0091

 1 BEFORE THE WASHINGTON

 2 UTILITIES AND TRANSPORTATION COMMISSION

 3 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 WASHINGTON UTILITIES AND )

 4 TRANSPORTATION COMMISSION, )

 )

 5 Complainant, )

 )

 6 vs. ) Docket No. UE-152253

 )

 7 PACIFIC POWER & LIGHT COMPANY,)

 )

 8 Respondent. )

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 9

 PUBLIC HEARING - VOLUME III

10

 Pages 91-104

11 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

12

13 April 26, 2016

 12:00 p.m.

14 Walla Walla City Council Chambers

 15 North 3rd Avenue

15 Walla Walla, Washington

16

17

18

19

20

21

22

23

24

 REPORTED BY:

25 JERI L. CHANDLER, RMR, RPR, CRR, CCR No. 3191

0092

 1 A P P E A R A N C E S

 2 COMMISSION CHAIRMAN:

 3 DAVID W. DANNER

 4

 5 FOR PUBLIC COUNSEL:

 6 SIMON J. FFITCH

 Senior Assistant Attorney General

 7 Chief, Public Counsel Division

 800 Fifth Avenue

 8 Suite 2000, TB-14

 Seattle, Washington 98104

 9 PH: 206.389.2055

 simonf@atg.wa.gov

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

0093

 1 WALLA WALLA, WASHINGTON; APRIL 26, 2016

 2 12:00 P.M.

 3 -o0o-

 4

 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

0094

 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

0095

 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

0096

 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

0097

 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.

0098

 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

0099

 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,

0100

 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.

0101

 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

0102

 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

0103

 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.)

 4

 5

 6

 7

 8

 9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

0104

 1 REPORTER'S CERTIFICATE

 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.

13

14

15 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 JERI L. CHANDLER, RPR, RMR

16 CCR NO. 3191

17

18

19

20

21

22

23

24

25