10 Phase 2 to proceed, after the Court of Appeals has issued its decision and after the  
11 Commission has completed Phase 1.

12 PGE (pp. 1, 4) claims that its proposal "will expedite this proceeding." To the  
13 contrary, it will delay ultimate resolution by requiring the parties to undertake  
14 another lengthy and complex evidentiary proceeding (Phase 2), without knowing  
15 whether it is legally needed or even allowable and without knowing the baseline  
16 starting point for the Trojan investment balance. PGE (p. 1) further contends that  
17 "Consolidation will \* \* \* give parties the opportunity to submit testimony and briefs  
18 on issues raised by the recent Oregon Supreme Court decision in **Dreyer v.**  
19 **Portland General Electric Co.**, 341 Or 262, 142 P3d 1010 (2006)." But this is just  
20 bootstrapping. There is no need for the parties to brief the OPUC now on the  
21 implications of **Dreyer** for Phase 2; that can await the commencement of Phase 2.

1 As for Phase 1, PGE fails to identify any way in which the **Dreyer** decision warrants  
2 allowing PGE to produce more factual evidence pertaining to the Phase 1 time  
3 period (which ended with the close of September 30, 2000). We would not object,  
4 however, to an expedited round of legal briefing in Phase 1 on the relevant  
5 implications of **Dreyer** on whether the Commission has authority to order a utility to  
6 refund to ratepayers past unlawful charges. As indicated below, those briefs would  
7 be very short, because **Dreyer** does not opine on this subject. Thus, we suggest  
8 that the schedule for such briefing would allow 7 days for concurrent opening briefs  
9 and then 7 days for concurrent reply briefs.

10 Dreyer is not pertinent to the Commission's conclusion of Phase 1. **Dreyer**  
11 concluded that the class actions should be put on hold until the Commission  
12 renders its views pursuant to the remand in **CUB/URP v. OPUC**, the consolidated  
13 appeals of OPUC Order No. 93-1117 (DR 10) and OPUC Order No. 95-322 (UE  
14 88). The class actions at issue in **Dreyer** pertain only to the period that  
15 corresponds with Phase 1 of this remand docket. The Commission should proceed  
16 to issue its decision in Phase 1, so that the class actions can be removed from  
17 abatement and be ultimately resolved.

18 To avoid any confusion about the time periods, we have prepared a timeline  
19 showing events pertaining to Phase 1 or Phase 2 or both.  
20  
21  
22

DATES	EVENTS RELEVANT TO PHASE 1 PERIOD: April 1995 - September 2000	EVENTS RELEVANT TO PHASE 2 PERIOD: October 2000 - Present
1978	Oregon voters enact Measure 9, which creates ORS 757.355.	
1993	OPUC issues declaratory ruling of law on meaning of ORS 757.355 in Order No. 93-1117.	
April 1995	OPUC issues Order No. 95-322 in UE 88 rate case, implementing unlawful conclusion of law; new rates take effect April 1995.	
June 1998	Court of Appeals reverses Marion County Circuit Court ruling that OPUC Order No. 93-1117 is valid; upholds other Marion County Circuit Court ruling that the UE 88 rates contain unlawful charges for Trojan return on investment. <i>CUB/URP v. OPUC</i> , 154 Or App 702 (1998).	
April 1999	Oregon Supreme Court grants petitions for review in <i>CUB/URP v. OPUC</i> filed by OPUC, PGE, and URP.	
June 1999	Legislature passes and Governor signs HB 3220, effectively repealing ORS 757.355.	
September 1999	HB 3220 does not go into effect, because sufficient signatures are filed to cause a referendum for the November 2000 ballot. Oregon Supreme Court places <i>CUB/URP v. OPUC</i> on hold, pending outcome of the election.	
September 2000		OPUC adopts, without evidentiary hearing, PGE/CUB "Settlement" new rates in effect October 1, 2000, Order No. 00-601
October 2000		URP causes OPUC to commence evidentiary proceeding re the PGE/CUB "Settlement."
November 2000	Adoption of HB 3220 (repeal of ORS 757.355) rejected by 88.4% vote against Measure 90.	



DATES	EVENTS RELEVANT TO PHASE 1 PERIOD: April 1995 - September 2000	EVENTS RELEVANT TO PHASE 2 PERIOD: October 2000 - Present
1 2 February 2002		OPUC issues Order No. 02-227; URP "appeals" by filing URP v. OPUC (UM 989) in Marion County Circuit Court.
3 4 November 2002	Oregon Supreme Court denies PGE motions to declare <b>CUB/URP v. OPUC</b> moot; dismisses petitions for review on its own motion.	
5 6 January 8, 2003	Court of Appeals issues final judgment in <b>CUB/URP v. OPUC</b> in favor of URP; remands case to Marion County Circuit Court with instructions to remand to OPUC.	
7 8 January 22, 2003	Class Action Plaintiffs (CAPs) file class action suits in Marion County to recover unlawful charges in rates for the 1995-2000 period ( <i>Dreyer</i> ).	
9 10 November 3, 2003	Marion County Circuit Court remands <b>CUB/URP v. OPUC</b> to OPUC, without specific instructions.	
11 12 November 7, 2003		Marion County Circuit Court rules in favor of URP that OPUC Order No. 02-227 is unlawful; remands to agency for further proceedings.
13 January 2004		Marion County Circuit Court issues judgment for URP in appeal of OPUC Order No. 02-227; remands case to OPUC.
14 15 February 2004		OPUC and PGE appeal Marion County Circuit Court judgment; URP files cross-appeal.

DATES	EVENTS RELEVANT TO PHASE 1 PERIOD: April 1995 - September 2000	EVENTS RELEVANT TO PHASE 2 PERIOD: October 2000 - Present
1 March 2004	OPUC commences remand proceeding required by CUB/URP v. OPUC (remand of Order No. 95-322).	OPUC commences remand proceeding required by URP v. OPUC (remand of OPUC Order No. 02-227).
2 March 2004	OPUC consolidates the two remand dockets, later divided into Phase 1 and Phase 2, which correspond to Period A and Period B.	
3 4 December 2004	Marion County Circuit Court in <b>Dreyer v. PGE</b> certifies classes of persons who were PGE ratepayers during Period A (1995-2000); grants summary judgment in favor of plaintiffs on issue of PGE's liability to those ratepayers due to PGE's unlawful charges for Trojan return <u>on</u> investment during Period A.	
5 6 February 2005	PGE seeks writ of mandamus from Oregon Supreme Court, arguing Circuit Court in <b>Dreyer v. PGE</b> should have dismissed the class actions due to ORS 757.225 and other contentions.	
7 March 2005	Evidentiary hearing concluded in Phase 1 of remand of OPUC Order No. 95-322.	
8 9 August 31, 2006	Supreme Court issues opinion in <b>Dreyer v. PGE</b> .	
10 11 September 14, 2006		PGE files motion to cancel oral September 20 argument in <b>URP v. OPUC</b> (UM 989 appeal); motion is later granted.
12 13 October 2, 2006		PGE files Motion to Reverse the Judgment, Order the Parties to File Revised Briefs, and Abate this Appeal in <b>URP v. OPUC</b> (UM 989 appeal).

DATES	EVENTS RELEVANT TO PHASE 1 PERIOD: April 1995 - September 2000	EVENTS RELEVANT TO PHASE 2 PERIOD: October 2000 - Present
1 2 October 16, 2006		OPUC opposes PGE Motion to Reverse the Judgment, Order the Parties to File Revised Briefs, and Abate this Appeal in <b>URP v. OPUC</b> (UM 989 appeal).
3 4 October 31, 2006		URP opposes PGE Motion to Reverse the Judgment, Order the Parties to File Revised Briefs, and Abate this Appeal in <b>URP v. OPUC</b> (UM 989 appeal).

5  
6  
7  
8 **II. PGE'S BACKGROUND INCLUDES INCORRECT STATEMENTS.**

9  
10 PGE (pp. 2-3) states:

11  
12 In that case, certain former and current customers, some of whom  
13 intervened in these remand proceedings and all of whom are  
14 represented by the same counsel in both venues, filed complaints  
15 against PGE in Marion County Circuit Court, seeking refunds of all  
16 "unlawful" amounts collected as a result of the Commission's decisions  
17 allowing PGE to include the unamortized Trojan balance in rate base  
18 from April 1, 1995 forward.

19  
20 To the contrary, the counsel in the class actions are not the same as the counsel in  
21 this remand proceeding. Counsel in the class actions include Phil Goldsmith (for  
22 plaintiffs) and Mark McDougal (for amicus before the Oregon Supreme Court).

1 Further, as discussed immediately below, the class actions do not pertain to  
2 the period "from April 1, 1995 forward" but instead pertain to the period April 1,  
3 1995, through September 30, 2000. This corresponds with the period covered in  
4 Phase 1 of this remand proceeding.

5  
6 **A. PGE SEEKS TO CONFLATE THE PERIOD 1 AND PERIOD 2, WHILE**  
7 **DREYER SPECIFICALLY APPLIED ONLY TO PERIOD 1.**  
8

9 The Commission should recognize the attempt by PGE to conflate the two  
10 periods and to contend that *Dreyer* is somehow applicable to the Phase 2 period,  
11 when that is demonstrably not so. As the quotations from *Dreyer* below indicate,  
12 the Court was very clear that the case addressed only the 5.5-year period (April  
13 1995 through September 2000)--the same period as Phase 1. Thus, when the  
14 Court referred to "(essentially) the same controversy," it was referring to the remand  
15 of UE 88 (which corresponds to Phase 1), not also the remand of UM 989 (which  
16 corresponds to Phase 2).

17 PGE (p. 3) is also incorrect in asserting "the Court concluded that the doctrine  
18 of primary jurisdiction required abatement of the Class Action Case until a final  
19 decision had been reached in this Commission proceeding." To the contrary, the  
20 Court was careful to refer only to the forthcoming Commission determination of  
21 "what, if any, remedy it can offer to PGE ratepayers, through rate reductions or  
22 refunds, for the amounts that PGE collected in violation of ORS 757.355 (1993)  
23 **between April 1995 and October 2000.**" When *Dreyer* refers to "the opportunity

1 to do its work," it is referring to the work of the Commission in addressing the UE  
2 88 remand applicable to the April 1995 -September 2000 period. It is not referring  
3 to any other work, such as addressing the Trojan charges during the period  
4 commencing October 1, 2000. The *Dreyer* case pertains solely to the prior period,  
5 which corresponds exactly with Phase 1 of this remand proceeding. PGE cannot  
6 create from *Dreyer* a rationale for prematurely proceeding with Phase 2.

7  
8 **B. PGE OFFERS A MISINTERPRETATION OF THE *DREYER***  
9 **COMMENTS ON AVAILABILITY OF OPUC-ORDERED REFUNDS.**

10 PGE (p. 3) offers a misreading *Dreyer*, claiming:  
11

12 The Dreyer Court disagreed, concluding that ORS 757.225 and the  
13 common law filed-rate doctrine imposed no bar to plaintiffs' claim or the  
14 issuance of refunds to compensate customers for amounts collected  
15 under Commission-approved tariffs that a court later finds unlawful.  
16 *Dreyer*, 341 Or at 278-79.  
17

18 In fact, the Oregon Supreme Court did not opine about the availability of "refunds to  
19 compensate customers." First, that subject did not arise in *Dreyer*, as there is no  
20 demand for "refunds" in the class action cases. Instead, the class actions seek  
21 damages against PGE pursuant to ORS 756.185, and the Court decided that the  
22 "filed rate doctrine" does not preclude such damages pursuant to ORS 756.185.

23 Second, the Court stated that it was not addressing the issue of the availability  
24 of OPUC-ordered refunds.

25 Although we reject PGE's contention here that ORS 757.225 embodies  
26 the particular application of the filed-rate doctrine that it espouses, we do

1 not reject the possibility that Oregon utility law incorporates some form of  
2 the doctrine. We simply do not address that question here.

3  
4 341 Or at 279 n14.

5 We acknowledge that plaintiffs are concerned that, in spite of the circuit  
6 court's remand, PUC will refuse to provide any remedy for the amounts  
7 that PGE unlawfully collected **between April 1995 and October 2000** on  
8 the ground that it has no authority to make retroactive adjustments to  
9 rates. **Plaintiffs may be correct**, but we cannot sit in review of  
10 speculation about what an agency will decide. Moreover, the issue that  
11 plaintiffs raise--**whether the PUC has authority to order refunds or**  
12 **other retroactive relief**--will not be ripe for decision by an appellate  
13 court until the PUC acts.

14  
15 341 Or at 286 n19 (emphasis added).

16 We conclude, in short, that the PUC has primary jurisdiction to  
17 determine what, if any, remedy it can offer to PGE ratepayers, through  
18 rate reductions or refunds, for the amounts that PGE collected in  
19 violation of ORS 757.355 (1993) **between April 1995 and October**  
20 **2000**. If the PUC determines that it can provide a remedy to ratepayers,  
21 then the present actions may become moot in whole or in part. If, on the  
22 other hand, the PUC determines that it cannot provide a remedy, and  
23 that decision becomes final, then the court system may have a role to  
24 play. Certainly, after the PUC has made its ruling, plaintiffs will retain the  
25 right to return to the circuit court for disposition of whatever issues  
26 remain unresolved, including the question of a fee award. That is the  
27 way that abatement is supposed to work.

28  
29 341 Or at 286-87 (emphasis added).

30 PGE (p. 4) later again misreads *Dreyer* on the issue of the availability of  
31 refunds, claiming that the Court states "that ORS 757.225 is no bar to refunds." As  
32 attractive as that proposition may be, the Court did not make that conclusion. It  
33 concluded that ORS 757.225 is no bar to damages actions against utilities by  
34 ratepayers under ORS 756.185, but it did not conclude that the OPUC has authority

1 to order utilities to pay refunds to customers who in the past have paid rates  
2 containing unlawful charges.

3  
4 **III. DREYER REINFORCES THE REASONS FOR PHASING OF THIS**  
5 **PROCEEDING.**  
6

7 PGE (pp. 4-5) contends that somehow *Dreyer* argues in favor of eliminating  
8 the phasing of this remand proceeding. In fact, it supports the opposite conclusion.  
9 *Dreyer* addressed only the period that corresponds with Phase 1 and calls upon the  
10 Commission to address the availability of refunds for past unlawful charges. The  
11 Commission should now issue its decision in Phase 1, which (as we have argued  
12 from the beginning of this remand docket) must address the Commission's authority  
13 to issue refunds of amounts unlawfully charges to ratepayers during that period. In  
14 fact, URP has consistently argued that the Commission should address that legal  
15 issue as the first item of business in the remand dockets. As we stated in our  
16 JOINT MEMORANDUM ON SCOPE OF PROCEEDING, PHASING, AND  
17 SCHEDULE BY URP, ET AL., and MORGAN, GEARHART, and KAFOURY  
18 BROTHERS, LLC (June 4, 2004), pp. 1-3:

19 The Ruling (p. 8) states:

20  
21 **URP requested that the question of whether the**  
22 **Commission has the authority to pay refunds, URP's**  
23 **issue number five, be addressed in the first phase of the**  
24 **proceedings.** As parties indicate that this issue is likely to be  
25 identified in briefing to the Court of Appeals as a legal  
26 question on appeal, I am reluctant to prematurely address this  
27 legal issue. In any case, I note that URP's underlying concern

1 with regard to this issue relates to implementation of relief and  
2 the timing of potential refunds. The fundamental question  
3 appears to be, assuming that the Commission orders PGE to  
4 pay refunds, when shall PGE implement such refunds? This  
5 is an implementation issue that can be addressed in a later  
6 phase of these proceedings.  
7

8 URP's underlying concern is not "when shall PGE implement such  
9 refunds." Instead, it is whether the Commission shall maintain its oft-  
10 stated and currently held position that it can provide no relief for past  
11 charges collected from ratepayers, whether or not those charges were  
12 unlawful. The Commission itself steadfastly maintains that position in the  
13 courts.  
14

15 Although the Court of Appeals has concluded that the  
16 Commission erred in allowing PGE to obtain a return on the  
17 Trojan investment, Oregon's statutory scheme, which  
18 embodies the filed rate doctrine, does not allow the  
19 Commission or the Court to retroactively redress the error.  
20

21 BRIEF OF THE PUBLIC UTILITY COMMISSION OF OREGON, Marion  
22 County Circuit Court Case No. 02 C14884 (UM 989), April 16, 2004.  
23 This legal contention occupies a large part of the Commission's most  
24 recent briefing to the courts on this issue. The Commission has not  
25 repudiated or changed this position.  
26

27 Considering that the Commission's stated legal position is that it  
28 has no legal authority to "redress the error" of unlawful charges to PGE  
29 ratepayers, conducting the vast review of PGE costs and revenues  
30 suggested by PGE would be a large waste of time and resources.  
31 Conducting even the more limited case (the "more ministerial" inquiry of  
32 "determining the charges customers paid to PGE for interest on PGE's  
33 investment in Trojan") would also be futile.  
34

35 As we stated in 2004, the laborious process of evidentiary hearings are  
36 pointless, until the Commission has ruled on this legal issue. Earlier Commission  
37 rulings have already compelled URP to devote very substantial time and money into  
38 the Phase 1 evidentiary proceeding, all of which effort may be rendered moot by



1 the ultimate decision on this legal issue. PGE now proposes that this expense and  
2 futility be doubled by now opening an evidentiary proceeding on Phase 2, before  
3 the Commission rules on this controlling legal issue.

4 Thus, we agree that the Commission should establish a schedule for briefing  
5 on this legal issue, which we have always argued should come first. It does not  
6 follow, however, that the Commission open an evidentiary proceeding in Phase 2.

7 PGE (p. 5) provides no reasoning for its assertion that "consolidation will  
8 promote an efficient and orderly process." To the contrary, it will not be efficient for  
9 the parties to engage in a lengthy and time-consuming evidentiary proceeding in  
10 Phase 2 (as PGE demands), when the starting point for Phase 2 is not known and  
11 when the Court of Appeals may in the near future issue a decision that eliminates  
12 Phase 2. Of course, since ratepayers pay for PGE's costs of pursuing its way in  
13 OPUC proceedings, heaping as much additional cost upon URP as possible would  
14 seem "efficient" for PGE.

15 It also does not make legal sense to issue a single order. Phase 1 is the  
16 remand proceeding pertaining to the period encompassed by the UE 88 order and  
17 remand. Phase 2 is the remand proceeding pertaining to the period encompassed  
18 by the UM 989 order and remand. Lumping them together at this point invites  
19 unnecessary complexity and confusion, particularly when the legal basis for Phase  
20 2 has been fully briefed to the Court of Appeals and awaits only oral argument and

1 decision. It also necessitates delaying the Commission's resolution of Phase 1 and  
2 thus the resolution of the class action cases that correspond with Phase 1.

3  
4 **IV. THE COMMISSION SHOULD NOT RE-OPEN THE EVIDENTIARY RECORD.**

5  
6 Again, PGE seeks to make the *Dreyer* decision applicable to Phase 2, when it  
7 clearly pertains only to Phase 1.

8 It is not clear whether PGE is seeking to reopen the evidentiary hearing in  
9 Phase 1. If so, PGE has not even addressed the burden upon a party who moves  
10 to reopen a closed evidentiary record. Further, as to Phase 1, PGE identifies zero  
11 new "factual evidence" pertaining to Phase 1 that could not have been presented  
12 during the evidentiary hearing already concluded.

13 As to PGE's desire to prematurely open the evidentiary phase in Phase 2,  
14 prior to any decisions in Phase 1, URP has responded to that notion earlier in this

1  
2  
3  
4  
5

memorandum.

Dated: November 30, 2006

Respectfully Submitted,

---

DANIEL W. MEEK  
OSB No. 79124  
10949 S.W. 4th Avenue  
Portland, OR 97219  
503-293-9021 voice  
503-293-9099 fax  
dan@mEEK.net

Attorney for Utility Reform  
Project, et al.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

**CERTIFICATE OF SERVICE**

I hereby certify that I served a true copy of the foregoing UTILITY REFORM PROJECT ANSWER TO PGE MOTION TO CONSOLIDATE PHASES AND RE-OPEN RECORD by U.S. Mail and by email to addresses shown below, which comprise the service list on the Commission's web site as of this day.

DAVID HATTON DEPARTMENT OF JUSTICE 1162 COURT ST NE SALEM OR 97301-4096 david.hatton@state.or.us	PAUL A GRAHAM DEPARTMENT OF JUSTICE 1162 COURT ST NE SALEM OR 97301-4096 paul.graham@state.or.us
PGE Rates & Reg Affairs PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC0702 PORTLAND OR 97204 pge.opuc.filings@pgn.com	JEFFREY DUDLEY PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC1301 PORTLAND OR 97204 jay_dudley@pgn.com
LINDA K WILLIAMS KAFOURY & MCDOUGAL 10266 SW LANCASTER RD PORTLAND OR 97219-6305 linda@lindawilliams.net	

Dated: November 30, 2005

\_\_\_\_\_  
Daniel W. Meek