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BEFORE THE

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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND)

6

TRANSPORTATION COMMISSION,) Docket No. UE-111190

7

Complainant,)

8

v.)

9

PACIFICORP D/B/A PACIFIC)

10

POWER & LIGHT COMPANY,)

11

Respondent.)

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PUBLIC HEARING AND COMMENTS - VOLUME II

15

6:00 p.m.

16

Walla Walla City Council Chambers

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15 N. 3rd Avenue

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Walla Walla, Washington

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DATE: January 24, 2012

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COMMISSION MEMBERS:

JEFFREY GOLTZ - Chairman
PATRICK J. OSHIE
PHILIP B. JONES

PUBLIC COMMENTS:

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1 MR. GOLTZ: Good evening, thank you for
2 coming. I call this meeting of the Washington Utilities
3 and Transportation Commission to order. This is a public
4 hearing in Docket Number UE-111190, involving a rate
5 request by Pacific Power & Light Company.

6 My name is Jeff Goltz. I'm the chairman of the
7 Utilities and Transportation Commission. With me on my
8 left is Commissioner Pat Oshie, on my right is Commissioner
9 Phil Jones. I apologize for being a couple minutes late.
10 Mr. Oshie and I had a little trouble getting a flight into
11 Walla Walla, so we had to make alternate plans, but we were
12 able to do that. But we're a little bit out of breath,
13 rushing here.

14 There is a certain process for the hearing
15 tonight, and I'll get into that a little bit more later. I
16 just wanted to explain basically what we're doing with this
17 case. As we do with all rate cases, we have a public
18 comment hearing, in addition to the general evidentiary
19 hearing that we have in rate cases.

20 The Washington legislature has assigned the
21 task of setting rates for investor-owned utilities to the
22 Utilities and Transportation Commission, and they've done
23 that since 1911, so we're in our 101st year of doing that
24 task. Our job is to set rates that, according to statute,
25 need to be fair, just, reasonable, and sufficient.

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1 And the state legislature has also given us the
2 process by which we do that under the Administrative
3 Procedure Act, known as a quasi-judicial process, which
4 means basically court-like, judge-like. And so it's based
5 on evidence in the record and we make determinations.

6 The company, Pacific Power & Light, has filed
7 its evidence to justify its requested rate increase, which
8 they requested an additional 12.9 million or about a 4.3
9 percent rate increase. That would raise the average
10 residential customer bill, of a customer who uses about 130
11 kilowatt hours, by \$4.65 a month to an average bill of
12 \$107.73.

13 The Commission staff, and I'll get to that in a
14 minute, has suggested that the rate increase be limited to
15 1.1 percent, which would be a \$1.33-per-month increase.

16 The evidence that we will have in the record
17 would be a lot of accounting information, a lot of expert
18 testimony, and we will evaluate that. And the public
19 hearings in this case are going to be in -- pardon me. The
20 evidentiary hearings in this case will be held in Olympia
21 on March 6 and 7. So it will be in about a little over a
22 month from now.

23 I wanted to just identify the parties to the
24 case. As I said, it's a quasi-judicial process, so we
25 actually have formal parties to the case. One of the

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1 parties is the regulatory staff of our Commission. They
2 are treated like a separate party, and they make a
3 proposal. And as I said, they made a big proposal in this
4 case that the rate increase be limited to 1.1 percent.

5 Normally you would have here a couple
6 representatives from the Commission staff, one of whom is
7 the -- an expert on the staff, another is an Assistant
8 Attorney General who represents the Commission and staff.
9 Unfortunately, they also were trying to fly to Walla Walla,
10 and they were not able to make alternate arrangements, so
11 they will be absent tonight.

12 In addition, and separate from the Commission
13 staff, there is an Office of Public Counsel, which is in
14 the Attorney General's Office. And Mr. ffitch over there
15 will introduce himself in a moment, represents the Office
16 of Public Counsel. In addition, we have the company, we
17 have Industrial Customers of Northwest Utilities, The
18 Energy Project, and IBEW Local 125. Those are the parties
19 to the case.

20 So maybe what we do now is for those parties
21 that are represented here, if they could just identify
22 themselves and make an appearance for the record.
23 Actually, before you do that, this is -- we have a court
24 reporter here who's taking down not only what I say, but
25 all of you who wish to give public testimony will say. And

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1 that will be made part of the formal record and
2 proceedings.

3 So, Mr. ffitch?

4 Mr. ffitch: Thank you, Your Honor. Good
5 evening. My name is Simon ffitch, and I'm an Assistant
6 Attorney General with the Washington State Attorney
7 General's Office. And I'm an attorney with the Public
8 Counsel unit, which represents the customers of Pacific
9 Power & Light in this case.

10 We have an informational handout on the outside
11 table. I'll be available to speak with anyone who would
12 like after the formal part of the hearing.

13 So thank you, Your Honor.

14 MR. GOLTZ: From the company? Ms. Kelly?

15 MS. KELLY: Sure. My name is Andrea Kelly,
16 and I'm with Pacific Power & Light. We're here, there's
17 several of us from the company here tonight, to listen to
18 our customers, have the opportunity to hear what you have
19 to say about our rate increase. And then any other
20 questions that you have as far as service, we'll be
21 available to talk with afterwards as well.

22 MR. GOLTZ: Are there any other parties to
23 the case that are here today?

24 MR. HENDERSON: Destry Henderson from Boise
25 Paper. We're represented by ICNU. Several of our

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1 employees are here tonight to share their story.

2 MR. GOLTZ: Okay. ICNU is a separate party
3 to the case. All right. So I believe that probably you
4 will be testifying, if you give testimony tonight, it will
5 be on your own behalf, because the formal evidence from the
6 party will come through the evidentiary hearing.

7 MR. HENDERSON: Correct.

8 MR. GOLTZ: Any other parties to this case?
9 I'd also add that as you came in, you saw Mr. Kouchi who's
10 with the Commission staff. He's in the doorway right here.
11 He's with the public involvement section, consumer affairs
12 section of the Utilities and Transportation Commission.

13 If you have any other questions on process, if
14 you want to ask him questions about how you can get further
15 information about this rate case or, for that matter, any
16 other matter, you can do that. And if for some reason you
17 have a question about your utility service that -- that you
18 need to ask someone from our Commission, he would be the
19 one to address, and he can get back to you later.

20 Also, there may be a desire on some of your
21 parts to provide some written comments, either in addition
22 or instead of giving oral comments tonight. And the
23 Commission has been taking written comments, and you can go
24 to the Commission's web site to make those comments, or you
25 can take -- we'll take written comments until the

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1 conclusion of the hearing process, which will be at the end
2 of March of this year. So you still have plenty of time,
3 if you think of something later, you can add that.

4 Now, what we're going to do tonight, we have a
5 number of individuals who have signed up to give testimony
6 or make comments. It looks to be, and there may be another
7 sheet out there, but it looks like there's about 10 or 12
8 people. And sometimes people who have said no, from my
9 experience, after about a half an hour of getting into it,
10 there's something you want to say, and that's fine. That's
11 fine as well.

12 As I say, this is evidence in the hearing, so
13 we will ask you in a moment for all those -- those of you
14 who want to give, make comments, give testimony, to
15 actually swear under oath that what you're about to testify
16 to is the truth, just like you would in a normal court
17 proceeding.

18 And normally, depending on the crowd and the
19 time, we generally have in the past limited folks to about
20 three minutes of comments. In general, matter of fact, we
21 usually find that to be more than adequate to make the
22 points you want to make. If it goes on and on and on, then
23 I might politely interrupt you. But if we only are going
24 to have 10 or 12, you know, if a couple of you go over a
25 few minutes, we'll be very patient.

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1 But on the other hand, if the speaker preceding
2 you said exactly what you want to say, it's just fine to
3 say, "I agree with the previous speaker," add whatever
4 other comments you want to make, and then defer to the next
5 person on the list.

6 So, again, this is a quasi-judicial proceeding,
7 so we give everyone respect who is giving testimony. Hope
8 everyone can be listen -- listened to. We don't have, you
9 know, audience -- mass audience participation and cheers
10 and boos and that sort of thing.

11 And, also, remember we have a court reporter,
12 and the court reporter will very much appreciate if you
13 speak slowly and carefully so she can get down the words.
14 If you go too fast, she will interrupt you or I will
15 interrupt you. And if I go too fast, she will interrupt
16 me. So anything else from my colleagues?

17 So, again, if you have questions, unfortunately
18 you can't ask us, we're quasi-judicial in this situation.
19 But you can ask Mr. ffitch or Mr. Kouchi if you have other
20 specific questions about this case.

21 So for those of you who have signed up and
22 either are sure you want to give comments or think you
23 might want to give comments, if you would like to raise
24 your hand, stand and raise your hand.

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SPEAKERS

2 being first duly sworn to tell the truth, the whole truth,
3 and nothing but the truth, testified as follows:

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5 MR. GOLTZ: Thank you. So I'll call your
6 names in order, and what I'd like you to do is state your
7 name and spell your last name for the record, especially if
8 it's a name that the spelling which is not self-evident.
9 Say where you live and whether you're a customer of Pacific
10 Power & Light, and whether you're testifying on behalf of
11 yourself or your family or a neighborhood organization or a
12 public interest group, or something like that. So identify
13 who you're speaking, for whom you are speaking.

14 So we'll get into it, then. First is Mr. Terry
15 Ward.

16 MR. WARD: Thanks, Commissioners. My name
17 is Terry Ward. Last name is W-a-r-d.

18 I am a resident of Eagle, Idaho. I'm not a
19 PacifiCorp customer. And the reason I'm here is I'm a vice
20 president of Boise Incorporated. And, as you know, we have
21 a paper mill here in this region, in Wallula. And that
22 Wallula paper mill is, in fact, the largest customer in
23 Washington state in the PacifiCorp system.

24 And I have to tell you, from a company point of
25 view, we're just very shocked at the rate increases that we

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1 continue to see since Mid America bought PacifiCorp a
2 number of years ago. I have some data here to share with
3 you. In the last five years, we've seen increases of over
4 34 percent, or \$6 million, to this paper mill in Wallula.
5 We now pay PacifiCorp about 44 million for electricity per
6 year.

7 This mill has now become one of the more
8 expensive mills from an energy usage standpoint across our
9 system of mills within North America for Boise
10 Incorporated, and we're becoming very concerned about the
11 almost annual rate increases that we're seeing here. Many
12 of those have been in the double digit percent increase
13 ranges for this mill.

14 So we're very concerned about the future
15 viability of this mill if we continue to see the rate
16 increases we've seen in the last five years.

17 And we notice at a time, as we look at power
18 rates, that our other bills are actually, in the regions
19 that they operate in, we've seen power rates declining.
20 We've seen natural gas costs at near record lows, and
21 PacifiCorp's rate increases are in a class all of their
22 own, and it's very concerning for us.

23 We would rather spend our money investing in
24 this facility, investing in jobs here, making this mill
25 more competitive, but, in fact, we have to divert those

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1 resources to fend off the rate increases, looking for ways
2 to consume less electric power at this facility than we do
3 today.

4 So we strongly urge you as a Commission to
5 reject this rate increase. Think about the jobs here,
6 think about the viability of this industrial plant here,
7 and reject the rate increase. Thank you.

8 MR. GOLTZ: How many employees does the
9 mill have?

10 MR. WARD: It's just over 400 at the mill.
11 We do have other employees that are at our box plant here
12 and in our transportation location here, but it's over 400
13 at the paper mill itself. Thank you.

14 MR. GOLTZ: Thank you very much, Mr. Ward.
15 Mr. Patrick Moore.

16 MR. MOORE: Good evening, Commissioners.
17 My name is Patrick Moore. I am just relocating to the
18 Tri-Cities area from Maryland. I am not a PacifiCorp
19 customer. I am, however, the mill manager at the Boise
20 Incorporated mill in Wallula.

21 As was previously discussed, we are a
22 PacifiCorp customer, and this site employs approximately
23 600 people. The jobs that we provide are solid family-
24 wage jobs. Jobs are increasingly hard to sustain, given
25 the repeated rate increases like the one that we're talking

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1 about tonight. In our industry, we don't have the luxury
2 to be able to pass on our costs to our customers.

3 The industry is extremely competitive. Our
4 costs must remain competitive in order to stay in business.
5 Why is that? First of all, we have a declining market for
6 paper like this that we produce, office papers. Second, we
7 face very strong overseas competition from companies that
8 don't have the environmental regulations that we have to
9 deal with or the labor rates that we have to pay to keep
10 competitive here in the states.

11 So, you know, we look inward to absorb these
12 costs. We do a lot of project work in order to reduce our
13 electricity costs. We ask more of our employees and they
14 deliver. We are constantly looking for ways to conserve
15 energy and other inputs. And, you know, we just keep
16 trying to push these buttons, but it is a case of
17 diminishing return. You can only cut back so much before
18 you run out of ability to cut.

19 Just as we are expected to do more with less,
20 we look to our suppliers, including our energy suppliers,
21 to carry the same burden that we carry. And that's really
22 what we're asking for you tonight, is to ask the same of us
23 that we're facing out there in the marketplace.

24 Thank you very much for hearing our concerns
25 about the negative impacts that this cycle rate increase

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1 would have upon our company, our mill, and especially our
2 employees. Thank you.

3 MR. GOLTZ: Thank you, Mr. Moore. Mr.
4 Melvin Crabb.

5 MR. CRABB: I'm Melvin Crabb, C-r-a-b-b. I
6 was asked by the union president to come here and speak. I
7 am not a PacifiCorp customer, but I do work at the Boise
8 mill in Wallula, who is a -- which is a PacifiCorp
9 customer.

10 I'm a safety captain at the mill and a union
11 officer, and I am also a member of the union leadership,
12 the Association of Western Paper and Pulp Workers, Union
13 69. I represent about 350 union members and their
14 families. Many of the members who work at the mill are
15 PacifiCorp customers.

16 We take pride in working safely. We know we
17 are fortunate to have jobs. We've seen so many other mill
18 closures in the Northwest. But in order to keep our mill
19 and our company competitive, we've made sacrifices as a
20 union. We no longer have a pension and we pay more in
21 health care. That come about this year.

22 Members are giving up benefits to save the
23 company money. Why? So the company can afford higher
24 rates from PacifiCorp? I don't think so. We're giving up
25 our financials just to break even. These repeat rate

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1 increases aren't reasonable and make it very hard for our
2 members and our company to remain financially sustainable.

3 Thank you for hearing our comments and
4 concerns.

5 MR. GOLTZ: Thank you, Mr. Crabb. Next is
6 David Tobin.

7 MR. TOBIN: Good evening, Commissioners.
8 My name is David Tobin, T-o-b-i-n. I am not a PacifiCorp
9 customer. I am the energy engineer for the Boise paper
10 mill in Walla Walla County.

11 And just echo what Mr. Ward said and our new
12 mill manager, Mr. Moore, over the last six years we've been
13 successful at reducing our energy costs, even though we've
14 gone into some grades -- making grades that are more energy
15 intensive. In fact, during that period, we kept our power
16 consumption rates about even, however, our costs, power
17 costs, have gone up 34 percent.

18 To give you an example, last year we were
19 successful at reducing our variable costs. When I say
20 variable costs, I'm talking about things like fiber, power,
21 fuel, by using less, implementing some capital projects, we
22 reduced our costs by \$1.5 million, and yet our power rates
23 last year, our costs went up 1.8 million. It negated that
24 effort.

25 I guess the point I want to make, it's just

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1 becoming very, very tough to stay competitive. I've been
2 at the mill for approximately 12 years. When I first got
3 there, we had some of the most competitive power rates, as
4 you would expect in the Northwest. And Mr. Ward said, you
5 know, if you look at some of our other mills now, we're
6 about the least competitive. And it's very concerning.

7 Thank you.

8 MR. GOLTZ: I'm sorry, what was your
9 position at the mill?

10 MR. TOBIN: I'm the energy engineer, so
11 it's my job to find ways to reduce our energy consumption
12 rates.

13 MR. GOLTZ: Okay. So in that context, do
14 you get help from Pacific Power in that effort?

15 MR. TOBIN: Pacific Power does have a
16 program with respect to electric reduction projects, and
17 they do give us an incentive when we implement them. And
18 we have used that, and it's been helpful.

19 MR. GOLTZ: Okay. Thank you. Mr. Warren
20 Berg.

21 MR. BERG: My name is Warren Berg, B-e-r-g.
22 I live in Walla Walla. I am a PacifiCorp customer. I work
23 for a PacifiCorp customer, the Boise Incorporated packaging
24 plant in Wallula.

25 I'm a senior designer at the packaging plant.

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1 Boise Incorporated packaging plant in Wallula services
2 primarily the agricultural industry. We make corrugated
3 boxes for a variety of fruits and vegetables grown in the
4 area. We operate in a very competitive market, our profit
5 margins are equally slim. We can't pass on the higher
6 costs of power to our customers. They, too, face higher
7 costs and stiff competition from other parts of the United
8 States and the world.

9 So we're going to make do with less, we do more
10 with less, and work internally to absorb these year-to-year
11 costs. Unfortunately, the opportunities for cost reduction
12 will not increase. It's much the same story for me at
13 home. This past month my power bill was more than \$300.
14 It forced me to go on the equal payment plan, and I'm still
15 attempting to catch up from that.

16 I appreciate you hearing you my concerns and
17 hope you will carefully consider our perspective when
18 deciding on the case. And we have about 150 employees at
19 the box plant.

20 MR. GOLTZ: Okay. Thank you. I'm sorry,
21 but I had trouble with this one. Is it Dino Roska? I
22 missed that.

23 MR. ROSKA: That's all right.

24 MR. GOLTZ: Usually there's an
25 administrative law judge that comes with me and botches all

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1 the names, but it's my task tonight.

2 MR. ROSKA: It's my turn?

3 MR. GOLTZ: Yes. You might want to spell
4 your first name, too.

5 MR. ROSKA: Thank you. My name is Miro
6 Roska, M-i-r-o, R-o-s-k-a. I live in Walla Walla. I am a
7 PacifiCorp residential customer, and I work for a
8 PacifiCorp customer, the Boise mill in Wallula.

9 I'm a millwright. I'm proud of the work at the
10 mill for the last 17 years. Things are different now than
11 when I started. We pay more for electricity. We're paying
12 a lot more for a lot of things that I really don't want.
13 I'm paying a lot more for my electricity at home. The
14 thing is, I don't know what I'm getting as my electric bill
15 continues to rise. If I pay more, should I get more?

16 I'm paying more and getting the same service,
17 but I have no cut spending at home, and I continue to
18 afford my electricity rates. It's not right for PacifiCorp
19 to keep raising my rates year after year. My income isn't
20 going up that fast, and I doubt if anybody else is
21 different from anyone in this room. It isn't right and it
22 isn't fair. When is it going to end?

23 Thank you.

24 MR. GOLTZ: Thank you. Mr. Bill Schisler.

25 MR. SCHISLER: Schisler.

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1 MR. GOLTZ: I'm sorry?

2 MR. SCHISLER: Schisler, S-c-h-i-s-l-e-r.

3 My question is, you make -- you still make the same money
4 now as if you raise the rates a dollar a kilowatt, or
5 whatever it is. Because as soon as you start raising your
6 rates, everybody else will raise their rates. It's a
7 tremendous cycle. So why don't we just freeze everything
8 like Nixon did?

9 Thank you.

10 MR. GOLTZ: Thank you. Mr. Carl Brenneise.

11 MR. BRENNEISE: Carl Brenneise,

12 B-r-e-n-n-e-i-s-e.

13 My involvement -- well, first of all, I'm a
14 residential rate payer. My involvement with the power
15 industry is more with Corps of Engineers, I'm an employee
16 of the Corps of Engineers.

17 Some of the projects I've been working on
18 reflect the age and infrastructure, specifically Unit 1 at
19 the Lower Monumental Lock and Dam. There's some functional
20 problem with that, lubrication problems, aging oil for the
21 turbines. And correct me if I'm wrong, but PacifiCorp has
22 a project on the north Umpqua River, there's about seven to
23 nine units, something like that. That project was
24 constructed about the same time that, I believe, Bonneville
25 Dam was constructed.

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1 All ten units at Bonneville Dam have been
2 replaced with more efficient, better turbines, pass fish
3 better. So don't be so expectant of getting rates reduced,
4 because PacifiCorp, Bonneville Power, all have to cover
5 those costs.

6 My other comment is more on the flyer I got in
7 the mail. And it gives the rates for a typical, it says a
8 thousand kilowatt hours, but it never really gives the
9 residential rate. It doesn't give the rate up to 600
10 kilowatts or 600 beyond. I had to use two equations, two
11 unknowns to figure that out. So the next time you fill
12 this out, give us the rates.

13 MR. GOLTZ: What you're saying is that
14 there's different rates for -- different rate for the first
15 block of power. So a basic charge, another rate for the
16 first block of power, another rate yet for the next block
17 of power?

18 MR. BRENNEISE: Yeah. It just gave a
19 typical bill, instead of the new schedule. I would like to
20 see the new schedule.

21 MR. GOLTZ: I see.

22 MR. BRENNEISE: Thank you.

23 MR. GOLTZ: Thank you very much. And those
24 issues are, in most rate cases, is not just the amount of
25 the aggregate revenue requirement of the company, but also

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1 how it's going to be allocated like that. So thank you
2 very much.

3 A number of you said no, so we'll skip over
4 you. If you change your mind, I'll ask at the end if any
5 of you have changed your mind.

6 Mr. Brian Struckmeyer indicated maybe. If
7 you --

8 MR. STRUCKMEYER: No comment.

9 MR. GOLTZ: No comment. Okay. Thank you.
10 Jean Dolling.

11 MS. DOLLING: Yes. I'm Jean Dolling, and I
12 live at Detour Road. And I am, unfortunately, an unhappy
13 customer with a rate increase. And I think I'll read this,
14 because it might prevent me from getting into a rant that
15 will get rid of these frustrations.

16 It scares me a lot to think what our rates
17 would be if there were no regulation. What results would
18 the rate payer get if they applied to their employer or
19 business customers -- Boise Cascade talked about this -- or
20 business customers for a comparable increase in income just
21 to keep up with PacifiCorp's desired rate increases?

22 Because rates have surpassed a majority of
23 families' increase in income, a greater percentage of their
24 money goes to pay electric bills, and other purchases fall
25 off, which causes government to raise taxes to make up for

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1 the trade-off in income expenditures, like our sales tax is
2 going up again.

3 Electricity has become a necessity that when
4 usage cannot be further diminished from a family's budget,
5 they are forced to pay a greater percentage of income at
6 the expense of other important needs just to stay warm.
7 This could be 30 percent of income in some households. The
8 lower the income, the greater the impact on families.

9 In order to just survive, some families rely on
10 necessities such as Blue Mountain Action Council, HelpLine,
11 and Children's Home Society, etc. These non-profits strive
12 to operate on carefully thought-through sustainable budgets
13 that their operation can provide better standards of living
14 for their customers. They pay no one excessively high
15 salaries or luxury benefits and shop around for competitive
16 prices on all purchases.

17 How does PacifiCorp's operating budget measure
18 up when compared to that of a non-profit and of a low-
19 profit organization? What is the rate of return on
20 investments, stocks, dividends that rate payers' electric
21 bills are applied towards? How much money is made by
22 people that are able to buy and sell PacifiCorp stock?
23 What and how can low income families be directly protected
24 from unaffordable electric rates?

25 The best solution would be to charge electric

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1 rates based upon family's income. What would this require
2 to be done to make this happen? Would it help the overall
3 economy if PacifiCorp operated as a non-profit organization
4 with a goal not to make themselves rich, but rather to help
5 the customers of both families and businesses?

6 This is especially hard for farmers to keep
7 paying more crop watering when ag prices are not supporting
8 that expense. I say no increase and reduce the rates I pay
9 now based on my Social Security. PacifiCorp can cut
10 expenses like most of the rest of us have had to do.

11 Thank you.

12 MR. GOLTZ: Thank you, Ms. Dolling.
13 Elizabeth Moss.

14 MS. MOSS: Elizabeth Moss, Walla Walla,
15 M-o-s-s.

16 I'm just a property owner, and I've listened to
17 Pacific Power say, cut your costs, turn your electric down,
18 turn your heat down, insulate your windows, do this to
19 lower your bill so you'll save money, and then you raise
20 your rates and you raise your rates. So what are we
21 supposed to do? Shut our heat off?

22 And what's really disturbing to me tonight is
23 these big business that are going to suffer. Are they
24 going to shut down and we're not to have them here? Is
25 this maybe why some big companies don't want to come into

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1 this town? You have to be reasonable. You really do.

2 There's men behind Pacific Power that have lots
3 and lots of money. They have to cut their costs and be
4 their own energy efficient bosses so that we can live here
5 in Walla Walla.

6 Right now our city is asking us for sewer rate
7 hikes, for property rate increases, for school bonds, for
8 sales tax increases to fix our streets and sewers so our
9 houses don't collapse into our streets. And then we need a
10 new pool, people want a new pool. Where do you go? Where
11 is this company going to go? And all these people that
12 work here, have a living here, want to pay their bills.

13 Don't raise our rates. It's not fair. Hold
14 off until the country gets better. Thank you.

15 MR. GOLTZ: Thank you, Ms. Moss. Mr. Larry
16 Lee Smiddy?

17 MR. SMIDDY: Not at this time.

18 MR. GOLTZ: Not at this time. And Mr. Jim
19 Baker?

20 MR. BAKER: My name is Jim Baker,
21 B-a-k-e-r. I'm a resident of Walla Walla. I'm a customer
22 of Pacific Power.

23 And what I would like to ask you to consider is
24 whatever rate schedule you come up with, build into it a
25 mechanism that allows victims of Pacific Power to deduct

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1 Then they replaced the power pole and removed the survey
2 marker on the corner of my lot. They promised I think
3 three or four years ago to replace it on an annual basis,
4 when I asked them when they're getting around to it. It's
5 still laying on the ground where they pulled it out.

6 MR. GOLTZ: Mr. Baker, thank you, first of
7 all, but second, and for you or for anyone else, if you
8 have specific consumer complaints and you're not getting
9 redress in your view from the company, we have a consumer
10 affairs office at the UTC, and Mr. Kouchi can give you the
11 contact information for that.

12 MR. BAKER: I was just asking you to
13 consider a self-help to be built into the rate structure.

14 MR. GOLTZ: I understand that. I'm just
15 trying to give full information here. But thank you.

16 MR. BAKER: Thank you.

17 MR. GOLTZ: So, now, that comes to the end
18 of the people that have signed up saying they wanted to
19 provide comments. Is there anybody else who would like to
20 give comments at this time? Yes, sir. Can you --

21 MR. KRISTOFFERSEN: I put a no down, but
22 nobody talked about what I was going to talk about.

23 MR. GOLTZ: Well, then come on up. Did you
24 give the oath to swear to tell the truth at the beginning?

25 MR. KRISTOFFERSEN: No.

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1 MR. GOLTZ: We'll do that just for you.

2 MR. KRISTOFFERSEN: Well, thank you very
3 much.

4 ROBERT KRISTOFFERSEN
5 being first duly sworn to tell the truth, the whole truth,
6 and nothing but the truth, testified as follows:

7
8 MR. KRISTOFFERSEN: My name is Robert
9 Kristoffersen. Kristoffersen is spelled with a K,
10 K-r-i-s-t-o-f-f-e-r-s-e-n. I live in Walla Walla. I am a
11 homeowner, and I have Pacific Power as my electrical
12 supply.

13 One of the things that caught my eye when I was
14 looking at the information sheet for the rate increase and
15 under the heading of why did Pacific Power ask for a rate
16 increase, which struck me as being strange, I guess, is
17 despite us as consumers being told to conserve, conserve,
18 conserve, now they're asking, I quote, to cover rising
19 costs, their revenues are decreasing due to lower overall
20 loads. Maybe that's an electrical term I don't know
21 anything about, and also operating expense reductions.

22 So they reduce their operating expense, and we
23 have to reimburse them for that? I've been putting
24 insulation in my house and new windows and doors and just
25 making it tighter and tighter, but I'm not charging them

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1 for conserving.

2 Thank you.

3 MR. GOLTZ: Thank you very much, Mr.
4 Kristoffersen. Is anybody -- does that trigger any other
5 thoughts for anyone that wants to talk?

6 If you want to -- we're running ahead of
7 schedule here, so come on up if you want to add something
8 to your previous comments or again identify yourself.

9 MS. MOSS: Elizabeth Moss, customer of
10 Pacific Power.

11 I just have a comment about the wind farms.
12 There's electric supposedly into the grid. We don't get
13 it, any of it here, but we see it all around us. And I
14 understand that it gets shipped out to the bigger cities.
15 It goes into the grid and goes into the bigger cities where
16 they pay lots more money than we do. How come you guys
17 can't use that for whatever you need to use it for and
18 leave little Walla Walla to try to survive?

19 And another thing is, those wind farms, I was
20 not aware, and you guys did not make us aware, that it
21 kills the birds that fly through it, including eagles. If
22 I went and shot an eagle tomorrow, they would come after
23 me, fine me, and throw me in prison. You guys get a
24 get-out-of-jail pass for every eagle that goes down.
25 There's something wrong somewhere.

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1 MR. GOLTZ: Thank you, Ms. Moss.

2 MS. MOSS: Uh-huh.

3 MR. GOLTZ: Okay. Well, with that, we've
4 come to the end of the public comment hearing. Again, if
5 anyone has any other thoughts, please go to the web site,
6 www.utc.wa.gov. From there, I believe there's a link to
7 make comments on this docket number. Be sure to include
8 the docket number in this case, which is U-E, and you don't
9 need to remember those, you need the number, 1-1-1-1, so
10 it's four 1's, 9-0. And then you can leave an online
11 comment.

12 And we read those, we will -- and take those
13 into account. I might say, however, that in my experience
14 at least, the oral comment hearing is the most, you know,
15 you don't see emotion, you don't see feelings, you don't
16 get the same sense from reading written comments that you
17 do from coming to these public comment hearings. That's
18 why they are so important.

19 And I can assure you that, I mean, you get a
20 perspective, we get a perspective in these that we don't
21 get through, frankly -- no offense to accountants --
22 listening to a bunch of accountants talking about operating
23 expenses. That's important, but we get a different
24 perspective from these.

25 And I know for a fact that they impact us in

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1 two ways. One, I think they do actually have a substantive
2 outcome on the proceeding; and, second, because the formal
3 evidentiary hearing is taking place in a few weeks, these
4 public comment hearings, the one we're having here tonight
5 and the one we're having tomorrow in Yakima, frequently
6 give us ideas of questions that we want to ask the company
7 when the company witnesses are on the witness stand under
8 oath giving testimony.

9 So I thank you for that as well. Any other
10 things for the record?

11 MR. JONES: Just, if you do go to the web
12 site, too, we don't have staff represented here tonight.
13 We have public counsel. But our staff file testimony in
14 the case, and there's a press release dated January 6th,
15 where you can get an idea of what our staff is filing in
16 the case. Again, they are parties to the case.

17 The ultimate decisionmakers are going to be the
18 Commission, the Commissioners themselves. But staff,
19 unfortunately, could not be here tonight.

20 MR. GOLTZ: And I don't know, Mr. ffitich,
21 did you have anything else? Is your web site accessible
22 for --

23 Mr. ffitich: Yes, we do have a web site.
24 The information generally refer people to the Commission's
25 web site, which has complete information about the case.

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1 And you can read all the testimony that's been filed by all
2 the parties doing detailed analysis of the company's
3 request. So we have our testimony on there, as well as the
4 Commission staff testimony that was mentioned by Chairman
5 Goltz.

6 MR. GOLTZ: Okay. With that, thank you
7 very much for coming. Remember, if you have any questions
8 for the company or staff or public counsel, they will be
9 around for a little while afterwards, at least. And you
10 will be able to access the testimony of the parties online,
11 and you will all be, those of you who have given e-mail
12 addresses or addresses as interested parties, we will
13 contact you further about the outcome of the proceeding,
14 and I'm also sure you can read about it in the newspaper as
15 well.

16 So, again, thank you very much for coming, we
17 really appreciate it. And we're adjourned.

18 (6:45 p.m.)

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1 STATE OF WASHINGTON)
) ss.
2 COUNTY OF WALLA WALLA)

3

4 I, Dina Ranger, do hereby certify that at the
5 time and place heretofore mentioned in the caption of the
6 above-entitled matter, I was a Certified Shorthand Reporter
7 and Notary Public for Washington; that at said time and
8 place I reported in stenotype all testimony adduced and
9 proceedings had in the foregoing matter; that thereafter my
10 notes were reduced to typewriting and that the foregoing
11 transcript consisting of 31 typewritten pages is a true and
12 correct transcript of all such testimony adduced and
13 proceedings had and of the whole thereof.

14 Witness my hand at Walla Walla, Washington, on
15 this 31st day of January, 2012.

16

17

18 _____
Dina Ranger, CSR-RPR
19 CSR NO. RANGEDK317L3
Certified Shorthand Reporter
20 Notary Public for Washington
My Commission Expires: 7/9/12

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