

◆ Lower Rates

A Feasibility Study conducted by a respected engineering firm reveals that you'll save 33% with a PUD. Electric rates are expected to drop by an average 15% the first two years. Savings will steadily increase to **25.4% by the fifth year and 32.7% by the tenth year**. Accumulated total savings would be \$860 million. — *Clackamas County PUD Feasibility Study, April 2004, D. Hittle & Associates, electrical and consulting engineers.*

◆ High Reliability

Oregon PUDs have an excellent record of customer service, emergency response, and reliability, all with lower electric rates! Many PUD employees will be the same PGE workers who now serve you. PUDs are required by law to hire the existing workforce and honor their contracts.

◆ Accountability

You decide who makes PUD policy since the PUD board of directors are elected. We have no say in how PGE, Enron, Oregon Electric or Texas Pacific are run.

Texas Pacific says NO to lower rates if it buys PGE!

But the sale will add \$707 million in new debt to PGE's existing debt of \$1.1 billion.

Reserve funds will be slashed from \$240 million to \$10 million, trashing PGE's bond rating and increasing bankruptcy risk.

Texas Pacific will not agree to only charge ratepayers for income taxes actually paid.

Oregon PERS money may total 71% of the \$419 million invested by the Texans, pitting ratepayers against PERS retirees in a financial downturn. (Enron, Part II)

The PUC filing also says the Texans will have veto power over major decisions, meaning there's no real local control.

What Are We Voting On?

In the May election, voters will be asked to:

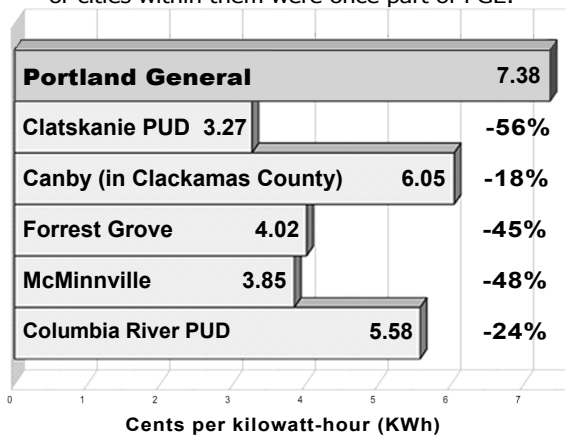
- Form a Clackamas County PUD;
- Elect five PUD directors;
- Invest 30¢ per \$100,000 of assessed property value "one time" to fund an engineer's report. This report will carefully examine all facets of forming a ratepayer-owned utility in greater detail than the Feasibility Study.

If the engineer's report confirms significant savings, voters will be asked to approve revenue bonds to purchase the system. If meaningful savings are not there, the PUD will lay dormant as an "insurance policy" in the event of trouble like another Enron-type disaster, or worse. In any event, future owners of PGE will be on their best behavior with a PUD ready to protect ratepayers.

Ratepayers control the process. A PUD must get approval from voters before revenue bonds can be offered to investors to pay for PGE's assets. In other words, there's no risk in voting for a Clackamas County PUD in May but there's much to gain. It's that simple.

PGE vs. Publicly-Owned 2002 Overall Electric Rates

These publicly-owned utilities either border PGE or cities within them were once part of PGE.



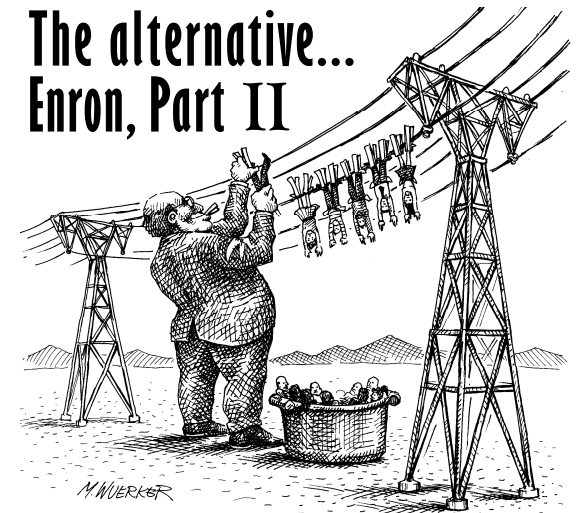
NOTE: Latest data from Oregon Public Utility Commission, 2002 Oregon Utility Statistics (September 2003)

On average, publicly-owned utilities are 20% less in the U.S. In Oregon, the average is 25% less.

Vote YES, Save 33%

PUD Feasibility Study Results Inside
Immediate and long-term
rate reductions with a
CLACKAMAS
COUNTY
P.U.D.

- ◆ Lower Rates
- ◆ High Reliability
- ◆ Accountability



PGE → Enron → Texas Pacific
high rates-risk-manipulation

Don't believe PGE distortions intended to create fear and confusion

PUDs don't pay income taxes (they don't make a profit off you) but unlike PGE you won't be billed for them either. You actually pay less tax with a PUD!

PUDs pay franchise fees, property tax to cities and counties and Tri-Met taxes at the same rate as PGE.

No Oregon PUD collects ongoing taxes. All revenue comes from electricity sales.

PUDs provide more low income assistance through public purpose contributions, on average, than investor-owned utilities.

Oregon law allows PUDs to take control of hydro-electric facilities from for-profit utilities. Within PUD boundaries, there's generation capacity to provide as much as 1/3 of our needs at a very low cost.

PUDs qualify for less expensive BPA power immediately. After October 2006, our PUD would receive equal preference and priority with all other Pacific Northwest publicly-owned utilities.

PUDs acquire the assets needed to provide electricity through long-term, low-interest revenue bonds and not from taxes.

Per Oregon statute, a PUD must hire existing non-executive workers, maintain benefits, honor collective bargaining agreements and retain unions. PGE workers are protected!

PGE is overcharging us!

- **\$300 million** illegally collected for costs and profit on a dead nuclear power plant in violation of a voter-passed initiative. (PGE keeps appealing court verdicts instead of refunding ratepayers.)

- **\$650 million** collected from us for income taxes never paid to government. (increases by \$2 million weekly) Oregon has received \$10 total since 1997.

- **\$400 million every year** due to long-term energy contracts signed with Enron (its owner) and others. PGE signed these contracts when prices were inflated as a result of energy trading fraud.

Enron, Texas Pacific Group, and then what owner?

Do you want to end the risky, uncertain future of PGE and stop revolving-door owners who "soak" ratepayers to enrich a few? Do you believe Neil Goldschmidt will look out for your best interests' when he and two other political heavyweights, with tremendous power to influence government, stand to profit generously? And who will their bosses at Texas Pacific Group sell PGE to in a few years to achieve their standard 20-40 percent profit? Will Texas Pacific put PGE into bankruptcy, as it did to California-based Zilog? Will PGE's generation and transmission assets be sold off, bringing even higher PGE rates? Will we become the next Montana Power where prices "doubled, then redoubled, and doubled again" after deregulation? (CBS, 60 Minutes, 8/10/03)

A PUD will end such risk and uncertainty by providing ratepayer ownership. A PUD is a not-for-profit utility that provides cost-based rates. Our PUD will be professionally run by an experienced management team (talent without multi-million dollar compensation packages.) There will be citizen oversight and a locally elected board of directors.

Within Clackamas County, customers of Canby Utility Board pay 18% less for electricity. In FACT, Oregon Public Utility Commission data shows that every single PUD in Oregon has lower rates than PGE. Clatskanie PUD charges less than half of PGE!

Throughout the West Coast, publicly-owned power is LESS expensive, MORE reliable, more environmentally responsible, and better for employees.

Clackamas County deserves a ratepayer-owned utility that can be trusted to provide reliable energy at the lowest possible cost.

The ONLY option for the future of PGE that protects ratepayers and the Clackamas County economy from further damage is a Peoples' Utility District.

Get all the details at:

www.cheappower.org

Published Quotes

(50+ at www.cheappower.org)

"These rates, and they are very high rates, are sucking the life out of the local economy." — Ken Canon, Exec. Dir., Industrial Customers of NW Utilities.

"Enron needed help to pull off these tricks, in part because it didn't control the transmission grid. The names of Pacifi-Corp, Spokane-based Avista and most frequently, Portland General Electric, appear in the new Enron documents as Enron's counterparts." — The Energy Source Network describing energy trading fraud evidence provided to a California Senate Committee in June 2002.

"This is a scam and you know it." — A PGE employee to a colleague at another energy trading company while electricity price manipulation was taking place. Provided to regulators as part of their fraud investigation. Reported by Oregon Public Broadcasting and others.

"Texas Pacific is in it to make money, and they want high returns, and the quickest way to get that is by selling off assets and getting out." — Lynn Hargis, attorney for consumer advocacy group Public Citizen. Portland Tribune, "Will new owners revive PGE or direct 'Enron, Part II?"; 11/21/03.

Become a PUD Volunteer!

503-222-1133

info@cheappower.org

Citizens for Lower Electric Rates Like Neighboring Utilities

P.O. Box 614, W. Linn, OR 97068

- Please volunteer or make a contribution.
- Each year, Oregon taxpayers can contribute up to \$50 (single) or \$100 (joint filers) and receive a dollar-for-dollar credit from state income taxes owed. Contact the Department of Revenue at 1-800-356-4222 for details. Make your check out to "CFLERLNU." Include your occupation which is required by Oregon law.
- You can also contribute at our site.

 ★ **VIEW THE 30-PAGE CLACKAMAS PUD FEASIBILITY STUDY AT OUR WEB SITE OR CALL 503-222-1133 TO LEARN MORE.** ★

"Generally speaking, you like to dance with the girl that brings you, and if you can't sometimes you have to shoot her." — David Bonderman, Texas Pacific chief, commenting about corporate buyouts.