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Round Butte Rent Adjusted, Energy Potential Seen

As the landlord for Portland General Electric's Round Butte Dam Project the Confederated Tribes have asked for and received a substantial rent hike. And as the proprietor of a valuable resource, the Tribes are beginning to be aware of their energy potential.

So observed Tribal attorney Dennis Karnopp soon after the \$1,090,000 annual rent settlement was reached by arbitrators on Thursday, July 14. The new rent figure, is a "major increase in the payment for the utilization of a reservation resource," said Karnopp. The 450 percent hike "isn't subject to the market fluctuation that timber is," continued the attorney, although the figure will vary slightly year to year.

He added that the negotiations and arbitration have "made us aware of the immense value of the power production potential of the reservation."

The Tribes will not spend much time basking in the glow of their first rent adjustment since operation began at Round Butte in 1964. Instead they are gearing up for the renegotiation of the Pelton Dam contract later this year and Round Butte again in 1979.

At the same time a study is being conducted on the feasibility of the Tribal production of electricity at the Pelton Re-regulating Dam.

The significant step taken July 14 was the result of nearly three years of negotiation between the Tribes and PGE. Under the terms of the contract the two parties may review and adjust the rent after the first ten years of operation and every five years after that. Rent has averaged \$246,000 annually since August 1964.

Arbitrators were chosen early this year when the parties were unable to come up with a "fair and equitable figure." The Tribes selected Abe Weissbrodt, PGE chose Bernard Goldhammer and an impartial arbitrator, retired judge Phillip Hammond, was appointed by U.S. District Judge Belloni.

PGE's arbitrator Goldhammer maintained that an increase should be based on changes in the consumer price index alone. The tribes' expert witnesses Jerry Dibble and Stanley Sporseen recommended much higher figures based on the low cost of producing hydroelectric power compared with the next best energy alternative.

Owen Panner, whose firm provided legal counsel for the Tribes throughout the negotiations, pointed to the economic importance of the Round Butte Project to PGE, an argument that was central to the Tribes position.

"The Round Butte Project

contributes approximately half of the total hydroelectric power in the PGE system," he said. According to Panner the consistent flow of water through the site is invaluable for "peaking," or supplying enough power through peak times of day.

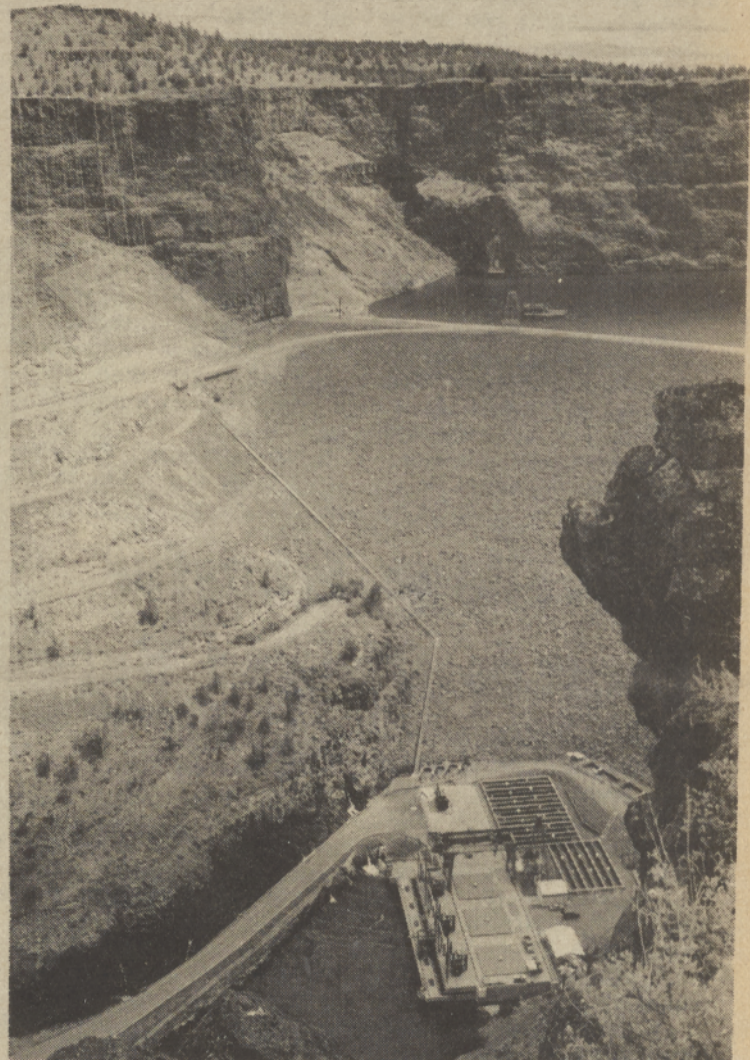
Panner maintained as did the expert witnesses that since Round Butte was no longer the "marginal project" it was at construction time, PGE's rent to the Tribes for land and water use should be adjusted accordingly.

The final adjustment, which falls between the figures proposed by both parties, is retroactive to August 1974 and subject again for review in 1979. If passed on to PGE customers, it could mean an 8 cents per month increase in the average customer's bill.

The Tribes are now preparing for rent adjustment under the Pelton Dam contract, also with PGE. In December 1977 the dam will have been operational for twenty years and the average rent of \$90,000 will be subject to review.

Dibble and Sporseen are also focusing their engineering expertise on a section of the Pelton contract which reserves the right for the Tribes to install generators at the Pelton Re-regulating Dam. Their preliminary study which should be completed in about six months,

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PGE's Round Butte Project, which is situated on reservation land and utilizes Tribal waters, has become a very profitable producer of hydroelectric power. Arbitrators have determined that rent paid by PGE to the Tribes should be increased 450 percent.

CDS Photo

Commission Visit to Warm Springs Successful



Members of the Commission on Indian Service had a full day at Warm Springs last Tuesday. Shown at a meeting with the Tribal Council are: (left to right) Chairman Warren

"Rudy" Clements; Executive Director Bruce Bishop (behind Clements); Rep. Sam Johnson; and Senator Ken Jernstedt.

(Sandy Rangila Photo)

Termed a highly productive day, members of the Commission on Indian Services spent Tuesday, July 19, here at Warm Springs in the first of a series of community meetings throughout Oregon.

The purpose of their trip to Warm Springs was to gain input and a better understanding of the needs this community has for state services, and to receive advice as to the kinds of things Warm Springs thinks the commission should be working on.

Another purpose of the visit was to introduce themselves to the community and make people aware of their function and what they can and cannot do for Indians in Oregon.

The Commission on Indian Services is unique in that it is the only state funded Legislative and advisory commission of its kind for Indians in the United States.

It was created in 1975 for the purpose of improving services to Indians in Oregon. C.O.I.S. acts as a clearing-house for information about the concerns and need of Oregon Indian communities and as a catalyst for bringing those concerns and needs to the direct attention of state government.

C.O.I.S. is made up of ten members, all appointed jointly by the President of the Oregon Senate and the speaker of the House of Representatives. Chairman, Warren "Rudy" Clements explained that there are eight Indian representatives from throughout the state plus a representative from the House, Rep. Sam Johnson, and a member of the Senate, Senator Ken Jernstedt.

Tuesday morning C.O.I.S. met at the community center with members of the education committee whose concerns, especially about early childhood

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