

July 1, 2004

Glenn Blackmon  
Acting Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

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WASHINGTON UTILITIES  
01 JUL -2 AM 9:30

Dear Mr. Blackmon,

Enclosed is the original and 19 copies of the direct testimony from The Energy Project regarding Docket NO. UE-032065.

Respectfully,



Charles Eberdt  
The Energy Project  
The Opportunity Council  
1701 Ellis St.  
Bellingham, WA 98225

cc: service list

July 1, 2004

Re: Docket No. UE-032065

I hearby swear that I have sent copies of The Energy Project's direct testimony to the following parties:

James M. Van Nostrand  
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CUA  
212 w Second Ave, Suite 100  
Spokane, WA 99201

Respectfully,



Charles Eberdt  
The Energy Project  
1701 Ellis St.  
Bellingham, WA 98225

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BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND )  
TRANSPORTATION COMMISSION )  
 )  
Complainant, )  
 )  
v. )  
 )  
PACIFICORP d/b/a PACIFIC POWER & )  
LIGHT COMPANY )  
 )  
Respondent. )

DOCKET NO. UE-032065

RECEIVED  
JUL 2 11 53 AM '04  
UTILITY AND TRANSPORTATION COMMISSION

DIRECT TESTIMONY OF CHARLES M. EBERDT

July 1, 2004

Charles M. Eberdt  
The Energy Project  
The Opportunity Council  
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Bellingham, WA 98225  
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## I. Background and Qualifications

Q. PLEASE STATE YOUR NAME, ADDRESS AND EMPLOYMENT.

A. My name is Charles Eberdt. I am the director of The Energy Project, 1701 Ellis St.

B. Bellingham, WA 98225.

Q. PLEASE OUTLINE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I have an M.A.T. from Harvard University. Since 1993, I have been working with all agencies that provide energy assistance and energy efficiency services to low-income households in Washington. Prior to that I supervised training on energy efficient construction for building code officials and builders for the Washington State Energy Office and provided other public education on energy efficiency. I am a Board member of the National Center for Appropriate Technology and A World Institute for a Sustainable Humanity (A W.I.S.H.). I have participated in several proceedings before this Commission over the last ten years, including the last PacifiCorp rate case and the merger with Scottish Power.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying for The Energy Project, an intervener in this proceeding on behalf of the Opportunities Industrialization Center of Washington located in Yakima, WA, and the NW Community Action Center in Toppenish, WA. Both these latter organizations are community action agencies serving several thousand PacifiCorp customers.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I will testify regarding ways the company can mitigate the negative impacts of their proposed rate increase on the low-income households in their Washington service territory.

## **II. Conclusions and Recommendations**

Q. WHAT IS YOUR EXPERIENCE WORKING WITH THIS UTILITY TO PROVIDE PROGRAMS THAT HELP LOW-INCOME HOUSEHOLDS AFFORD THEIR ENERGY SERVICES?

A. For many years PacifiCorp has run an energy efficiency program with the community action agencies that provide the federal low-income Weatherization Assistance Program (WAP). During the Scottish Power merger we worked with the utility to initiate a low-income energy assistance program that has developed into a good, schools-based energy efficiency curriculum. In the last rate case, with the Company, Commission staff and other stakeholders, we developed a three-tiered rate discount for households living at or below 125% of the federal poverty level and expanded the design and funding of their low-income energy efficiency program.

Q. WHAT IS YOUR CONCERN IN THIS RATE CASE?

A. Our primary concern is two-fold. First, we are concerned that any rate increase will make energy services even more difficult to afford for the low-income population, which is struggling to afford those services at present rates. Second, the rate increase will negatively impact the positive effects we can achieve

through our energy efficiency and assistance programs and/or limit the number of households we are able to reach with our given level of funding.

Q. HOW CAN THESE EFFECTS BE COUNTERBALANCED?

A. The latter problem can be addressed by increasing the program funding commensurate with any rate increase. A more general benefit can be achieved by exempting qualified low-income households from the surcharge that pays for the low-income programs. There are many more low-income households than we are able to serve with the level of funding. This exemption will protect low-income households who can show receipt of food stamps or participation in another low-income program, but are not able to participate in the energy programs from the additional costs.

Q. WHAT OTHER SORT OF APPROACHES ARE YOU SUGGESTING?

A. There are a number of programs around the country the utility should investigate, but let me give two examples. There are many reasons people don't make their utility payments. Sometimes it is a combination of poor planning and bad timing. For some households the utility bill comes sufficiently out of synch with the paycheck that there is no money left. Some utilities have programs that actually work with individual families to train on money management. One of the simplest solutions is to allow the household to change their bill due date to better coincide with a time of the month when they have funds.

Whether this is a technique that will be useful to PacifiCorp is an unknown until the utility actually investigates it. Another, more complex program offered by

utilities elsewhere is to forgive some amount of the household's arrearage based on successful bill payment activity.

Q. THE BENEFIT TO THE PARTICIPATING HOUSEHOLD IS OBVIOUS, BUT WHAT IS THE ADVANTAGE TO THE UTILITY?

A. Again, there can be multiple benefits. If a household is able to maintain a stable payment schedule, they continue making contributions to the fixed costs of the system. There can also be appositve impact through reducing the costs of late payments, bad debt, or disconnections and reconnections. The reduction in these costs indirectly benefits other ratepayers as well. The point is that this utility is rather new at providing energy assistance to their low-income customers. We believe they could benefit greatly from instituting some additional approaches. We would like to work with them to investigate some of what appear, from activities in other utilities around the country, to be promising options.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.