

**Exhibit No. ___ (JAJ-2T)
Docket No. UE-051090
MEHC Acquisition of PacifiCorp
Witness: Judi A. Johansen**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**IN THE MATTER OF THE JOINT)
APPLICATION OF MIDAMERICAN)
ENERGY HOLDINGS COMPANY AND)
PACIFICORP DBA PACIFICORP POWER &)
LIGHT COMPANY FOR AN ORDER)
AUTHORIZING PROPOSED)
TRANSACTION)**

Docket No. UE-051090

Rebuttal Testimony of Judi A. Johansen

December 2005

1 **Q. Please state your name and business address.**

2 A. My name is Judi Johansen, and my business address is 825 NE Multnomah Street,
3 Suite 2000, Portland, Oregon 97232.

4 **Q. Are you the same Judi Johansen who sponsored direct testimony in this**
5 **proceeding?**

6 A. Yes.

7 **Q. What is the purpose of your rebuttal testimony?**

8 A. I respond to the testimony of Charles Eberdt regarding low-income energy
9 assistance. I also respond to recommendations by ICNU witness Wolverton
10 regarding inter-jurisdictional cost allocation.

11 **Q. Energy Project witness Charles Eberdt proposes that the Commission**
12 **condition approval of the transaction upon adoption of four proposals**
13 **related to low-income customers. How should the Commission respond to**
14 **Mr. Eberdt's proposals?**

15 A. The Commission should consider Mr. Eberdt's proposals in the context of
16 PacifiCorp's current general rate case (Docket No. UE-050684). Mr. Eberdt has
17 made the same proposals in that proceeding. The general rate case is the
18 appropriate forum for the Commission to consider these proposals because they
19 would increase PacifiCorp's tariffed charges to support its low income energy
20 assistance program. PacifiCorp is responding to Mr. Eberdt's proposals in its
21 rebuttal testimony in the general rate case proceeding. If the Commission chooses
22 to consider Mr. Eberdt's proposals in this proceeding, Joint Applicants ask that

1 the Commission consider the relevant portions of PacifiCorp's rate case rebuttal
2 testimony in response.

3 **Q. Are the Applicants willing to provide support for low-income customers?**

4 A. Yes. As part of a stipulation in Utah, MEHC and PacifiCorp have committed to a
5 number of provisions that benefit low-income customers. These include:

6 U 24. PacifiCorp commits to work with the Utah DSM Advisory Group to propose
7 a tariff amendment to maximize the cost-effective electricity savings of Utah
8 ratepayer contributions to federally funded weatherization programs. As part
9 of this analysis, PacifiCorp agrees to re-examine its current Company policy
10 of matching federal contributions at 50%.

11
12 U 25. MEHC and PacifiCorp commit up to \$200,000 annually for five years, to be
13 recorded in non-utility accounts, to match customer and employee
14 contributions to the Utah fuel fund bill assistance program. MEHC and
15 PacifiCorp commit to work with low income advocates and consumer
16 groups, when appropriate, to evaluate additional matching contributions.

17
18 U 26. MEHC commits to provide \$25,000 in shareholder funds to hire a consultant
19 for, and PacifiCorp will provide a resource for facilitation of, a working
20 group to study and design for possible implementation an arrearage
21 management project for low-income customers. The project will be
22 developed by PacifiCorp in conjunction with the Division of Public Utilities,
23 Committee for Consumer Services, low-income advocates and other
24 interested parties. The goals of the project will include reducing service
25 terminations, reducing referral of delinquent customers to third party
26 collection agencies, reducing collection litigation and reducing arrearages
27 and increasing voluntary customer payments of arrearages.

28
29 PacifiCorp and MEHC would be willing to explore how the latter two
30 commitments might be applied in Washington. The commitment in U 24 to
31 reexamine our matching policy would not be relevant to Washington. In this
32 commitment, the Company is agreeing to evaluate whether to make a change to
33 our matching approach in Utah to allow 100% matching once federal funds are
34 exhausted. This is already our practice in Washington. I would also note that the

1 relative amount of the shareholder contribution mentioned in Utah commitment
2 U 25, if applied to Washington, would be approximately \$40,000.

3 **Q. ICNU witness Wolverton discusses a number of issues related to inter-**
4 **jurisdictional cost allocation. What actions should the Commission take in**
5 **this proceeding regarding inter-jurisdictional cost allocation?**

6 A. The Commission should take no action in this proceeding regarding inter-
7 jurisdictional cost allocation. The issue is actively being discussed in
8 PacifiCorp's general rate case. In that proceeding, the Commission will
9 determine the most reasonable method of allocating the costs of new investments.
10 The Commission's decision will apply to all investments, including those made in
11 conjunction with MEHC's commitments. In the general rate case, PacifiCorp is
12 proposing that the Commission adopt the Revised Protocol, which contains the
13 following provision:

14 The Company will continue to bear the risk of inconsistent allocation
15 methods among the states.

16 Adoption of the Revised Protocol in the general rate case would seem to address
17 Mr. Wolverton's proposed condition. In any event, no further allocation decisions
18 need be made in this proceeding.

19 **Q. Does this conclude your rebuttal testimony?**

20 A. Yes.