

Exhibit No. ___ T (RK-1T)
Dockets UE-140762, et al.
Witness: Roger Kouchi
REVISED

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFIC POWER & LIGHT
COMPANY,

Respondent.

UE-140762 and UE-140617
(consolidated)

In the Matter of the Petition of

PACIFIC POWER & LIGHT
COMPANY,

For an Order Approving Deferral of
Costs Related to Colstrip Outage.

DOCKET UE-131384 (consolidated)

In the Matter of the Petition of

PACIFIC POWER & LIGHT
COMPANY,

For an Order Approving Deferral of
Costs Related to Declining Hydro
Generation.

DOCKET UE-140094 (consolidated)

TESTIMONY OF

Roger Kouchi

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Rule 11D and Schedule 300 Issues

October 10, 2014
Revised December 17, 2014 (pp. 14, 19, 22)

1 can be useful to set rates, particularly when the rate increases are as dramatic as those
2 proposed by the Company. Furthermore, the Company has not sufficiently analyzed
3 the effect of these higher rates on low income customers. As I discuss in my
4 testimony, the dramatic rate increases imposed by the Company would further impair
5 the ability of low-income customers to remain on the system.

6 Any increases in these charges will have a much more severe effect on low-
7 income customers (who are more subject to disconnect and reconnect fees) and to
8 renters (who are more subject to the Account Activation Charge). The Company's
9 testimony minimizes the impact on its low-income customers. The United States
10 Census Bureau, State and County QuickFacts (see Table 1) show that the low-income
11 population (150 percent of the Federal Poverty Level) in Yakima County (38 percent)
12 and Walla Walla County (28 percent) is significantly higher than the Company's
13 "identified" low-income customers of approximately 5.46 percent.

14 Staff is also concerned of the potential adverse safety impacts if the proposed
15 large increases present an undue burden to low-income families. The Company has
16 presented only limited analysis of the financial impact of the proposals on such
17 customers or the safety risks created²⁴ if the burden of the increase becomes too great
18 and prevents customers from reconnecting electric service. It would be premature to
19 adopt these large fee increases without adequate research on the impacts. For this
20 reason, I recommend that the proposed fee increases be rejected until the impacts on
21 low-income households and on safety can be studied.

²⁴ Consumers may resort to drastic measures for heating and cooking to provide for their children, elderly, and sick family members which may result in fire, carbon monoxide poisoning, and death.

1 **C. PROPOSED INCREASES TO SCHEDULE 300 CONNECTION**
2 **CHARGES SHOULD BE REJECTED**
3

4 **Q. Please describe the connection charge.**

5 A. The Company assesses a connection charge when an applicant applies for service and
6 requests the Company connect service outside normal business hours (8 a.m. to 4
7 p.m.).³⁰

8
9 **Q. What changes is Pacific Power proposing to its connection charges?**

10 A. The Company is proposing an increase in its after-hours connections Monday –
11 Friday, 4 p.m. to 7 p.m. from \$75 to \$160 and connections during weekends and
12 holidays (8 a.m. to 7 p.m.) from \$175 to \$295.³¹

13
14 **Q. Do you have any concerns regarding the Company's proposed increases to its**
15 **connection charges?**

16 A. Yes. Pacific Power has proposed significant increases to its after-hours and
17 weekends/holidays connection charges. These increases could pose undue hardships
18 for low-income customers. From 2011 through 2013 an average of 7 customers per
19 year paid the weekend/holiday connection charge of \$175 while an average of 73
20 customers per year paid the after-hours connection charge of \$75. This indicates the
21 current connection charges are sufficiently high to deter customers from requesting
22 after-hours and weekend/holiday connections, while allowing customers experiencing
23 specific circumstances to warrant paying more for connection outside of normal

³⁰ Exhibit No. BAC-1T, p. 13.

³¹ Table 3, p. 178.

1 **Q. What proportion of Pacific Power's eligible population participates in LIBA?**

2 A. Pacific Power's LIBA program currently serves roughly 13 percent of the total eligible
3 low-income families. This information must be calculated from the available low-
4 income data. Pacific Power expects the number of certified participants to increase
5 from 4,720 to 5,664 for the November 2015 – April 2016 program year.³⁵ To qualify
6 for this program, a customer must earn no more than 150 percent of the Federal
7 Poverty Level.³⁶ I estimate Pacific Power has roughly 36,935,830 low-income
8 customers who are at 150 percent of the Federal Poverty Level.³⁷ Pacific Power's
9 LIBA program currently serves about 13 percent (4,720) of the total eligible low-
10 income families.³⁸

11
12 **Q. Why is this important?**

13 A. State law³⁹ allows the Commission to approve discounts for low-income customers.
14 The overriding goal of energy assistance action should be to achieve affordability with
15 minimal adverse effects on other regulatory objectives. Unaffordability hurts both
16 utilities and non-poor households. A utility incurs lower collection costs if energy

³⁵ Id.

³⁶ WN U-75, Schedule 17.

³⁷ The Federal Census data (Table 1) shows the population at 150 percent of the Federal Poverty Level in counties served by Pacific Power is 104,928 118,140 of the total population of 298,206 336,848. The low-income customer base is approximately 35.21 percent. Pacific Power stated that its total Washington customers in 2013 was 104,928. The estimate of low-income customers would be 104,928 multiplied by 35.21 percent or 36,935,830 low-income customers in Pacific Power's customer base.

³⁸ This is based on the best available information. Staff agrees that the information relies on census data surveys and is the best estimate of the population. However, the data does imply that there is a significant gap in the eligible population and the population that is served by the Company's LIBA.

³⁹ RCW 80.28.068.