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Comments on proposed Pacific Power rate increase

Pacific Power UE-191024

Pacific Power seeks to raise the monthly fee charged for service, which is above and beyond the actual cost of the product provided. This fee was only introduced in the recent past, and already the utility is seeking to increase it. No matter the future profit's the company enjoys, this monthly fee is unlikely to be reduced. Although the increase in the monthly fee is only \$1.50, this is a cost a household must come up with every month. And this fee procures no goods, merely the right to procure them. And multiplying this small fee by the millions of customers that Pacific Power serves results in a substantial sum.

This becomes income which the utility will treat as a source of profit separate from proceeds from the primary business of the company, which is providing electricity. This source of profit could become something the utility believes should experience growth, even though such growth does not benefit the customers in any way. For lower income households, these monthly fees become a substantial cost, when aggregated together. Efforts to conserve, to reduce consumption to reduce costs, have limited effect because of the floor the monthly fee represents.

This is a source of revenue which weighs upon lower income persons far more than more affluent households. In some cases, the monthly fee can nearly double the monthly bill. The people least able to afford the increasing costs are repeatedly forced to shoulder them while the wealthy investors who own stock in the utility enjoy steadily increasing benefits from those investments.

These investors must bear some of the costs of upgrading the transmission equipment that allows electricity to be moved from place to place, because their investment would loss tremendous value if said equipment were to fail, or to be unavailable. Likewise, the accelerated depreciation of coal fired generating equipment is a way of putting money in investors pockets faster than would have happened before.

The Pacific Northwest enjoys some of the lowest energy prices in the country, but costs of production and supply are rising. To put those costs primarily on the consumers while shielding the investors results in reduced economic activity, lowering demand. To maximize profits over the long term, the lowest possible price should be charged the consumer. Increasing the monthly fee charged for residential electrical service is detrimental to the welfare of the consumers of electric power, and should be prevented.

Scott P. Holman

407 S 58<sup>th</sup> Ave, Yakima, WA 98908-3432 509-966-6309



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