

Electric Restructuring Nonresidential Consumers

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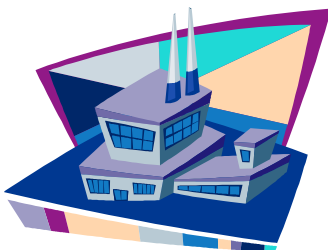
S h e e t

Under Oregon's Electric Restructuring law, all nonresidential consumers have the ability to purchase electricity from a provider other than their current utility. This is known as Direct Access. Direct Access is an option at your disposal; no consumer is required to choose Direct Access service. Direct Access affects energy supply and transmission. All consumers continue to receive distribution services from the utility.

Large nonresidential consumers, defined as those who use more than 30 kW demand monthly, are eligible for a regulated cost-of-service rate from their current utility, or they can choose Direct Access and purchase electricity from an alternative provider known as Electricity Service Supplier (ESS).

Small nonresidential consumers, who use less than 30 kW monthly can choose Direct Access or select from the same portfolio of energy options available to residential customers. (Refer to the PUC residential restructuring bulletin for more information on portfolio options)

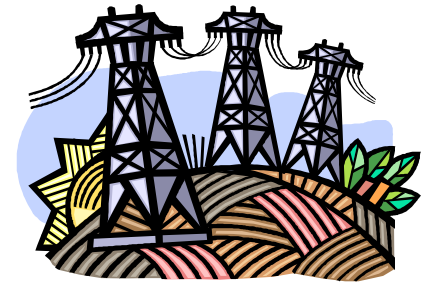
Nonresidential consumers who choose Direct Access may return to the utility's regulated rate offer under the terms and conditions established by utility tariffs. Alternative energy suppliers, known as Electric Service Suppliers (ESS) are not obligated to serve customers. They are free to set qualifications such as load demand. Utilities on the other hand are obligated to serve customers within their service jurisdiction.



The Oregon Public Utility Commission must certify each ESS. The PUC, Portland General Electric,

and PacifiCorp will maintain a list of certified ESSs on their websites. The rate you pay for energy from an ESS would be based on market conditions under the terms you negotiate with your new supplier. The supply mix and environmental impact of the energy you receive will depend on your agreement with the ESS.

Each utility will offer a default emergency rate option in case an ESS halts service to a consumer.



One aspect of the Oregon Electric Restructuring law is that consumers can elect Direct Access without risking their rights to the benefits of utility-owned generation. That is, whether a consumer chooses to continue buying power from the regulated utility or buy power from an ESS, the consumer will continue receiving the benefits of the utility's generation assets. The benefit is delivered to the consumer in the form of a rate credit.

The Oregon Public Utility Commission establishes the rate credit through a method called, "Ongoing Valuation." Ongoing Valuation compares what it would cost to supply the utility's electric loads for one year using only market purchases to what it would cost recognizing the energy available from the utility's generation plants and contract purchase commitments. The difference in these costs is then transformed into a rate credit that goes to consumers whether they choose Direct Access or remain with their current utility as their energy supplier.