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CHAIRMAN SIDRAN: Good evening. We will come to order. Welcome to a public hearing for the Washington Utilities and Transportation Commission. My name is Mark Sidran, and I chair the Commission, and I'm joined by my colleagues, Commissioners Patrick Oshie and Philip Jones, and by our administrative law judge who is responsible for this case, Judge Dennis Moss.

We are here in Olympia this evening to participate telephonically in a public hearing in relationship to a PacifiCorp general rate case which seeks to increase electricity rates for customers within PacifiCorp's service territory. We normally would conduct this hearing on site in Yakima, but for various reasons related to both scheduling and cost and convenience, we have decided to hold the hearing telephonically, but we are present, along with others in the hearing room in Olympia, as Judge Moss will discuss more fully in a moment.

I will just begin our hearing this evening by thanking those who have turned out in Yakima for the purpose of offering their comments with respect to this matter. We appreciate the fact the you have taken time

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1 out of your busy schedule to do that and want to assure  
2 you that although we are not physically present, we  
3 will be paying close attention to anything you have to  
4 say.

5           In addition to tonight's opportunity to  
6 comment, there will be a further opportunity to submit  
7 comments in writing, which I expect will be for a  
8 little while longer. Judge Moss will perhaps be  
9 enlightening us as to the specific date, but you can  
10 still submit comments with respect to this matter, or  
11 you can advise others you may know if they wish to do  
12 so, and those comments can be submitted either by  
13 e-mail or by regular post.

14           This is an important part of our process, and  
15 we look forward to comments that you may have to offer.  
16 I'm going to now ask Judge Moss to describe for you our  
17 process and then to conduct our hearing this evening.  
18 Judge Moss?

19           JUDGE MOSS: Thank you, Chairman Sidran. I  
20 want to just briefly go over what we will be doing this  
21 evening. I'll talk a little bit about the purpose of  
22 this phase of the proceeding and the process of the  
23 full proceeding. We will do something called taking  
24 appearances, which is a formal step whereby we have the  
25 counsel who are present, and there are counsel who are

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1 present in the hearing room in Olympia, they will  
2 identify themselves.

3 At that point, I'm going to turn the hearing  
4 over to Judge Torem there in Yakima. We don't have any  
5 members of the public present here in Olympia to  
6 comment, so he will describe to you the specifics of  
7 the comment process, and then we will call you up one  
8 at a time to make your comments to the Commission.

9 Starting with the purpose, our public comment  
10 hearing is part of a formal hearing process by which we  
11 consider PacifiCorp's request for a rate increase for  
12 electric services Chairman Sidran mentioned. We call  
13 this a quasi-judicial process. It looks very much like  
14 a hearing that you would witness in a court of law, so  
15 that we take evidence. In our case, we take prefiled  
16 evidence, written evidence into the record, and we give  
17 parties an opportunity to cross-examine the witnesses  
18 when that is appropriate. The comments that you give  
19 tonight are also considered testimony, and those will  
20 be given under oath, and Judge Torem will swear you all  
21 in at the appropriate moment when I finish here.

22 The Washington legislature has made it the  
23 Commission's job to determine rates that are reasonable  
24 for customers, considering the Company's need to  
25 recover its expenses and its opportunity to earn a

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1 profit up to a level we approve, and in this case, the  
2 parties have decided among themselves what is a  
3 reasonable outcome and propose that through a full  
4 settlement of all issues as a reasonable outcome in  
5 this case. They asked the Commission to approve and  
6 adopt what they have agreed to resolve this case.  
7 Basically in terms of dollars, that's a revenue  
8 increase of about 20.4 million dollars, or 8.5 percent,  
9 which is just under 60 percent of the request that  
10 PacifiCorp initially made.

11 PacifiCorp also agrees to increase the  
12 low-income bill assistance program credit by a  
13 percentage amount that's equal to the overall  
14 percentage change in residential rates, and the parties  
15 to this proceeding have agreed to have some meetings  
16 and talk about ways to improve the low-income  
17 weatherization program as well. So that's just a  
18 broad-brush look at the settlement stipulation that we  
19 are considering in this proceeding.

20 Earlier today, we held a hearing in Olympia  
21 to take evidence concerning the settlement stipulation  
22 and the issues in the case generally, and we concluded  
23 that process a little while ago, and now we are  
24 reconvened in order to take comments from the public.

25 Let me take the necessary step of having the

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1 appearances of counsel, and I will start with the  
2 Company.

3 MS. EDMONDS: Sarah Edmonds, counsel for  
4 PacifiCorp.

5 MR. FFITCH: Simon ffitch, assistant attorney  
6 general for the Public Counsel office, and Your Honor,  
7 I will note we also have our regulatory analyst,  
8 Stephanie Johnson, who is present in the hearing room  
9 in Yakima to communicate with customers if they would  
10 like.

11 JUDGE MOSS: Thank you.

12 MR. THOMPSON: I'm Jonathan Thompson,  
13 assistant attorney general representing the Commission  
14 staff.

15 JUDGE MOSS: The Commission staff also has a  
16 representative there in Yakima. Ms. Linda Johnson is  
17 there, and she will also be available to the customers  
18 who may have some questions, and the Company also has a  
19 representative present there in Yakima to take  
20 questions.

21 So with that, Judge Torem, I think I should  
22 turn the proceedings over to you to explain the process  
23 to those who wish to comment, swear them in, and take  
24 their comments.

25 JUDGE TOREM: Thank you, Judge Moss, Chairman

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1 Sidran, and Commissioners. For those of you, I think I  
2 introduced myself already to the folks in Yakima, I'm  
3 Adam Torem, and Judge Moss indicated, I'm also an  
4 administrative law judge with the Commission. Tonight,  
5 I'm going to swear those of you in who wish to offer  
6 any public comment on those rate increases. I'll give  
7 you approximately three minutes to do that. I've got a  
8 sign you will be able to see as you are sitting at the  
9 table with me. I'm going to ask those of you that want  
10 to comment to be sworn in and sit across from me and  
11 speak into that microphone and to speak at a slow and  
12 deliberate rate so that the court reporter who is  
13 taking your words down in Olympia can hear you over a  
14 speakerphone in Olympia, and with this microphone,  
15 there should be sufficient volume.

16           There is no need to repeat the words of your  
17 colleagues that you agree with. If someone ahead of  
18 you said essentially what you would have said, you can  
19 keep it short and communicate you agree with them and  
20 not have to repeat what they said. If you would like  
21 though, you can give your personal experience or  
22 opinion on the proposed rate increase.

23           What I'm going to ask though is that when  
24 each person speaks, whether they are for or against  
25 the proposed rate increase, that you just listen

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1 politely, and when it's your turn, they will give you  
2 the same courtesy. As Judge Moss indicated, tonight is  
3 not the time to ask questions of the commissioners that  
4 are there in Olympia, but certainly you can ask  
5 questions of our consumer services division,  
6 Ms. Johnson; the Company representative in the back of  
7 the room. Mr. Tucker is here to represent them, and  
8 also Stephanie Johnson of the Public Counsel office,  
9 she's one of their analysts, and she can explain their  
10 role, and I think all the parties that are here tonight  
11 have some materials on the table outside, and they  
12 would be happy to make sure you get a copy or get a  
13 chance to explain anything in them. If you have  
14 questions for them, folks will stick around here in  
15 Yakima after we are done here tonight.

16           Now, previously, I asked if anyone would need  
17 the use of a Spanish interpreter. We do have an  
18 interpreter here tonight. Is there anyone here that  
19 will need an interpreter to assist them in making their  
20 comments? If you prefer to speak in Spanish, that's  
21 possible tonight. I'm not seeing any hands, and I  
22 think everybody is tracking along with me, so if that  
23 becomes the case, we will call on Theresa, the  
24 interpreter who is here. If not, everybody will just  
25 give their comments in English.



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1           I don't see other questions here in the room.  
2   Judge Moss and Chairman Sidran, is there anything else  
3   you want to say before I swear in the people who want  
4   to give testimony tonight?

5           JUDGE MOSS: I just wanted to follow up on  
6   one point, and that is in terms of written comments,  
7   the Commission will continue to receive written  
8   comments through next Tuesday, September 30th. As to  
9   e-mail, of course, you can e-mail as late as the close  
10  of business, five p.m., on that day. As to traditional  
11  mail, as long as your comment is postmarked by that  
12  date, then we would receive it into the record.

13          JUDGE TOREM: If you are going to mail in a  
14  comment, the address should be to the Utilities and  
15  Transportation Commission, PO Box 47250, Olympia,  
16  98504. The docket number for this Pacific Power and  
17  Light case is UE-080220, and if you mail in or e-mail  
18  in something, if you can put the docket number in the  
19  subject line or at the top, UE-080220, that will make  
20  sure our records department gets your comments in the  
21  appropriate case.

22          At this time, will those that wish to comment  
23  please rise and raise your right hands, and I will give  
24  you the oath as witnesses, and you will swear to tell  
25  the truth, and then I will call you up by the order you

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1 have signed in.

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4 Whereupon,

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THE WITNESSES,

6 having been first duly sworn, were called as witnesses

7 herein and examined and testified as follows:

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JUDGE MOSS: Judge Torem, I'm just

10 interrupting to say the volume here is okay, but it

11 needs to be a little better, a little higher, if

12 possible, so I want you to encourage your speakers

13 there to speak up a bit and hold the microphone close

14 so that we can pick up their words, and if we can't get

15 something, I will have to interrupt, and we will have

16 to get the comments repeated or whatever.

17

JUDGE TOREM: Now with this other microphone

18 on, maybe it will help. It is louder here.

19

JUDGE MOSS: Okay. We are having to be very

20 quiet on the Bench so the court reporter can hear.

21

JUDGE TOREM: Our first speaker is

22 Ms. Juanita Cady. I'm going to ask her to comment, and

23 if you can state your name and spell your last name.

24

MS. CADY: My name is Juanita Cady, C-a-d-y.

25

JUDGE TOREM: Do you live here in Yakima?

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1 MS. CADY: Yes.

2 JUDGE TOREM: Are you a PacifiCorp customer?

3 MS. CADY: Yes.

4 JUDGE TOREM: Go ahead, ma'am.

5 MS. CADY: I'm a low-income senior citizen  
6 living on a fixed income. I don't agree with the rate  
7 hike. (Inaudible) I don't have that kind of money --  
8 and I receive fliers with my bill about getting help  
9 with my utility bill -- part of the reason I pay for  
10 utilities.

11 JUDGE TOREM: I think Mr. Tucker in the back  
12 of the room may have information for you about the  
13 weatherization program. Our next speaker is Javier  
14 Gutierrez. He will be followed by Gilbert Corea.

15 JUDGE MOSS: Judge Torem, it was a strain to  
16 hear Ms. Cady. Please have the people speak up, if  
17 possible.

18 JUDGE TOREM: Please state and spell your  
19 last name.

20 MR. GUTIERREZ: My name is Javier Gutierrez.  
21 First name is J-a-v-i-e-r. Last name is  
22 G-u-t-i-e-r-r-e-z.

23 JUDGE TOREM: Do you reside in Yakima?

24 MR. GUTIERREZ: Yes.

25 JUDGE TOREM: Are you a PacifiCorp customer.

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1 MR. GUTIERREZ: Yes.

2 JUDGE MOSS: Mr. Gutierrez, you are going to  
3 have to try to speak up --

4 MR. GUTIERREZ: (Mostly inaudible) -- the  
5 question I have is increased -- I don't see why we  
6 should have to pay for the Company to be -- another one  
7 is we pay for the conservation. That part of the  
8 increase cost -- income is not something I give my  
9 contribution to, and the majority of -- thank you.

10 JUDGE TOREM: Gilbert Corea? Please state  
11 your name and spell your last name.

12 MR. COREA: (Mostly inaudible) My name is  
13 Gilbert Corea, C-o-r-e-a. I would just like to briefly  
14 comment on the rate hike. -- I don't see why a lot of  
15 people -- I'll have at my house. Last year when the  
16 power went out -- gas and water. If they approve the  
17 rate hike, who knows where we will end up, but I don't  
18 agree with the rate hike, and all in all that's why --  
19 thank you.

20 JUDGE TOREM: James Faulconer is the next  
21 speaker, and then Henry Vanderwood.

22 JUDGE MOSS: See if we can get our speakers  
23 to talk directly into the microphone, Judge Torem.

24 JUDGE TOREM: We are doing our best. Please  
25 state your name and spell your last name.

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1           MR. FAULCONER: My name is James Faulconer,  
2 F-a-u-l-c-o-n-e-r. I live here in Yakima.

3           JUDGE TOREM: Are you a PacifiCorp customer?

4           MR. FAULCONER: Yes.

5           JUDGE TOREM: Go ahead.

6           MR. FAULCONER: Something I don't think that  
7 has been taken into consideration is what I consider an  
8 unfair tax to the customers has to do with the Indian  
9 reservation. We are not tribal members; yet we are  
10 being taxed unfairly and unjustly. (Inaudible) for the  
11 Utilities and Transportation Commission filing in that  
12 matter. To get a percentage rate increase last year  
13 and this year is not something I think is right, and  
14 there is another increase in February of '09. Thank  
15 you.

16           JUDGE TOREM: Thank you, Mr. Faulconer.  
17 Mr. Vanderwood? Please speak directly into the  
18 microphone. Mr. Vanderwood, state and spell your last  
19 name for us.

20           MR. VANDERWOOD: Last name is Vanderwood,  
21 V-a-n-d-e-r-w-o-o-d.

22           JUDGE TOREM: Do you live here in Yakima,  
23 sir?

24           MR. VANDERWOOD: I live in the Yakima Valley,  
25 yes.

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1 JUDGE TOREM: Are you a PacifiCorp customer?

2 MR. VANDERWOOD: I am a customer. I am very  
3 much against the tariff increase. First of all, this  
4 tax that they let the Indians get, the Governor handles  
5 it, and that's how she got in. I can tell you the  
6 states that I have a free access to my land in power,  
7 water, what I need without any interference from the  
8 Indians. I have that long line title, and they come  
9 and do that, and they decide to pay them, because they  
10 are threatening people in Clark County to do without,  
11 and if the power is shut off, they would be in trouble.

12 No. It's against the law, because Roosevelt  
13 passed a law that nobody could sell a piece of land  
14 that does not have right-of-way to, and you cannot  
15 charge for right-of-way. This means the lady has taken  
16 this to court through all the rules of the court. Now  
17 they are trying to get some money together to take it  
18 to the Supreme Court of the United States, and every  
19 one of the judges that will be in the court talk about  
20 it in the court and go through all the motions, and  
21 then they would say, Well, I don't have the authority,  
22 and spend all of our money. The reason we can't go to  
23 the Supreme Court is because we don't have enough money  
24 because it was already wasted in all the lower courts,  
25 and we all raised a lot of money (inaudible) I think

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1 that's pretty rotten.

2           That said, why I believe that is there,  
3 Roosevelt wrote it in, and why did they get away with  
4 that. Another deal is they are doing things there that  
5 are costing them money, and they are putting it up in  
6 here for reasons why they need a raise because they are  
7 spending this extra money.

8           One of the smaller items that I know about  
9 addresses the refrigerator deal, which I know you've  
10 all heard about it. Thirty bucks, they will come and  
11 get it and fill out an area as big as the PP&L in the  
12 state of Washington and Oregon and stuff. They are  
13 running up quite a bill, and yet through their choice,  
14 they shouldn't be putting it down so they can get more  
15 money. That is going into hundreds of thousands of  
16 dollars. They are paying a big sum on the  
17 advertisement of it to make them look good, because I  
18 hear it all the time on the news, where PP&L will pick  
19 up your refrigerator that you don't use anymore and pay  
20 you thirty dollars. Why are they allowed to cheat like  
21 that and give away our money that we have to pay for?  
22 They are not paying it. We are paying all that, so why  
23 is it? I would like to have a good answer on that, and  
24 that's not the only one. They have done that with  
25 other deals all the way through, and I think -- you

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1 will have to excuse me. I get to talking too fast.

2 But there is others small too repeating, and  
3 this whole thing, and the last time when I wrote in,  
4 they said, Well, you got in too late, but I got it in  
5 before they said the end was. I got it in before they  
6 had the decision even before they had the hearing over  
7 here.

8 JUDGE TOREM: Thank you, Mr. Vanderwood. Is  
9 there any other points you wish to make?

10 MR. VANDERWOOD: No.

11 JUDGE TOREM: The written comments  
12 Mr. Vanderwood was referring to are due by next  
13 Tuesday, September 30th. There is one other that I  
14 know I've sworn in earlier. Ms. Gutierrez, do you want  
15 to make your comments? Please state and spell your  
16 last name.

17 MS. GUTIERREZ: My name is Ruth Gutierrez,  
18 G-u-t-i-e-r-r-e-z, and I'm here as a homeowner and a  
19 customer of Pacific Power. I'm also here as a -- I  
20 have rentals, as a landlord, and also as a business  
21 owner, and I'm also part of the Hispanic Chamber of  
22 Commerce, and I'm also here speaking against the  
23 settlement agreement that will increase the amount that  
24 will affect low-income and fixed-income people in the  
25 Yakima Valley and the rate they will have to pay.



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1           I think the fact that there is not too many  
2 people in Olympia sitting in the audience is because  
3 perhaps the wages there are much higher than the wages  
4 here in the Yakima Valley, and there is not as many  
5 low-income as we have here and people on fixed income,  
6 so possibly, that may be one of the reasons.

7           I wanted to say that even though it looked  
8 like the amount that is being raised, 50 percent, does  
9 not look like a lot of money, but in reality when you  
10 are on a fixed income, it's a lot of money. As a  
11 landlord, I have several low-income clients that live  
12 in my apartment, and the only thing they've paid is the  
13 electricity, and they are always complaining about how  
14 high their electric bill is, and I think -- you just  
15 had an increase, right? And here we are having another  
16 increase six months later or something like that? I  
17 think that's a little bit too much for our low-income  
18 and our seniors and fixed-income people, so I don't  
19 agree with the settlement.

20           The other thing is the recycling program, and  
21 I would like to speak about it. This gentleman that  
22 just spoke before me, I agree totally with him. I  
23 think it's a wonderful program because I actually  
24 recycled something through the program, but in reality,  
25 it would make more sense to have the people be able to

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1 take it to a recycling place and be reimbursed at the  
2 recycling place instead of hiring staff with PP&L, or  
3 Pacific Power to be able to get reimbursed for that.

4           The other thing is I think that Pacific Power  
5 also needs to work on projects like housing, low-income  
6 and landowners being able to remove like their  
7 baseboard heaters, because baseboard heaters are very,  
8 very expensive, and when you have low-income people and  
9 you have older apartments, that's an issue, and also I  
10 think that Pacific Power should be looking at  
11 experimenting with alternative energy sources and  
12 putting some money into that. Thank you very much.

13           JUDGE TOREM: Thank you. Fernando Hernandez?

14           (Witness sworn.)

15           JUDGE TOREM: Would you please state and  
16 spell your last name?

17           MR. HERNANDEZ: (Mostly inaudible) My name  
18 is Fernando Hernandez, H-e-r-n-a-n-d-e-z. I'm here as  
19 a homeowner and taxpayer. I don't think the rates  
20 should be increased because the rate is already high  
21 enough, and we just had a rate hike, and I believe that  
22 the fixed income program -- and I have a bill --  
23 (inaudible).

24           JUDGE TOREM: There are others that have come  
25 into the room, but I don't have them on the sign-in

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1 sheet. Are there any others that wish to make a  
2 comment? I don't see anyone else here that wants to  
3 give a comment. Let me remind folks again before I  
4 turn this back over to Judge Moss and Chairman Sidran  
5 in Olympia that there are representatives both from  
6 Public Counsel and the Company here tonight.

7 Ms. Stephanie Johnson, who is in the back of the room.  
8 Also, Mr. Tucker from Pacific Power and Light is here  
9 and will answer your questions. I believe that the  
10 low-income weatherization program as well as the  
11 weatherization -- is there anyone else that wishes to  
12 make a comment? Here is one other. Mr. Corea, do you  
13 want to come back up.

14 MR. COREA: My name is Gilbert Corea. I just  
15 want to say one of the -- (inaudible). Thank you.

16 JUDGE TOREM: Again, you may send your  
17 comments in as long as they are postmarked by next  
18 Tuesday, September 30th, and on behalf of the  
19 Commission staff -- Judge Moss, I'm going to turn this  
20 back over to you, and Mr. Vanderwood is raising his  
21 hand. I think he has additional comments, so he is  
22 coming back up.

23 JUDGE TOREM: Mr. Vanderwood, they can't  
24 hear you in Olympia. You need to come back up to the  
25 microphone. Please get a little closer to the

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1 microphone so they can hear you.

2 MR. VANDERWOOD: What you were saying there  
3 about costs and stuff, I know of an electrical company  
4 that will come in here at a cheaper rate, and this goes  
5 clear back to when they built this electric company,  
6 REA and PUD, and one is ready to come at any time, and  
7 they are not allowed to say anything because that  
8 includes rules made when they started out, but they can  
9 come in here immediately if they get the approval, and  
10 it would be a lot cheaper for the people all the way  
11 through, and first off, how PP&L got in in the first  
12 place was the PUD and REA was not allowed to advertise  
13 and tell the truth --

14 JUDGE TOREM: Mr. Vanderwood, that's not the  
15 subject of tonight's proceeding, and the Commission is  
16 not here to make a decision about a change in electric  
17 companies. So I can't take your comments in that  
18 regard. If you would like to talk to the folks in the  
19 back --

20 MR. VANDERWOOD: I would very much like to.

21 JUDGE TOREM: I will stick around and hear  
22 you out. Judge Moss, I think those are the rest of the  
23 comments here in Yakima.

24 CHAIRMAN SIDRAN: Thank you, Judge Torem. I  
25 again want to thank those of you who took the time out

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1 of your evening to appear in Yakima and offer your  
2 testimony. I can assure you that we heard it both  
3 literally and figuratively. We are always keenly aware  
4 that the decision that we make about these rate cases  
5 affect real people, and your taking the time to share  
6 your comments tonight only reinforces that fact for us,  
7 and we will consider what you have said as we consider  
8 all the evidence in this case, and Judge Moss, do you  
9 have any final comments that you wish to offer?

10 JUDGE MOSS: Only to ask if there is any  
11 further business. Mr. ffitch?

12 MR. FFITCH: Thank you, Your Honor. I just  
13 wanted to offer people who have raised the Yakima  
14 tribal tax issue to give their name to Ms. Johnson.  
15 People may be aware there have been some decisions on  
16 that in the past, and we will be happy to send a copy  
17 of those to people and just give them some information  
18 about how that issue has been addressed.

19 JUDGE MOSS: Thank you, Mr. ffitch. Anything  
20 else? Seeing nothing, I will go off the record, and we  
21 thank you all very much for being here this evening.

22 (Public hearing adjourned at 5:38 p.m.)

23

24

25