

Docket UE \_\_\_\_\_  
Exhibit T- \_\_\_\_\_ (WGC-T)

BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PACIFICORP

---

Direct Testimony of William G. Clemens

May 2001

1 Q. Please state your name and business address.

2 A. My name is William G. Clemens and my business address is 650 East Douglas Avenue,  
3 Walla Walla, Washington.

4 Q. What is your current position with PacifiCorp?

5 A. I am Regional Community Manager for PacifiCorp.

6 Q. Please briefly describe your professional background.

7 A. I have worked for PacifiCorp for over nineteen years. I initially worked for the Company  
8 in Portland, then moved to Roseburg, Oregon and worked as a customer service  
9 representative. I have since held a variety of positions for the Company including  
10 Conservation Inspector, Industrial Account Manager, Program Field Manager, Area  
11 Energy and Community Service Manager and General Business Manager. In addition to  
12 Portland and Roseburg, Oregon, I have worked for the Company in Bend, Oregon,  
13 Sunnyside, Washington, and Walla Walla, Washington.

14 Q. What is the purpose of your testimony?

15 A. My testimony will describe the Company's proposed change to Electric Service Rule 4.

16 Q. Please describe the Company's proposed changes to its Rule 4.

17 A. The Company is proposing to add tariff provisions enabling the Company to charge a  
18 customer who requests disconnection of Company facilities in order for the customer to  
19 switch electric suppliers, to pay for the estimated net removal cost of those facilities.

20 The proposed tariff language was included in the Company's initial filing

21 Q. Please describe the specific changes you are proposing.

22 A. They are described in the following section of my testimony.

1 **Removal of Facilities**

2 Q. The Company is proposing to charge customers requesting disconnection for “net  
3 removal costs.” What are “net removal costs”?

4 A. We define “net removal costs” as the cost to remove the facilities less salvage value.

5 Q. Please describe the types of costs the Company will typically incur?

6 A. Costs will likely include the labor associated with pulling the PacifiCorp meter and  
7 removing poles, conductor and transformers.

8 Q. Why is the Company receiving requests for removal of distribution facilities?

9 A. All such requests to date have occurred in Eastern Washington. The Columbia Rural  
10 Electric Association, Inc., (“CREA”) is an electric cooperative providing retail service to  
11 its members in and around Dayton, Washington. CREA is soliciting PacifiCorp’s current  
12 retail customers in an effort to provide retail electric service to these electric end users.  
13 CREA has constructed a new substation, presumably to increase their system capabilities  
14 and has been active in seeking franchise rights from local governments. To date,  
15 PacifiCorp customers switching to CREA are located in Walla Walla County in Eastern  
16 Washington.

17 Q. How many customers have requested the company to remove facilities?

18 A. To date, four PacifiCorp residential customers have requested removal of our facilities to  
19 switch to CREA, and we have three additional residential customer requests pending. In  
20 addition, four commercial customers have made this supplier switch and we have four  
21 commercial customer requests pending.

22 Q. What is PacifiCorp’s estimate of how many customers will leave the company?

1 A. PacifiCorp has no experience in Washington upon which to base a prediction of how  
2 many customers are considering, or how many will choose to switch to another electric  
3 supplier, but it would appear that competition for customers has become a fact in certain  
4 areas of Washington, and PacifiCorp assumes that removal requests for the purpose of  
5 switching suppliers will be an ongoing, recurring circumstance.

6 Q. Does the introduction of competition in an area result in duplication of facilities?

7 A. Yes. In College Place, adjacent to Walla Walla, Washington, there are now a number of  
8 streets where PacifiCorp distribution facilities have been present for some time and where  
9 new, duplicative CREA distribution facilities have recently been installed.

10 Q. Why can't PacifiCorp simply leave the distribution facilities in place and thereby avoid  
11 the removal costs?

12 A. For safety and operational reasons, PacifiCorp must pull its meter prior to the new  
13 supplier interconnecting with the end-use customer.

14 Q. Why should the customers that seek disconnection pay the net removal costs?

15 A. PacifiCorp believes that customers that cause costs to be incurred should bear  
16 responsibility for paying those costs. When a customer initiates service with PacifiCorp,  
17 the Company incurs costs for labor and investments in assets to bring service to the  
18 customer. These include the costs to install the meter, the service drop, and frequently  
19 new poles, conductor and a transformer.

20 Q. Does PacifiCorp currently charge removal less salvage to any group of customers?

21 A. Yes. For years customers requesting a relocation of facilities pay for the removal costs  
22 less salvage. In addition, the customer pays for any new facilities installed. Rule 14, VI.  
23 Relocation or Replacement of Facilities. The circumstances behind this filing are very

1 similar to a relocation, but involve two utilities, with the new supplier contracting with  
2 the customer for the new facilities and the old line being removed and salvaged by the  
3 former supplier.

4 Q. If departing customers do not pay the net removal costs, what will PacifiCorp propose to  
5 do?

6 A. PacifiCorp will record the removal costs less salvage value on its books and records.  
7 Should these entries be within a test year utilized for ratemaking purposes, these costs  
8 will be properly reflected in future rates of those customers that remain customers of  
9 PacifiCorp.

10 Q. Does that conclude your testimony?

11 A. Yes.