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September 22, 2021

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Amanda Maxwell
 Executive Director and Secretary
 Washington Utilities and Transportation Commission
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 Lacey, WA 98503

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 UTIL. AND TRANSP.
 COMMISSION

Re: PacifiCorp's Schedule 91—Surcharge to Fund Low Income Bill Assistance Program,
 Docket UE-210593

Dear Amanda Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office ("Public Counsel") respectfully submits these comments in response to PacifiCorp's ("Company") tariff revisions to the Low Income Bill Assistance ("LIBA") program surcharge, filed July 30, 2021, in Docket UE-210593.

Public Counsel's Recommendation

Public Counsel recommends the Washington Utilities and Transportation Commission ("Commission" or "UTC") allow PacifiCorp's revisions to their Low Income Bill Assistance program filed in Docket UE-210593 to go into effect, with the condition that the recovery of the under-collection balance be amortized over four years.

Public Counsel recommended that the Commission approve the modifications that PacifiCorp made to LIBA program this summer in Docket UE-210533. The Company expanded the Tier-3 Income Guideline to 200 percent of the Federal Poverty Guideline or 80 percent of Area Median Income, whichever is greater. They also changed the discount program from a per kWh credit for usage over 600 kWh to a straight percentage discount to the customer's bill and removed the annual cap on enrollment.

As we noted in our July 23, 2021 comments filed in Docket UE-210533, Public Counsel was interested in reviewing the proposed changes to the tariff surcharge. Public Counsel appreciates the opportunity to work with both PacifiCorp and Commission Staff to review the filing and to understand the reasons for the proposed surcharge increase. We note that the change in the

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surcharge, from \$0.74 per month to \$2.00 per month, is an increase of approximately one percent for residential customers, which is not insubstantial.

The expansion of the LIBA program has increased costs. However, the large surcharge increase is also due in part to the Company's under-collection balance of approximately \$2.9 million. PacifiCorp now seeks to recover the under-collection balance over two years. Public Counsel understands that the largest drivers for the under-collection balance are that the surcharge has not been adjusted since the Company's 2013 general rate case; that the discounted rates became available year round, instead of just during the heating season, in October 2017; and that the enrollment cap increased by about 100 customers annually.

Public Counsel understands the importance of the expanded LIBA program and the benefits that it brings to PacifiCorp's low-income customers, and we support robust programs. But, a large change in the surcharge will also create rate shock. To minimize this rate shock, the Commission should spread out the recovery of the under-collection balance over a longer period of time. Commission Staff has analyzed several options, and Public Counsel believes that amortizing the under-collection balance over four years is a reasonable choice. This will provide some reduction to the proposed tariff increase at this time to lessen the impact on residential and small business customers who are still facing the economic fallout from the COVID-19 pandemic. At the same time, the Company will recover the under-collection balance over a reasonable amount of time.

Public Counsel also urges the Company to be more proactive in monitoring and proposing adjustments to their LIBA surcharge in the future. PacifiCorp must consult with its Low Income Advisory Group and timely address differences between actual program costs and costs included in rates. The under-collection balance in this case grew over a long period of time and to a level that materially impacts customers.

Public Counsel appreciates the opportunity to submit these comments. If you have any questions about this filing, please contact Stephanie Chase at (206) 521-3212 or via e-mail at Stephanie.Chase@ATG.WA.GOV.

Sincerely,

Lisa W. Gafken
/s/
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