

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
v.) Docket No. UE-130043
PACIFICORP D/B/A PACIFIC POWER &)
LIGHT COMPANY,)
Respondent.)

EXHIBIT NO. __ (PLT-9)

WALLA WALLA UNION-BULLETIN ARTICLE

June 21, 2013

Rules trap former Pacific Power customers in Catch 22

- As of Monday, December 24, 2012

WALLA WALLA — A debate over what some say is the costly and needless removal of underground electrical lines now has the Washington State Utilities and Transportation Commission asking Pacific Power to reconsider its customer termination policy.

At the center of the issue is what to do with Pacific Power's underground conduit after customers permanently stop buying electricity from the company.

Pacific Power Regional Community Manager Bill Clemens said the company is required to follow all rules and tariffs that were previously approved by the commission.

Among the rules and tariffs is Rule 6, which Clemens said requires Pacific Power to remove all equipment at the termination of the agreement and at the cost of the client.

For the Walla Walla Country Club — where it is switching from Pacific Power to competitor Columbia REA — Rule 6 will cost the club thousands of dollars in removal work, only to be followed by the installation of new conduit for the new power supplier: Columbia REA.

“We bought the conduit. We dug the trench. We laid the conduit. And we paid for everything. And now they are telling us we have to pay them to dig it out,” General Manager Jeff Thomas said.

Columbia REA spokesman Scott Peters said his company could reuse Pacific Power's old conduit, which would save the Country Club and Columbia REA ratepayers thousands of dollars.

“Why would you rip out the conduit that has no value to you at a great expense to the customer?” Peters questioned and then answered, “Why would they (Pacific Power) want to leave anything and make our job easier?”

Clemens defended the removal of the conduit, saying Pacific Power has both an obligation to follow Rule 6 and to make sure its own ratepayers aren't affected by the cost of the removal.

“Our main focus with these removals is to make sure we don't pass any costs on to our existing customers who are also city residents,” he said.

Clemens also noted that while customers may have originally paid for the installation of the conduit, his company took over ownership of the electrical lines, which included any financial responsibility for maintaining the lines and repairing them over the years.

Commission Assistant Director of Conservation and Energy Planning Deborah Reynold agreed that Pacific Power owns the lines, even if the company didn't pay to originally install them. But Reynolds added that last week she called Pacific Power and asked it to consider another solution.

“It (the conduit) is something that has no value to (Pacific Power) ratepayers. Again, if we can find a way for the customer to pay for that resource, then I think it would be appropriate for the company to pursue that,” Reynolds said.

City Manager Nabel Shawa said the city has tried to buy its conduit.

Just like the Country Club, the city is entrenched in a battle over having to pay to remove conduit because it is ending an electrical agreement with the company, but one where the city sold electricity to Pacific Power.

For almost two decades, the city's water service has generated and sold electricity to Pacific Power. But the result of a recent request-for-proposals has left the city switching to Columbia REA as the new buyer of its power.

As a result of the termination of the agreement between the city and Pacific Power, the city will have to pay Pacific Power to remove the conduit, only to have Columbia REA install new conduit.

The cost to the city could be as high as \$20,000 to \$50,000, Shawa said in a recent report to the City Council.

"The city would prefer to have the conduit left in place. We have offered to purchase it in order to reduce costs and minimize disruption. Additionally, Columbia REA will have to install conduit (to) provide service," Shawa said.

Columbia REA is a non-regulated utility cooperative.

Pacific Power, a private company owned by PacifiCorp, is a regulated private utility that operates under the authority of the commission.

Reynolds said the commission reviews any complaints about Pacific Power and determines if the company has adhered to the rules and tariffs. As of Friday, she said the commission had received no official complaints over the conduit issue.

Clemens would not comment on whether the company would consider selling the conduit but added, "We're always interested in exploring ways to work things out in the best interest of customers and those concerned. That is the process we're in now, but under the circumstances we're not at a point where there's something to discuss publicly at this time."