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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

A P P E A R A N C E S

COMMISSION CHAIRMAN:

DAVID W. DANNER

FOR PUBLIC COUNSEL:

SIMON J. FFITCH
Senior Assistant Attorney General
Chief, Public Counsel Division
800 Fifth Avenue
Suite 2000, TB-14
Seattle, Washington 98104
PH: 206.389.2055
simonf@atg.wa.gov

1 WALLA WALLA, WASHINGTON; APRIL 26, 2016

2 12:00 P.M.

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5 CHAIRMAN DANNER: This is the public comment
6 hearing for the Pacific Power & Light general rate case
7 in Docket UE-152253.

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

15 In November 2015, Pacific Power & Light filed a
16 petition with the UTC requesting approval of a rate
17 increase. The filing will request a rate increase of
18 10 million, or 2.99 percent, effective in mid 2016 and
19 a second step rate increase of 10.3 million, or
20 2.99 percent, effective in mid 2017.

21 The Company's reduced the first-year request to
22 9.03 million based on new information since its
23 original filing.

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

1 evidentiary hearings in Olympia, Washington, on May 2nd
2 and 3rd, and the UTC is expected to issue a decision
3 sometime this year, probably this summer.

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

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

14 MR. KOEHLER: We can dispense with it.

15 CHAIRMAN DANNER: All right. So we will do that.

16 So this is your show. Take it away.

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

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

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

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

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

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.

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

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,

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.

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

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

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

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

IN WITNESS WHEREOF I have set my hand this 4th day
of May, 2016.

JERI L. CHANDLER, RPR, RMR
CCR NO. 3191