

PC-1 Re: Testimony of David J. Panco, Exhibit No. DJP-1T.

Staff Witness David J. Panco states on page 13 at lines 19-21, “In addition to reviewing Mr. Dally’s testimony, I reviewed the parties’ responses to data requests, annual compliance reports from UE-001734, and U.S. Energy Information Administration Electric Form EIA-861 data.”

On the following page, Mr. Panco provides a chart, Incremental Revenue Loss by Class Since 1999, and shows revenue loss from the classes Irrigation, Residential, Commercial and Industrial.

Below this chart, Mr. Panco provides the following Q&A:

- Q. What does that data show about the number and types of customers that are choosing to disconnect?**
- A. Pacific Power has lost only 67 of its approximately 129,000 Washington customers since 1999. My compilation of the data underlying Mr. Dalley’s Exhibit No. RBD-3, which details the Company’s cumulative annual revenue loss by class since 1999, indicates that:
- prior to 2010, residential and irrigation customers accounted for 23 of 26 customers lost;
 - from 2010 through 2016 commercial and industrial customers accounted for 22 of 41 customers lost;
 - there are no reported residential customers lost since 2013; and
 - the years from 2010 through 2013 account for 33 of the 67 total lost customers since 1999.¹

Based on these statements and the chart, please answer the following:

- a) Please provide the supporting data for this chart in native format, including spreadsheet used to create the chart.
- b) Please identify what is the source for the residential revenue loss.

¹ Testimony of David J. Panco, Exh. DJP-2 (Pacific Power’s Response to Staff Data Request No. 2).

- c) Please explain what is meant by revenue loss, i.e., does Mr. Panco make a distinction between customers moving to a competitive supplier, leaving the area or just having Pacific Power's facilities removed due to demolition or other business decision.
- d) Please explain why the residential and industrial revenue loss is concentrated in the years 2011 and 2012.
- e) How would the chart differ if it were based on the "number of customers lost" in each category.

RESPONSE:

- a) The data is in the work paper file, 161204-Staff-WP-Panco-01, at tab captioned "working summary".
- b) All of the revenue loss data, including residential revenue loss, is from the Company's answer to Staff DR-2, Attachment A, as compiled in work paper file 161204-Staff-WP-Panco-01.
- c) "Revenue loss" is used in the same sense as it is used by Mr. Dalley in RBD-1-T, p. 5, ll. 13-14, referring to "revenue loss, since 1999, due to customers choosing to permanently disconnect and switch electric service providers[.]"
- d) Staff simply compiled Pacific Power's customer revenue loss data. Staff has no personal knowledge as to the reason for the concentration of disconnects by any particular class of customer in the years 2011 and 2012.
- e) The following chart was created with data from the Company's answer to Staff DR-2, Attachment A, and work paper file 161204-Staff-WP-Panco-01.

