

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,)
Complainant,)
vs.) Docket No. UE-152253
PACIFIC POWER & LIGHT COMPANY,)
Respondent.)

PUBLIC HEARING - VOLUME III
Pages 91-104

April 26, 2016
12:00 p.m.
Walla Walla City Council Chambers
15 North 3rd Avenue
Walla Walla, Washington

REPORTED BY:
JERI L. CHANDLER, RMR, RPR, CRR, CCR No. 3191

WALLA WALLA, WASHINGTON; APRIL 26, 2016
12:00 P.M.
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CHAIRMAN DANNER: This is the public comment
hearing for the Pacific Power & Light general rate case
in Docket UE-152253.

My name is David Danner, and I'm the chair of the
Washington Utilities and Transportation Commission, and
I'm here representing the commission today. My
colleagues, Commissioner Philip Jones and Commissioner
Ann Rendahl, are not joining us today; but we have a
court reporter here, and they will be reviewing the
transcripts as they prepare for the rate case.

In November 2015, Pacific Power & Light filed a
petition with the UTC requesting approval of a rate
increase. The filing will request a rate increase of
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 in mid 2017.

The Company's reduced the first-year request to
9.03 million based on new information since its
original filing.

The Commission is going to examine the testimony
and evidence in this case and will be holding

A P P E A R A N C E S
COMMISSION CHAIRMAN:
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evidentiary hearings in Olympia, Washington, on May 2nd
and 3rd, and the UTC is expected to issue a decision
sometime this year, probably this summer.

I'm looking at the sign-in sheet. And even though
we have several representatives of the Company and Blue
Action -- Blue Mountain Action Council, those are the
only people that are signed up here. And so,
Mr. Koehler, you want to come forward?

Normally, as you know, because I've seen you here
before, we have a video that we've shown; but since you
are really here to represent the people of Walla Walla,
I don't know if we wanted to dispense with that, or do
you want to see our fine video that you saw last year?

MR. KOEHLER: We can dispense with it.

CHAIRMAN DANNER: All right. So we will do that.
So this is your show. Take it away.

MR. KOEHLER: Thanks. So I am Ted Koehler. I'm
the housing director for Blue Mountain Action Council
here in Walla Walla. We serve Walla Walla, Columbia,
and Garfield Counties with low-income weatherization
and energy assistance at Blue Mountain Action Council.

I'm speaking on behalf today of the low-income
clients that we serve with the funding from PacifiCorp.

We'd like to thank Pacific Power for the support
over the years, and especially noteworthy is the

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1 cooperative work with Becky Eberly, PacifiCorp program
 2 manager in Portland, and Bill Clemmons here in Walla
 3 Walla more on community projects.
 4 Rate increases, when they arrive, have a magnified
 5 effect on low-income people over middle-income related
 6 to reducing their disposable -- related to reducing
 7 their disposable household income.
 8 Generally, the housing stock available, rented or
 9 owned, is in poor condition, with inadequate
 10 conservation measures installed that we see.
 11 The community action programs have the ability to
 12 effectively reach people in poverty. Unfortunately,
 13 poverty is increasing here along with a nationwide
 14 trend.
 15 We support the formation of a collaborative work
 16 group to look at specific demographics of the service
 17 area usage studies, evaluate program delivery as it
 18 exists, and look for potential structural changes for
 19 increased access as the poverty rate increases.
 20 It's my understanding that the group will include
 21 the CAP agencies, the Energy Project, UTC staff, and
 22 Public Counsel. We look forward to the collective
 23 discussion and that there will be a final report to the
 24 commission in 2017.
 25 Again, thanks to the Commission for the

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1 opportunity to speak on behalf of the low-income
 2 clients that we serve and are assisted by PacifiCorp
 3 energy programs.
 4 CHAIRMAN DANNER: All right. Thank you very much.
 5 Mr. Koehler, can you tell me, when you say there
 6 has been an increase, the overall trend, how dramatic
 7 has the demand --
 8 MR. KOEHLER: What we're seeing on a lot of the
 9 homes that we're doing weatherization and energy
 10 assistance or providing energy assistance for and doing
 11 weatherization work in is that there's a lot more
 12 deferred maintenance. And we're having a higher rate
 13 of deferral on the homes because low-income homeowners
 14 are having to make a decision between food and health
 15 insurance or medications over repairs to their home,
 16 and they're deferring the maintenance of their homes.
 17 We just have a -- out of every three homes we've
 18 looked at, we would get one job where we could go and
 19 work, and now we're looking at about five jobs to get
 20 one job that we can go look at.
 21 CHAIRMAN DANNER: Do you know how many houses you
 22 weatherize?
 23 MR. KOEHLER: Yes. We weatherize between 25 and
 24 30 homes a year in those three counties.
 25 CHAIRMAN DANNER: If you had unlimited funds, how

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1 many could you do? How big is the manpower?
 2 MR. KOEHLER: At our capacity, we could do more
 3 units. Because Pacific Power funding is partnered with
 4 some state funding and some federal funding, those
 5 would have to change as well.
 6 But as far as the PacifiCorp funding increasing,
 7 some flexibility on the 50 percent/100 percent would
 8 make the money more spendable in our area.
 9 CHAIRMAN DANNER: Okay. And would you be looking
 10 to have the Blue Mountain Action Council participate in
 11 this work group that we've got coming up?
 12 MR. KOEHLER: Yes, definitely, very interested.
 13 CHAIRMAN DANNER: All right. And the federal
 14 LIHEAP, how much are you -- is that going down or is
 15 that staying steady?
 16 MR. KOEHLER: It's been fairly steady. It went
 17 down after ARRA, and it's been pretty steady since
 18 then.
 19 CHAIRMAN DANNER: But, again, we're not getting
 20 anywhere near the demand for services?
 21 MR. KOEHLER: Right. And there's -- the big
 22 disparity is with the deferred maintenance and repair
 23 on the homes. It's hard for us to go insulate, provide
 24 weatherization measures on a home where the roof is
 25 leaking and not have adequate funding.

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1 So there used to be a program that we partnered
 2 with our weatherization program called Home Repair that
 3 was a state program, and that has -- in 2010, it went
 4 away. And they've tried to bring it back as part of
 5 the Matchmaker Program, but it's really kind of gone
 6 undefined. There hasn't been a clear definition of how
 7 those funds can be spent as part of the Matchmaker
 8 Program.
 9 CHAIRMAN DANNER: What is the Matchmaker Program?
 10 MR. KOEHLER: Matchmaker Program is a state fund
 11 that helps us match PacifiCorp money to get more work
 12 done. And so the state legislature included some
 13 funding in Matchmaker allocations to do repairs; but,
 14 like I said, the repairs -- what can be spent on
 15 repairs, the total amount -- they call it Tier 2 -- is
 16 not clearly defined.
 17 So I don't believe a lot of agencies like ours are
 18 doing those repairs with that money. They're doing
 19 weatherization.
 20 CHAIRMAN DANNER: And then how much seasonal
 21 low-income people needing to keep the heat on during
 22 the winter?
 23 MR. KOEHLER: I think that we have a list of
 24 between six to eight hundred people that come in to
 25 seek Blue Mountain Action Council for energy

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1 assistance, not for weatherization.
 2 A lot of those clients, we glean our
 3 weatherization jobs off that list, the high energy
 4 users or high burden. Typically, we're not able to
 5 help all those families; but in some years, we are just
 6 depending on the funding sources that all come together
 7 to fund that.
 8 And I am not the director of the Energy Assistance
 9 Program. Bob Castoldi that's here is. He might be
 10 answer to able that question.
 11 CHAIRMAN DANNER: So, Mr. Castoldi, did he answer
 12 that well? Do you have anything to add?
 13 MR. CASTOLDI: Very well. We do target high
 14 energy --
 15 THE REPORTER: I'm sorry. You're going to have to
 16 speak into the microphone.
 17 CHAIRMAN DANNER: For the court reporter's
 18 benefit, this is Bob Castoldi, C-a-s-t-o-l-d-i.
 19 MR. CASTOLDI: Yes. Thank you, UTC and Public
 20 Counsel --
 21 CHAIRMAN DANNER: Speak into the microphone.
 22 MR. CASTOLDI: I'm not used to this.
 23 I want to thank the UTC, the Public Counsel, and
 24 Pacific Power for showing up here. I am the director
 25 of energy assistance at Blue Mountain Action Council,

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1 basically disburse LIHEAP funds, Cascade funds, Pacific
 2 Power funds.
 3 The need -- Pacific Power has the LIPA program. I
 4 realize this isn't up in this rate case, but there is a
 5 need. We're capped at how many we can see. And once
 6 we reach that cap, we can't sign up any more for that
 7 year.
 8 CHAIRMAN DANNER: So how many people do you turn
 9 away in a given year?
 10 MR. CASTOLDI: Well, this year, we've turned away
 11 probably 150, and we're still going. Anybody we see
 12 now until June 30 won't be -- so I suspect it will be a
 13 couple hundred.
 14 But we do target high energy users in the LIHEAP
 15 program and turn them over to weatherization. So
 16 that's where they build their list from. Probably
 17 80 percent are rentals, which they have to go through
 18 the landlord and whatnot, but --
 19 CHAIRMAN DANNER: And the landlords are generally
 20 cooperative?
 21 MR. CASTOLDI: Oh, yeah. Yeah. They get it
 22 weatherized. So, I mean, any questions?
 23 CHAIRMAN DANNER: No. Those are the questions I
 24 had. Thank you very much.
 25 We have one other person signed up, Duane Thomson.

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1 Would you like to come forward? And that's Thomson,
 2 T-h-o-m-s-o-n; correct?
 3 MR. THOMSON: Correct.
 4 CHAIRMAN DANNER: And you are a PacifiCorp
 5 customer?
 6 MR. THOMSON: Yes.
 7 CHAIRMAN DANNER: Something I neglected to do, and
 8 actually, I'm going to have to do this after the fact.
 9 Mr. Koehler, could you and Mr. Thomson both stand and
 10 raise your hands and let me swear you in?
 11 Do you swear or affirm to tell the truth, the
 12 whole truth, nothing but the truth?
 13 MR. KOEHLER: I do.
 14 MR. THOMSON: I do.
 15 CHAIRMAN DANNER: Thank you. Mr. Castoldi also
 16 was sworn in. Thank you.
 17 MR. THOMSON: Thank you for the opportunity we
 18 have to come to this hearing. I'm just speaking on
 19 behalf of myself and probably other private PacifiCorp
 20 customers along with myself. I don't represent anybody
 21 other than myself.
 22 But I have a concern because I understand that
 23 PacifiCorp wants to raise the rates for power. And
 24 3 percent doesn't sound like very much and probably
 25 isn't, but other utilities are raising their rates

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1 also. Cascade Gas wants to raise their rates. The
 2 city has raised their property tax rates. The county
 3 has raised their property tax rates, and it's just one
 4 right after the other.
 5 And my income has gone down and not gone up, and
 6 I'm struggling to make ends meet. And so I'm concerned
 7 about how this might impact me in the future. It looks
 8 like I may be forced to take a second part-time job
 9 along with my regular job to be able to make ends meet.
 10 So I just wanted to express my concerns, and keep
 11 this under consideration, please, when you make the
 12 decisions. Thank you.
 13 CHAIRMAN DANNER: Thank you. And are you --
 14 you're not -- you're not eligible for low-income
 15 programs?
 16 MR. THOMSON: Well, I'm not sure. I mean, I don't
 17 know what the eligibility are at this time. So I'll
 18 check into that.
 19 But I'm working full time, and I'm 66 years old.
 20 But I've changed jobs, and I had to take a job with
 21 lower pay, lower income. So I have some concerns.
 22 CHAIRMAN DANNER: All right. Well, I appreciate
 23 it. I think that I understand your message entirely.
 24 All right. Is there anyone else who is in the
 25 room who wishes to speak today? All right. Hearing

1 none, we are going to close this hearing. So we are
 2 adjourned. Thank you very much.
 3 (Hearing adjourned at 12:15 p.m.)
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REPORTER'S CERTIFICATE

1
 2
 3 I, Jeri L. Chandler, Certified Shorthand Reporter,
 4 in and for the State of Washington, do hereby certify:
 5

6 That the foregoing proceedings were reported by me
 7 stenographically and later transcribed into typewriting
 8 under my direction; that the foregoing is a true record of
 9 the proceedings taken at that time.
 10

11 IN WITNESS WHEREOF I have set my hand this 4th day
 12 of May, 2016.
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15 JERIL CHANDLER, RPR, RMR
 16 CCR NO. 3191
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