1	BEFORE THE WASHINGTON STATE						
2	UTILITIES AND TRANSPORTATION COMISSION						
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4	WASHINGTON UTILITIES AND)						
5	TRANSPORTATION COMISSION,)) Complainant,) DOCKET NO. UE-152253						
6							
7	vs.)) PACIFIC POWER & LIGHT)						
8	COMPANY,)						
9	Respondent.)						
10							
11	PUBLIC COMMENT HEARING, VOLUME II						
12	Pages 66 - 90						
13	April 25, 2016						
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16	Yakima, Washington						
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24	REPORTED BY:						
25	DANI JEAN CRAVER, CCR NO. 3352						

1	YAKIMA,	WASHINGTON;	APRIL	25,	2016
2		6:00 P.	М.		

MR. DANNER: Well, it's 6 o'clock, so we will begin. This is a UTC public comment hearing to hear the views of PacifiCorp customers about a request by Pacific Power & Light for a rate increase for electric services.

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In November of 2015, Pacific Power & Light filed a petition with the Washington Utilities and

Transportation Commission requesting approval of a rate increase -- filing request of a rate increase of about \$10 million or 2.99 percent effective in mid-2016, and a second step rate increase of 10.3 million or 2.99 percent effective mid-'17. The company has since reduced the first year request to 9.03 million based on new information. And that is the request that is before the Utilities and Transportation Commission right now in Docket UE-152253.

My name is Dave Danner, and I am the chair of the Washington Utilities and Transportation Commission.

The UTC is a three-member commission. I'm representing the commission tonight. My colleagues, Commissioner

Philip Jones and Commissioner Ann Rendahl are not here

tonight, but this evening is being recorded. We have a court reporter here, and we will have transcripts that will be made available to my colleagues, and they will review them as part of this rate case proceeding.

Before we go any further, we have a short video that describes the UTC processes and describes how the commission makes its determinations. So why don't we go ahead and show that video right now, and then we will take public comment.

(SHORT VIDEO PLAYED.)

MR. DANNER: All right. I hope that the volume there was sufficient so people could hear the video.

I want to point out tonight that I'm here to listen, so I'm not here to answer questions. But we do have people here tonight, the state's public counsel, Simon ffitch is here. He represents residential customers and small business customers, so if you have questions about this rate case, you can ask him.

Bryce Dalley -- will you please stand? -- is from Pacific Power and also is available for questions.

In addition, commission has regulatory staff who act as an independent party, and Jason Ball from our staff is here, along with Jennifer Cameron-Rulkowski who is an attorney general -- assistant attorney general who is assigned from this case from the

attorney general's UTC division.

So with that, I would like to begin taking public comments that you may have on this case. If you are intending to provide comment tonight, because this is a formal proceeding, I will need to swear you in, meaning take an oath.

So if you are planning to speak tonight, could I ask you please to stand and raise your right hand?

PUBLIC SPEAKERS, being first duly sworn to tell the truth, the whole truth, and nothing but the truth,

testified as follows:

MR. DANNER: All right. Thank you. So we will begin at the top of the sign-in sheet. So, Mr. Bob Ponti, would you come forward, please?

MR. PONTI: Right spot?

MR. DANNER: That's the place.

MR. PONTI: Okay. First of all, welcome to Yakima to all our visitors and a little bit of sunshine. My name is Bob Ponti.

I am the program director for the Weatherization Assistance Program and the housing director for OIC, what is the Opportunities Industrialization Center of

Washington here in Yakima. We are a CAP agency, a Community Action Program agency, one of 30 in the state, providing Weatherization Assistance Programs.

And my associate was to be here tonight from the Northwest Community Action Center, but I see she's not able to come. We both hold contracts, PPNL contracts, to provide both energy assistance and weatherization, so we work together closely.

She serves the south half of Yakima County; I serve the north half of Yakima County, as it's a big county. I also serve Grant and Adams Counties, but not with PPNL funding. And I'm speaking on behalf of the low-income clients that we represent in our service area.

First of all, I'd like to thank Pacific Power for the support over the years. We've had a good partnership with Pacific Power. Especially noteworthy is the relationship over they years with Becky Eberle, who is the program manager for the contract holders for these programs from Portland.

We've worked out glitches through the years, and it's been a productive, positive relationship over time. Pacific Power funding is one of several funding sources that we leverage together to pull off projects to weatherize homes.

Rate increases, when they do arrive, and the impact on low income often are disproportionate.

Percentage hit to a low-income family is a big part of the disposable income ability that they have for the rest of their household needs.

We work with -- we work through community action with clients in educational services in the energy field, food banks, and different things, so we have quite a connection to the low-income population.

Generally the housing stock that we work on and work with is generally in poor condition with deferred maintenance and so forth. We try not to defer projects away. We try to do what we can from the energy conservation sites, but oftentimes housing stock has been deteriorated to the point where it's more of a rehab project than a conservation project, and unfortunately we aren't able to serve folks.

Yakima County in particular, when you look at them in comparison to the rest of the state, I'd asked our internal folks for some information on things like poverty rate and comparison to statewide and so forth, so these are some figures that were given to me based on the Community Needs Assessments that are available that agencies do on a regular basis and census data that's available to us.

The poverty rate over all ages in Yakima County is about 23 percent. Washington average from the same category is listed at 13.6. We're an agriculturally based community area, medium family income at about 44,000 here in the Yakima area, Washington average 59,000.

75 percent of the school-age kids in the Yakima area and the Yakima Valley are eligible for free or reduced lunch programs, so those are some of the criteria we use to kind of characterize our particular situation.

The Community Action Programs have the ability to effectively reach people in poverty. We've been doing it for a lot of years. Unfortunately, poverty is increasing here, but we are not unique in that regard, obviously, nationwide. We say, Business is good, and that's usually not a good thing for us and for the folks that we serve.

We just like to be on record. We support a collaborative effort to work with PacifiCorp on a formation of a work group to look at the demographics of the PPNL service area, the usage study of our client -- for our particular clients and take a good look at an evaluation of the program delivery to see if there are things that we could do that are better.

We're not always saying throwing money at the problem fixes things, we're saying that maybe there's a better way to do it to access more people. More people are coming into our systems, and we need to have -- we need to be on top of -- with our partners on top of doing it in the best possible way.

My understanding is that work group would include CAP agencies, would include the Energy Project, who represents us quite often in these types of operations, the UTC staff, and public counsel, and we look forward to that effort. It's my understanding that it would result in a report to the commission sometime in 2017.

So that's the end of my comments. Thanks for the opportunity to speak and to represent our clients here. Is there any questions I could answer for you?

MR. DANNER: Yeah. Thank you, Mr. Ponti, and thank you for the work you do.

I guess the first thing I'd like to know is do you have an idea of how large the need is out there, and how far you are from filling that need?

MR. PONTI: From finishing our work?

MR. DANNER: Right.

MR. PONTI: It's never really been a consideration. The work will be there. But in the scope, in the big picture, I can give you an example of

what we're able to accomplish using PacifiCorp. All the fund sources that I coordinate result in our program being able to weatherize about 100 houses a year.

MR. DANNER: 100 houses a year?

MR. PONTI: 100 houses a year in weatherization.

MR. DANNER: And how many houses are out there in need of weatherization?

MR. PONTI: I wish that I could give you that for Yakima County, and I can work on that. I think that it's been so big and more people come into the system all the time that I hate to speculate on that.

For us, it's almost an endless target. Houses get older by the day, less money is put into them. I think part of our mission is to keep people in their homes, keep that housing stock viable.

I have a joke with my peers on the west side of mountains, at least mobile homes eventually have the decency of melting to the ground over there because of the moisture. Here they're preserved forever. People live in housing that's not up to standard.

And like I say, we have to defer homes, because we are a conservation-based program, and many, many are beyond conservation measures. They need repairs.

That's a whole different conversation than is before

1 this group.

But I think that I could put some figures together via WASHCAP, which is our association of community action, I think I could get some guidance on that. I just hate to speculate.

MR. DANNER: Okay. So the Energy Project is a formal intervenor in this proceeding, so they will be participating in our hearings on May 2nd and 3rd. So there is a federal program, LIHEAP, the Low-Income Home Energy Assistance Program is what it's called, has that been keeping pace with demand or has that been declining?

MR. PONTI: It hasn't been declining recently.

It's been steady. It's always been low, but it's been steady. So our federal fund sources right at the moment have maintained fairly steady funding for the agencies. It's never enough, and we have to gear up to the funds we have.

It's very difficult with the amount of training, especially in weatherization that it takes. Low-income weatherization really leads the nation in the technology to do what we do. It flows from there over to middle income. So it's a high-tech type of approach, houses system approach that we use to do the best job.

The thing we run into also is the fact we only get to go to a house one time. We'll never go back because of the need. So we have to be sure we're doing the best job we can for those folks at the time and with the best equipment that we can muster. And if someone follows them into that home, that hopefully that home has had the investment in it, whether it's a rental home or an unoccupied home.

MR. DANNER: And the request for the work group, is that something that has been proposed by a party to this case, this Energy Project proposal?

MR. PONTI: We understood that through a conversation we had with the Energy Project, that there was an approach -- this was a phone conversation last week as we prepared for comments, was the Energy Project said they were going to advocate, and maybe it was just that they were going to advocate to the commission that we put this together for PacifiCorp.

It had been done for some of the other utilities, to look at the specific needs of different utilities in different areas. So that's all I can comment on that. I don't know of actual work being done.

MR. DANNER: That's something we can take under advisement as we proceed.

All right. I have no other questions. Is there

1	anything	else	you'd	like	to	add?

MR. PONTI: No. Thanks for the opportunity.

MR. DANNER: All right, Mr. Ponti. Thank you very much.

Next I'd like to call up -- and I am sorry if I have trouble reading this, John Klingle -- did I get that right?

MR. KLINGLE: Yep, you've got it right. My name is John Klingle, and I do live here in Yakima, just a couple miles from here, and I've been in this room many times, as I was a city councilman.

MR. DANNER: Okay. And you are a customer of Pacific Power?

MR. KLINGLE: I am definitely a customer of Pacific Power. I keep getting envelopes every month in the mail.

We all hate having rates increase. It's not a thrill to our budgets at all. By looking at what goes on with Pacific Power and part of this rate increase talks about the work that's been done at the Union Gap substation and work continues at the Union Gap substation, so Pacific is putting a little capital work there.

But part of what is not part of this, but is going to be coming on the books very soon is the work that

they just finished up at the Pomona Heights substation, where they put a new transformer in, and they have rebuilt their 230-kV equipment. I asked for that transformer a number of years ago, because Selah's system being overloaded, and I'm glad to see it's working very nicely.

The 230-kV rebuild there has put in some more circuit breakers as well as a lot of isolation switches, which all got replaced with new ones, have higher capacities to prepare for the next line.

It will be going up Wanapum, which will be scheduled in the next whoever knows, however long it takes them to get done, to provide for Pacific Power's ability to provide power to us here in Yakima that meets FERC guidelines, as it does not presently. So that will be another capital project that will be coming onto the books.

Also presently is a new transformer going in at the River Road substation to replace some ancient equipment up there. So that will be coming onto the books in the near future.

With all these projects coming online, it's not all that needs to be done. When I look at the system, I see that the 115-kV line from Selah to Orchard substations needs to be upgraded to much larger

conductors, as in -1 conditions may provide that that line would be way too hot to provide adequate service to all the folks if the line from Union Gap to the Nob Hill substation happens to go down. And I have actually had that go down, because I've reported insulators that have been broken, so I know it can happen and does happen.

So there will be capital projects that will be coming onto the books in the near future, and I'd rather start paying a little bit now and maybe a little bit more next year than having a huge rate increase in 2018 as they all finally hit the books.

One of the things I've given you are a couple of flyers that have been in our newspapers recently. For instance, the "Yakima, who's going to turn off the TV?" brochure has PacifiCorp misspelled in the fine print. And when I see errors in materials, I'm always very suspicious, when we consider how many scams there are on the internet and how many phone calls we get that want our money and a lot of other things that are not desirable for us to give away.

The other one with the light bulbs on it, the free energy efficiency kits, on the back, it says, Now claim 100 percent rebate. This means no out-of-pocket expense to you. Until you look at the fine print, and

it says offer requires \$120 payment. Slightly deceptive.

I'm not convinced that these particular programs are cost efficient and that the people who actually use them come up with nearly the savings that are designed or are supposed to get.

On a regular basis, I get a mailing from Pacific Power that tells me how I compare to my neighbors. I don't need it. I don't care how I compare to my neighbors. I always -- I'm always shown as being very efficient, but they compare me to all electric customers, and I'm not all electric. So I think savings could be had in the company by not sending out mailings we really don't need or want, because I have yet to find a customer that really wants them.

So I see that there are savings available in the company, but they're not always popular with some segments of the folks who advocate for us, and sometimes I don't think they're advocating for me at all.

And so I would encourage you to at least consider at least some rate increase for Pacific Power, recognizing that there is capitalization coming in the near future that will be going onto the books. And having a littler rate increase now and a littler

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increase next year is a lot better than having a big
one in 2018.

Questions?

MR. DANNER: Thank you. So if I may summarize, what I'm hearing you say is you understand that there are capital improvements that have to be made. Your concern is that you want the -- if they're going to be increases, you'd rather have them slow and steady than to have some kind of dramatic increase on --

MR. KLINGLE: Most definitely.

MR. DANNER: And then with regard to the energy efficiency flyers that you handed out, we do have a state initiative that passed that requires utilities to achieve all cost-effective conservation --

MR. KLINGLE: And I'm not convinced that these the cost effective.

MR. DANNER: And that's the point I understand. I thank you for your comments on that. And we certainly will be reviewing that as this case goes on.

MR. KLINGLE: Thank you.

MR. DANNER: Thank you very much.

Louise Schneider?

MS. SCHNEIDER: I've got a handout too. My name is Louise Schneider. I live in the Wenas Valley about 14 miles north of Selah. And my testimony is going to

be certainly different than the last two people.

Because I'm here, I feel that this upgrade is -- or this increase is not necessary.

I did have a question, but you said you didn't answer questions. And my question was, when you get a request like this for an increase in rates, do you look into their financial situation, the company, such as income statements, retained earnings, cash flow, profit and loss, and all that stuff, to determine whether they really need an increase? Maybe you can let me know that by mail. I'd like to know.

MR. DANNER: As it said in the video, we certainly do review all the financial information of the company, and if it's not provided in the case, sometimes we will simply go and ask for it and make a data request of the company. We do look at that.

MS. SCHNEIDER: I missed that in the video. I didn't hear that. But anyway, what my purpose is for asking that, you'll find out later.

In spite of the rate increases over the years, all services have not increased. Several years back the power company used to send out employees to investigate the safety of power poles. They did that on my property.

I was driving out to our corrals on a lane which

passes a power pole with a transformer. A man was there working on digging out around the pole, and I asked him what he was doing, and he said -- he informed me that he was checking the bottom of the pole, the buried part, and treating it if necessary to make sure the pole was not rotten and would not fall down.

The power company does not, to my knowledge, do that as often anymore, or if they do it's on a limited process. Last year a power pole fell over on the property of my son in the Wenas Valley. It started a small grass fire. The power company came out and did stand the pole back up and placed a smaller pole attached alongside to be sure that it would stay and not fall down again anytime soon.

I now worry about the power poles on my property. Will a rate increase ensure customers that the power poles will be taken care of and checked on a regular schedule? The company did not ask for a rate increase when they went out there and did the checking on those poles. Assuming that the increase is allowed, I would hope that they would take that precaution and reinstate that program.

Years ago, when we needed a power pole, say, a new well or something, they put that in for free. Now I have a well where I need a power pole that's 20,000

bucks over and above everything else I have to pay.

That's the power pole's cost to me.

We irrigate alfalfa and pasture land with four different irrigation pumps. All pumps are aboveground. At the end of the irrigation season, when we are not pumping, we get a bill for, quote, "3 PH Annual Load Size Charge," unquote. And that's for each pump. We are not using electricity at that time with a charge.

The bill comes in November, long after the irrigation season is over. Last year this additional charge cost us \$1,946.68. In my mind, that alone is a rate increase which we receive every year.

The most noticeable change for power customers since Warren Buffett invested in Pacific Power Corps in 2006 for 5.1 billion cash, plus assuming a 4.3 billion debt for the total of 9.4 billion investment, is the price of power steadily increasing and more quickly than in other utilities in the region?

I have testified at least four previous times regarding rate increases. These hearings seem to have become habit forming since Buffett acquired PacifiCorp.

I need electric power. I am stuck purchasing it from Pacific Power as there is no competition. Pacific Power is it or nothing. If I could afford it, I would invest in solar power. At least I would get the

satisfaction of not having to testify at these hearings every other year and would use power as needed.

I do understand that PacifiCorp has invested in three wind projects in the state of Washington, and I certainly applaud them for that. However, I would hope maybe they would put a solar power project closer to Yakima. That might reduce our rates instead of the constant increases.

Thank you for allowing me to testify. And my information on Warren Buffett was from The Oregonian and the U.S. Business/NBC News. I just didn't dream it up.

MR. DANNER: Thank you, Ms. Schneider. I didn't think that you did. We will make your letter part of the record in the case.

MS. SCHNEIDER: Thank you.

MR. DANNER: Thank you.

MS. PHILLIPS: And share with the persons that were missing today?

MR. DANNER: Absolutely.

Okay. We have Judi Webberton, did I pronounce that right? Would you like to speak?

MS. WEBBERTON: I'll be very brief. Being a senior now, I'm, you know, on fixed income like a lot of people, but I also have rental units in the lower

valley. And most of my tenants are on fixed incomes and can't afford increases.

The City of Toppenish has more than doubled our water, sewage, and garbage just in the short time I've owned the units, and I normally will split the increase with the tenants, because I know it's very hard on them to assume the normal increases a good business person would make. But I am trying to be compassionate with my tenants, because they're all good people. And I try to help them as much as possible.

But with the increases that we have to endure from the City of Toppenish with their water, sewage, and garbage problems that they've had in the past and assuming that debt, they've increased the rates way beyond what is legally feasible. And when we've complained about that, they said, Well, the federal government's forcing them to break federal laws and passing the increase on to us.

And then with the power company's increases on top of that, I think it's just putting a great hardship on a lot of people and, you know, if these constant increases keep -- I understand the need for them on your side of it, but I'd like to see some programs maybe initiated to help some of those people that need the help with this.

MR. DANNER: Okay. Thank you very much. Just to clarify, the UTC does not have authority over the Toppenish decisions.

MS. WEBBERTON: I know. I just brought that up because I need you to understand that we're getting hit from a lot of different sides, and sometimes it can be very much a burden on a lot of people, especially the seniors or the people on fixed incomes.

MR. DANNER: I appreciate your comments, and I do understand that that was the context in which you raised that. Thank you very much.

MS. WEBBERTON: Thank you.

MR. DANNER: And again, I'm going to have trouble reading this, Wesley Akieana, please come forward.

MS. AKIEANA: I just had a question regarding solar energy. I understand that the federal government has a 30 percent tax credit through 2019. And they recently expanded that program to 26 percent in 2020 and then 22 percent in 2021.

And I understand -- or I believe the Pacific Power credit program for Washington State is scheduled to end in June of 2020. Has Pacific Power discussed about extending the program credits to residential customers?

MR. DANNER: Okay. I'm going to ask you to refer that question to the company or staff, and we'll give

1 the answers to you on that.

MR. AKIEANA: Okay. Thank you.

MR. DANNER: So, let's see, Donna Phillips, did you wish to speak tonight?

MS. PHILLIPS: No, thank you, sir.

MR. DANNER: Is there anyone else in attendance tonight that would like to make a comment for the record in this case?

Okay. Hearing none, that concludes the public testimony tonight.

Now, for people who are not here, maybe viewing on television or hearing about this otherwise, we will still be taking comments by e-mail, by mail, also on the UTC web form, and by telephone until May 3rd.

And so if you have friends or others that you know who might want to comment in this case, the information is on the second page of the public counsel handout tonight, and so we will certainly welcome their comments in this proceedings even if they're unable to have attended tonight.

The UTC will be having a hearing on this case in Olympia on May 2nd and May 3rd in which we will be hearing from the company and from the other parties in this case, meaning the Energy Projects, Boise White Paper commission staff, and of course the attorney

general's public counsel office. So I believe that takes us to the end of tonight's public comment hearing. So without further adieu, unless there's other issues, then we are going to adjourn. Thank you very much. (PROCEEDINGS CONCLUDED AT 6:47 P.M.)

1 CERTIFICATE 2 STATE OF WASHINGTON) ss. 3 COUNTY OF YAKIMA) 4 5 This is to certify that I, Dani Jean Craver, 6 Certified Court Reporter in and for the State of 7 Washington, residing at Yakima, reported the within and 8 foregoing proceedings; said proceedings being taken 9 before me on the date herein set forth; that the 10 witnesses were first by the chairman duly sworn; that said proceedings was taken by me in shorthand and 11 12 thereafter under my supervision transcribed, and that 13 same is a full, true, and correct record of the testimony 14 of said witnesses, including all questions, answers, and 15 objections, if any, of counsel. 16 I further certify that I am not a relative or 17 employee or attorney or counsel of any of the parties, 18 nor am I financially interested in the outcome of the 19 cause. 20 IN WITNESS WHEREOF I have set my hand this 4th 21 day of May, 2016. 22 23 DANI JEAN CRAVER CCR NO. 3352 24 25