

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY,

Respondent.

DOCKET UE-230172

RESPONSE TESTIMONY OF COREY J. DAHL

**ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT CJD-1Tr

September 14, 2023

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EXHIBIT LIST

Exhibit CJD-2	List of Proceedings before the Washington Utilities & Transportation Commission for Corey J. Dahl
Exhibit CJD-3	PacifiCorp Response to Public Counsel Data Request 233
Exhibit CJD-4	PacifiCorp Response to Public Counsel Data Request 230
Exhibit CJD-5	PacifiCorp Response to Public Counsel Data Request 231
Exhibit CJD-6	PacifiCorp Response to Public Counsel Data Request 232
Exhibit CJD-7	PacifiCorp Response to Public Counsel Data Request 236
Exhibit CJD-8	PacifiCorp Response to UTC Staff Data Request 25
Exhibit CJD-9	PacifiCorp Response to Public Counsel Data Request 235
Exhibit CJD-10	PacifiCorp Response to UTC Staff Data Request 26

I. INTRODUCTION AND SUMMARY

1 **Q. Please state your name, employer, and business address.**

2 A. My name is Corey Dahl. I serve as Regulatory Analyst for the Public Counsel Unit of the
3 Washington State Office of the Attorney General (Public Counsel). My business address
4 is 800 5th Ave., Suite 2000, Seattle, Washington 98104.

5 **Q. On whose behalf are you testifying?**

6 A. I am testifying on behalf of the Public Counsel Unit of the Washington State Office of the
7 Attorney General, in support of Washington ratepayers.

8 **Q. How would you like to be referred to during this proceeding?**

9 A. I would like to be referred to as Corey or Witness Dahl. My pronouns are he/him/his.

10 **Q. Please describe your professional qualifications.**

11 A. I earned a B.A. in Economics and a B.A. in English from the University of St. Thomas in
12 St. Paul, Minnesota in 2011. In 2016, I earned a Master of Public Administration degree
13 from the Daniel J. Evans School of Public Policy and Governance at the University of
14 Washington in Seattle. While completing my graduate studies, I worked on low-income
15 and housing policy for a non-profit advocacy organization and worked as a legislative
16 assistant for the Seattle City Council. Additionally, I completed the Michigan State
17 University and National Association of Regulatory Utility Commissioners' Utility Rate
18 School in May 2017.

19 My current employment with Public Counsel began in October 2016. Since
20 joining the Attorney General's Office, I have worked on a variety of energy, water,
21 transportation, and telecommunications matters. My experience includes commenting at

1 Open Meetings before the Washington Utilities and Transportation Commission (UTC or
2 Commission), testifying at settlement and adjudicated hearings, serving as an expert on
3 litigated and non-litigated matters, and working on rulemakings and policy dockets
4 before the Commission. Please see Exhibit CJD-2 for a non-exhaustive list of matters I
5 have participated in before the Commission.

6 **Q. Are you sponsoring any exhibits to your Response Testimony?**

7 A. Yes, I am sponsoring the following exhibits:

- 8 • Exhibit CJD-2: List of Proceedings before the Washington Utilities &
9 Transportation Commission for Corey J. Dahl
- 10 • Exhibit CJD-3: PacifiCorp Response to Public Counsel Data Request 233
- 11 • Exhibit CJD-4: PacifiCorp Response to Public Counsel Data Request 230
- 12 • Exhibit CJD-5: PacifiCorp Response to Public Counsel Data Request 231
- 13 • Exhibit CJD-6: PacifiCorp Response to Public Counsel Data Request 232
- 14 • Exhibit CJD-7: PacifiCorp Response to Public Counsel Data Request 236
- 15 • Exhibit CJD-8: PacifiCorp Response to UTC Staff Data Request 25
- 16 • Exhibit CJD-9: PacifiCorp Response to Public Counsel Data Request 235
- 17 • Exhibit CJD-10: PacifiCorp Response to UTC Staff Data Request 26

18 **Q. What issues does your testimony address in this proceeding?**

19 A. My testimony addresses the equity components of PacifiCorp's (or the Company)
20 General Rate Case (GRC) filing. Specifically, I examined witness Christina Medina's
21 Direct Testimony and witness Jayson Branch's direct testimony, as it relates to equity.

1 My testimony will also make recommendations to improve and clarify the equity impacts
2 of PacifiCorp's requests in this filing.

3 **Q. Please summarize your recommendations.**

4 A. In Cascade Order 09, the Commission confirmed it "*must* apply an equity lens in all
5 public interest considerations going forward" so as not to perpetuate historic inequities.¹

6 The Commission gave explicit direction to companies on this point: "Recognizing that no
7 action is equity-neutral, *regulated companies should inquire whether each proposed*
8 *modification to rates, practices, or operations correct or perpetuates inequities.*

9 *Companies likewise should be prepared to provide testimony and evidence to support*
10 *their position.*" PacifiCorp's filing fails to meet this standard, and the Commission
11 should:

- 12 • Find that PacifiCorp failed to provide sufficient support or evidence that it
13 actually conducted an equity analysis of the impact of its proposed rates. The
14 Commission should find that, while PacifiCorp's initial GRC filing asserts that
15 equity considerations factored into its analysis, this bald assertion is not sufficient.
16 The Commission should require PacifiCorp to complete a full, documented equity
17 analysis of the rate increases it proposes in this proceeding and provide the
18 findings to the Commission in a compliance filing. The Commission should order
19 any rate changes to be provisional until the Company has satisfactorily complied
20 with the order and equity requirements.

¹ *Wash. Utils. & Transp. Comm'n v. Cascade Nat. Gas Corp.*, Docket UG-210755, Order 09: Final Order, ¶ 58 (Aug. 23, 2022) (hereinafter "Cascade Order 09") (emphasis added).

- 1 • Order PacifiCorp to work collaboratively with the low-income advisory group to
2 develop bill-discount rate program changes, which will be filed with the
3 Commission. Program revisions should consider additional discount tiers, self-
4 attestation of income for enrollment, arrearage management, and other features
5 included in peer utilities' bill discount and arrearage management programs.
- 6 • Order the Company to conduct equity analyses of rate changes and submit
7 evidence of those analyses in all future filings.

8 **Q. Please outline your Response Testimony.**

9 A. My testimony is organized as follows:

- 10 • Review of Equity Requirements in Washington: Washington law and
11 Commission policy contains equity requirements for investor-owned utilities.
- 12 • Review and Analysis of PacifiCorp's Equity Efforts: This testimony describes
13 PacifiCorp's equity-related efforts as included in the testimony of Matthew D.
14 McVee, Christina M. Medina, and Jayson Branch. My analysis assesses the
15 Company's compliance with equity requirements.
- 16 • Final Recommendations and Conclusion.

17 **II. REVIEW WASHINGTON EQUITY CONSIDERATIONS AND**
18 **REQUIREMENTS**

19 **Q. Does Washington statute and policy consider equity in utility filings?**

20 A. Yes. A variety of laws and policies either urge or require utilities to describe the equity
21 impacts of their rate requests, investments, and actions. This includes provisions in
22 statute, rule, and Commission order.

23 **Q. Please describe the statutory provisions related to equity.**

1 A. There are two relevant statutes that contemplate the equity impacts of utility actions.
2 First, RCW 80.28.425 enumerates explicit consideration of equity in the assessment of
3 multi-year rate plan filings. In determining whether a rate filing is in the public interest
4 the Commission “may consider such factors including, but not limited to, environmental
5 health and greenhouse gas emissions reductions, health and safety concerns, economic
6 development, and *equity*.”² This statute establishes that equity is a consideration the
7 Commission can make when determining whether a Company’s request results in fair,
8 just, and reasonable rates and is in the public interest.

9 As an electric utility, PacifiCorp is subject to the Clean Energy Transformation
10 Act (CETA). While CETA is primarily concerned with the transition to non-emitting
11 electric generation in Washington, it also includes strong equity provisions. In drafting
12 CETA, the Washington Legislature found that the public interest includes the “equitable
13 distribution of energy benefits and reduction of burdens to vulnerable populations and
14 highly impacted communities” (Named Communities).³

15 The UTC’s rules implementing CETA also include a variety of equity
16 requirements and provisions. The rules further state that all customers of Washington
17 electric utilities must benefit from the clean energy transition through the equitable
18 distribution of benefits and burdens.⁴

² RCW 80.28.425(1) (emphasis added).

³ RCW 19.405.010(6). *See also* RCW 19.405.020(40) and RCW 19.405.020(23) (definitions of “vulnerable populations” and highly impacted communities,” respectively).

⁴ WAC 480-100.

1 Washington statute and rule clearly is concerned with the equity impacts of utility
2 rate changes and practices. As a result, it is critical that utilities provide clear evidence of
3 the equity dimensions and impacts of their rate requests and programs included in their
4 GRC filing.

5 **Q. Has the Commission provided guidance about equity considerations in GRC filings?**

6 A. Yes. In Order 09 of Cascade Natural Gas Company’s 2021 GRC (Cascade Order 09), the
7 Commission established clear guidelines for equity considerations in rate-related
8 proceedings. The order examines equity’s role in policy development and adoption, the
9 tenets of energy justice, and the Commission’s and utilities’ responsibilities related to
10 equitable ratemaking.⁵

11 **Q. What does Cascade Order 09 state with regard to equity’s role in policy
12 development and adoption?**

13 A. The Commission points to the founding of the Washington Office of Equity.⁶ Statute
14 indicates that the Office of Equity’s work must: (1) develop policies to distribute and
15 prioritize resources to historically marginalized people; (2) elimination of systemic
16 barriers created by entrenched systems of oppression; and (3) “[achieve] procedural and
17 outcome fairness, promoting dignity, honor, and respect for all people.”⁷ The
18 Commission adopted these statutory principles by order and committed to “ensuring that

⁵ *Wash. Utils. & Transp. Comm’n v. Cascade Nat. Gas Corp.*, Docket UG-210755, Order 09: Final Order, ¶¶ 52–58 (Aug. 23, 2022) (hereinafter “Cascade Order 09”).

⁶ *Id.* ¶ 54.

⁷ *Id.*

1 systemic harm is reduced rather than perpetuated by [their] processes, practices, and
2 procedures.”⁸

3 **Q. What does Cascade Order 09 state in regard to energy justice?**

4 A. The Commission stated that the “core tenets” of energy justice are critical to reach the
5 “goal of achieving equity in Washington energy regulation.”⁹ Cascade Order 09
6 enumerates the tenets of energy justice as follows:

- 7 • Distributional justice: This tenet establishes the goal to spread benefits and
8 burdens fairly;
- 9 • Procedural justice: This tenet establishes the need for fair, inclusive decision-
10 making processes;
- 11 • Recognition justice: This tenet establishes that historic inequities and systems of
12 oppression must be acknowledged; and
- 13 • Restorative justice: This tenet establishes the practice of using public policy and
14 practices to repair the harm caused by historic inequities.¹⁰

15 The Commission intends to incorporate these principles into their practices and process in
16 order to uproot the harms caused by historic and current policies.

17 **Q. Are there additional efforts and commitments to support equity-focused**
18 **policymaking at the Commission?**

⁸ *Id.* ¶ 55.

⁹ *Id.* ¶ 56.

¹⁰ *Id.*

1 A. Yes. In Cascade Order 09, the Commission states that they “*must* apply an equity lens in
2 all public interest considerations going forward” so as not to perpetuate inequities.¹¹ The
3 Commission goes on to say, “Recognizing that no action is equity-neutral, regulated
4 companies should inquire whether each proposed modification to rates, practices, or
5 operations correct or perpetuates inequities. Companies likewise should be prepared to
6 provide testimony and evidence to support their position.”¹²

7 Such is the case in this filing that the Company should provide testimony to
8 support their position that their “rates, practices, or operations” correct or perpetuate
9 inequities.

10 In addition to the Commission’s equity policy established in Cascade Order 09,
11 the Commission has committed to being a pro-equity, anti-racist state agency. It is the
12 Commission’s mission to ensure services are “safe, equitable, reliable, and fairly
13 priced.”¹³

14 Through these enumerated statutes, rules, and orders, it is clear that equity is a
15 vital consideration in Commission decision-making. Just as the Commission has
16 committed to equitable policymaking, companies filing for rate changes have an
17 obligation to provide sufficient evidence related to the equity impacts of the requested
18 changes to rates, practices, and operations.

¹¹ *Id.* ¶ 58 (emphasis added).

¹² *Id.*

¹³ Wash. Utils. & Transp. Comm’n, *Pro-Equity Anti-Racism*, <https://www.utc.wa.gov/PEAR> (last visited Sept. 11, 2023).

1 **III. REVIEW AND ANALYSIS OF PACIFICORP’S EQUITY EFFORTS**

2 **Q. How is equity defined?**

3 A. Equity is defined as the “the state, quality or ideal of being just, impartial and fair.”¹⁴
4 When trying to achieve equitable outcomes, actions should be focused on reaching
5 fairness and justice through actions that remedy current and historic harms. Though
6 equality and equity are terms frequently interchanged or used together, they are not the
7 same. Equality is focused on distributing the same resources to all people, whereas equity
8 aims to give people what they need in pursuit of a fair and just outcome. Both concepts
9 seek to “promote fairness and justice,” but achieving that outcome through equal
10 distribution of benefits assumes “everyone starts from the same place and needs the same
11 things.”¹⁵ The numerous, widely known disparities between Named Communities and the
12 general population clearly demonstrate that not everyone starts from the same place. As a
13 result, equity in policymaking is critical to achieve fair and just outcomes.

14 **Q. Does the Company address equity in their initial filing?**

15 A. Yes, the Direct Testimony of Matthew McVee provides a broad description of the
16 Company’s equity considerations. Witness McVee points to the Direct Testimony of
17 Christina Medina for additional detail on the Company’s past and ongoing equity-related
18 efforts. In addition to Medina’s testimony, the Direct Testimony of Richard Vail
19 describes tribal considerations in transmission line construction and the Direct Testimony

¹⁴ The Annie E. Casey Found., *Equity vs. Equality and Other Racial Justice Definitions*,
<https://www.aecf.org/blog/racial-justice-definitions> (updated Apr. 14, 2021).

¹⁵ *Id.*

1 of Jayson Branch points to community benefits stemming from the development of the
2 North Temple Property.

3 **Q. Please summarize the testimony of Witness McVee.**

4 A. Witness McVee provides a brief look into PacifiCorp's equity considerations in this GRC
5 filing. McVee points to RCW 80.28.425 and Cascade Order 09 in Docket UG-210755, as
6 described above.¹⁶ Specifically, McVee's testimony refers to other Company witnesses to
7 describe equity efforts in more detail. Of note, McVee states that statute does not "define
8 the term 'equity'" but goes on to acknowledge the principles adopted in Cascade Order
9 09.¹⁷ Though not explicitly tying these actions to equity, McVee also mentions efforts to
10 manage costs and avoid frequent rate case filings without providing any additional detail
11 or explanation.¹⁸

12 **Q. Does the Company provide any additional analysis about the equity impacts of its**
13 **requested rate increase?**

14 A. No. The Company seeks to raise customer rates to fund a total revenue requirement
15 increase of \$54.7 million over two years, with a \$26.8 million increase in rate year one
16 and \$27.9 million increase in rate year two.¹⁹ Included in the request is an increase to the
17 authorized return on equity (ROE) from 9.5 percent to 10.3 percent.²⁰ If approved, this

¹⁶ Direct Testimony of Matthew D. McVee, Exh. MDM-1T at 19:3–23.

¹⁷ *Id.* at 19:15–23.

¹⁸ *Id.* at 21:10–16.

¹⁹ *Id.* at 23:16–19.

²⁰ *Id.* at 8:8.

1 would result in an 80-basis point increase to the amount PacifiCorp’s investors (i.e. the
2 parent company) are permitted to profit.²¹

3 The Company indicates that it has not conducted any equity analysis of the impact
4 of requested rate increases over two years on Named Communities in its service
5 territory.²² McVee claims that equity has informed the Company’s rates,²³ but the lack of
6 specific analysis draws attention to this unsupported claim.

7 **Q. Does the Company’s requested rate increase analysis comport with Commission**
8 **expectations?**

9 A. No. Through the very statute and Order that McVee cites and my testimony describes
10 above, it is clear that the Commission prioritizes equity in its decision-making. The
11 Company has not provided the Commission with the evidence it needs to make a clear
12 assessment as to whether the rate request is in the public interest on an equity basis.

13 **Q. Please summarize the testimony of Witness Medina.**

14 A. Medina’s testimony describes the Company’s perspective related to equity considerations
15 in this GRC filing, and how equity is impacting service and operations for Washington
16 customers.²⁴ The testimony describes equity-related actions in three categories:

- 17
- Internal operations and staffing;

²¹ The California Public Utilities Commission defines Return on Equity (ROE) (Actual and Authorized) as the “amount of profit authorized or actually returned to shareholders as a percentage of shareholders equity.” See Cali. Pub. Utils. Comm’n, *Return of Equity*, <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/historical-electric-cost-data/return-of-equity> (last visited Sept. 13, 2023).

²² Dahl, Exh. CJD-3 (PacifiCorp Response to Public Counsel Data Request 233).

²³ McVee, Exh. MDM-1T at 20:7.

²⁴ Direct Testimony of Christina M. Medina, Exh. CMM-1T at 1:23–25.

- 1 • Considerations in the GRC request; and
2 • Non-GRC equity actions.

3 **Q. What does Witness Medina state the company is doing in terms of equity-related**
4 **operations and staffing?**

5 A. Medina indicates that PacifiCorp has three staff members that focus on equity to respond
6 to stakeholder concerns, equity-related regulatory requirements, and support leadership
7 diversity, equity, and inclusion efforts.²⁵ One of the three employees is based in
8 Washington.²⁶ These three employees represent the only equity-focused staff members
9 for the entire Company, so their responsibilities are not solely focused on Washington's
10 equity and regulatory requirements.²⁷

11 Medina indicates that there are efforts to build internal competency on diversity,
12 equity, and inclusion.²⁸ These efforts include hiring a third-party facilitator, hosting
13 workshops, and hosting trainings for internal purposes.

14 **Q. What equity considerations does Witness Medina state that PacifiCorp made in the**
15 **rate treatment proposed in this GRC?**

16 A. Medina's testimony indicates that the Company's proposed changes to rate design,
17 eliminating tiered rates in favor of seasonal rates and bifurcated basic charges for single-
18 and multi-family housing customers, support equity in this filing.²⁹ Consideration of

²⁵ *Id.* at 2:6–3:15.

²⁶ *Id.* at 2:26.

²⁷ Dahl, Exh. CJD-4 (PacifiCorp Response to Public Counsel Data Request 230).

²⁸ Medina, Exh. CMM-1T at 3:17–21.

²⁹ *Id.* at 4:24–27.

1 tribal interests in transmission siting and development of the North Temple Property are
2 also equity considerations in this case that Medina mentions. My testimony will describe
3 these actions, below.

4 **Q. Describe the actions outside the GRC filing included in Medina's testimony.**

5 A. In addition to the actions previously described, Medina lists the following activities and
6 programs the Company has undertaken:

- 7 • Convened the Equity Advisory Group;³⁰
- 8 • Developed Customer Benefit Indicators in its Clean Energy Implementation Plan
9 (CEIP);³¹
- 10 • Described specific actions for equity in its CEIP;³²
- 11 • Implemented a re-designed bill assistance program;³³
- 12 • Implemented energy efficiency and weatherization programs;³⁴
- 13 • Distributed a voluntary customer energy usage survey;³⁵
- 14 • Implemented the COVID-19 emergency bill assistance program;³⁶
- 15 • Initiated a Commission-approved change to Company practices that ends
16 customer shutoffs during periods of extreme weather and poor air quality;³⁷

³⁰ *Id.* at 5:8–17.

³¹ *Id.* at 5:18–6:6.

³² *Id.* at 6:7–21.

³³ Medina, Exh. CMM-1T at 6:22–7:22.

³⁴ *Id.* at 8:1–9:10.

³⁵ *Id.* at 9:11–16.

³⁶ *Id.* at 9:17–21.

³⁷ *Id.* at 9:22–10:2.

- 1 • Offered on-bill financing for energy efficient upgrades,³⁸ and
2 • Conducted broader marketing efforts to increase participation in various
3 programs.³⁹

4 **Q. What is Public Counsel’s assessment of PacifiCorp’s non-GRC equity activities**
5 **enumerated by Witness Medina?**

6 A. As a general matter, these efforts are positive and necessary to provide safe, affordable,
7 and reliable service to Washington customers and meet the various regulatory
8 requirements placed on the Company. These requirements include, but are not limited to,
9 achieving all cost-effective conservation, maintaining weatherization programs, offering
10 bill assistance, and complying with CETA (CEIPs, Customer Benefit Indicators, etc.).
11 The Company’s decision to end disconnections for non-payment during periods of
12 extreme weather and poor air quality is an important customer protection and step
13 forward.

14 However, some of the efforts listed above are no longer active, including the
15 COVID-19 emergency bill assistance program.⁴⁰ Furthermore, the PacifiCorp points to
16 the equity benefits associated with ending disconnections during periods of extreme
17 weather and poor air quality. This change will benefit vulnerable customers. Yet the
18 Company advocated to end the pandemic emergency disconnection moratorium before

³⁸ *Id.* at 10:3–13.

³⁹ *Id.* at 10:14–11:13.

⁴⁰ Dahl, Exh. CJD-5 (PacifiCorp Response to Public Counsel Data Request 231).

1 the Governor's Proclamation expired in September 2021⁴¹ and continues to advocate in
2 favor of residential disconnections for non-payment.⁴² These positions on disconnections
3 were and are maintained, despite the well-documented racial and economic inequities
4 perpetuated by the practice.⁴³

5 Furthermore, PacifiCorp's 2021 Clean Energy Implementation Plan is currently in
6 adjudication (Docket UE-210829) and, thus, has not yet received Commission approval
7 or rejection. Therefore, it is not appropriate for the Company to cite to Customer Benefit
8 Indicators or Specific Actions included in the Company's CEIP as evidence to support
9 the Company's ongoing equity efforts.

10 **Q. Do you have any additional thoughts about PacifiCorp's bill assistance program?**

11 A. Yes. With respect to PacifiCorp's revised bill assistance program Witness Medina
12 describes, Public Counsel was supportive of the described changes to the program
13 effective August 2021.⁴⁴

14 Since the Company revised their bill assistance program in August 2021, three
15 peer investor-owned utilities have filed significant program revisions and have received

⁴¹ Comments of PacifiCorp at 2, *In re Response to the COVID-19 Pandemic*, Docket U-200281 (filed Apr. 30, 2021).

⁴² Comments of PacifiCorp at 2-3, *In re Customer Notice and Fees Rulemaking*, Docket U-210800 (filed Aug. 19, 2022).

⁴³ Public Counsel Presentation Materials of David Konisky at slides 11-12, *In re Customer Notice and Fees Rulemaking*, Docket U-210800 (filed June 22, 2023); *See also* Sanya Carley & David Konisky, *Survey of Household Energy Insecurity in Time of COVID* (July 2021) (Preliminary Results of Wave-4 Report); National Consumer Law Center Presentation of John Howat, at slide 2, Docket U-210800 (filed June 22, 2023); Comments of Joint Advocates at 1-5, Docket U-210800 (filed Oct. 17, 2022); Marcus Franklin & Caroline Kurtz, NAACP, *Lights Out in the Cold* (Mar. 2017), <https://naacp.org/resources/lights-out-cold>; Gabriela Sandoval & Mark Toney, TURN, *Living Without Power: Health Impacts of Utility Shutoffs in California* at 17 (May 2018).

⁴⁴ Medina, Exh. CMM-1T at 7:9-10.

1 Commission approval for bill discount programs that differ significantly from
2 PacifiCorp’s current program. Puget Sound Energy (Dockets UE-230560 and UG-
3 230561), Avista (Dockets UE-230539 and UG-230540), and Cascade Natural Gas
4 Company (Docket UG-230551) have all received Commission approval for bill discount
5 programs with at least five income tiers, self-attestation for enrollment, and several other
6 key features. Avista and Cascade Natural Gas Company included an arrearage
7 management program in their filings and Puget Sound Energy will establish a similar
8 program in 2024. The program changes represent critical changes to improve energy
9 security and affordability, while reducing critical barriers to enrollment to allow more
10 eligible customers to participate. PacifiCorp has not “considered additional modifications
11 to their low income bill assistance” offerings,⁴⁵ beyond a proposal to increase discounts
12 commensurate with requested rate increases in line with RCW 80.28.425.⁴⁶ The
13 Company has only discussed the concept of self-attestation of customer income for
14 enrollment at an advisory committee meeting.⁴⁷ As a result, the Company has not
15 considered substantive changes to the low income program offerings in this GRC or a
16 future tariff filing to include self-attestation, additional discount tiers, arrearage
17 management, or other program features requested by peer Washington utilities.

18 **Q. Does Medina include any additional information in testimony?**

⁴⁵ Dahl, Exh. CJD-6 (PacifiCorp Response to Public Counsel Data Request 232).

⁴⁶ Direct Testimony of Robert M. Meredith, Exh. RMM-1T at 28:5–19.

⁴⁷ Dahl, Exh. CJD-6 (PacifiCorp Response to Public Counsel Data Request 232).

1 A. Yes. Witness Medina indicates that PacifiCorp has not conducted any distributional
2 equity analysis for this filing because the Commission “rejected proposals from Puget
3 Sound Energy and Avista Corporation related to development of a distributional equity
4 analysis.”⁴⁸ However, the Company intends to work within the Commission’s
5 collaborative process to develop a distributional equity analysis framework.⁴⁹

6 **Q. Please describe the equity consideration that McVee and Medina point to in Vail’s**
7 **testimony.**

8 A. Witness Vail describes PacifiCorp’s construction of a new substation in Flint,
9 Washington, and a corresponding 115 kV transmission line to supply the new substation
10 primarily completed and in service in December 2022.⁵⁰ The Company indicates that this
11 project “resolves restrictions” of existing substations on the Yakama Reservation.⁵¹ Vail
12 states that the Yakama Nation recently enacted restrictions of upgrades to facilities on
13 tribal land that serve customers off of tribal land.⁵² The Company claims to have
14 “respect[ed] this requirement” and considered alternatives, but alternatives offer less
15 capacity than the Flint substation.⁵³ Vail’s testimony does not provide additional detail.

16 **Q. What is Public Counsel’s assessment of this purported equity consideration?**

⁴⁸ *Id.* at 11:15–16.

⁴⁹ *Id.* at 11:20–21.

⁵⁰ Direct Testimony of Richard A. Vail, Exh. RAV-1T, at 26:14–16.

⁵¹ *Id.* at 26:19–21.

⁵² *Id.* at 27:2–3.

⁵³ *Id.* at 27:3–10.

1 A. It is inadequate and unsupported. The Company has not provided a detailed explanation
2 of what it means to consider the Yakama Nation’s restrictions on construction of utility
3 facilities,⁵⁴ beyond comparing alternatives and stating that the construction of the Flint
4 substation is consistent with principles of equity and prudent practice.⁵⁵ Furthermore, the
5 Company has neither provided nor conducted an equity analysis of this action, despite
6 claiming it as equity focused.⁵⁶

7 **Q. Please describe the equity consideration that McVee and Medina point to in**
8 **Branch’s testimony.**

9 A. Witness Branch’s testimony provides the Company’s case for the development of the
10 North Temple Property in Salt Lake City, Utah, to serve as the Company’s headquarters
11 and provide additional facilities.⁵⁷ Washington customers are allocated \$16.7 million of
12 the \$235.3 million project.⁵⁸ The Company indicates that the North Temple Property is
13 located in an “economically disenfranchised” part of Salt Lake City and that relocating
14 facilities off the North Temple Property would “damage community goodwill” and create
15 reputational harm for the Company.⁵⁹ The Company commits to aiding in economic
16 development as it relates to this property and act as a good “community steward.”⁶⁰ The
17 testimony provides no additional detail about community benefits or equity impacts.

⁵⁴ Dahl, Exh. CJD-7 (PacifiCorp Response to Public Counsel Data Request 236, subpart a).

⁵⁵ Dahl, Exh. CJD-8 (PacifiCorp Response to UTC Staff Data Request 25, subpart 2).

⁵⁶ Dahl, Exh. CJD-7 (PacifiCorp Response to Public Counsel Data Request 236, subpart b).

⁵⁷ Direct Testimony of Jayson Branch, Exh. JB-1T, at 2:5–14.

⁵⁸ *Id.* at 2:16–17.

⁵⁹ *Id.* at 17:19–21.

⁶⁰ *Id.* at 17:21–18:6.

1 **Q. What is Public Counsel’s assessment of this purported equity consideration for the**
2 **North Temple Property?**

3 A. It is inadequate and unsupported. The Company has not quantified any community
4 benefits related to this project, has not conducted any equity analysis, has not assessed the
5 impact on Named Communities, and has not conducted analysis of potential displacement
6 effects caused by rising property values near the redeveloped North Temple Property.⁶¹
7 The Company hosted community meetings to seek feedback on the North Temple
8 Property development. However, the Company does not provide any evidence that
9 outreach was conducted to specifically receive feedback from marginalized communities
10 and provides no evidence that equity was a topic discussed during community meeting
11 sessions.⁶² PacifiCorp also brushes off Staff’s request to provide documentation of
12 applying an equity lens to this project because the “decision to build new corporate
13 facilities at the North Temple Property was made in 2019 prior to the guidance related to
14 the equity lens and tenants of energy justice [was] issued.”⁶³ The Company’s claim to
15 provide community benefits and support equity with this project in an economically
16 disenfranchised area is unsupported. Furthermore, any of the purported community or
17 equity benefits would not directly flow to Washington customers or residents, because
18 this property is located in Utah.

⁶¹ Dahl, Exh. CJD-9 (PacifiCorp Response to Public Counsel Data Request 235).

⁶² *Id.* (see Attachments to PacifiCorp Response to Public Counsel Data Request 235).

⁶³ Dahl, Exh. CJD-10 (PacifiCorp Response to UTC Staff Data Request 26, subpart 1).

1 **Q. What is Public Counsel’s overall assessment of PacifiCorp’s equity considerations**
2 **and efforts described in this GRC filing?**

3 A. They are inadequate. The Company makes several claims to equity considerations in this
4 case, but provides no evidence or analysis to support them. While it is critical for
5 Washington utilities to recognize the role equity plays in assessing the public interest
6 standard, it is impossible for the Commission to make assessments about the equity
7 impacts of a GRC filing without evidence. Public Counsel generally supports the equity-
8 related activities PacifiCorp describes, but they are largely outside the context of this
9 GRC—just as they are described by the Company.

10 **IV. RECOMMENDATIONS**

11 **Q. What are your recommendations as it relates to equity?**

12 A. I recommend that the Commission order the Company to undertake three actions to
13 address the concerns my testimony outlines. These recommendations are as follows:

- 14 • Recommendation 1: Require PacifiCorp to conduct an equity impact analysis of
15 the rate impacts on Named Communities. This analysis is to be provided in a
16 compliance filing. The Commission should enter provisional rates subject to
17 adjustment based on the results of the equity analysis and mitigation efforts the
18 Company proposes, if applicable.
- 19 • Recommendation 2: Require the PacifiCorp to make bill assistance program
20 changes in collaboration with the low-income advisory group that align with peer
21 utilities. The Company should file these changes with the Commission.

- 1 • Recommendation 3: Require PacifiCorp to provide an equity impact analysis and
2 submit evidence of those analyses for all future rate filings, including General
3 Rate Cases and Power Cost adjustments.⁶⁴

4 **Q. Please discuss Recommendation 1 further.**

5 A. As my testimony shows, the Company's case for equity considerations in this filing is
6 unsupported. The Company may indeed be taking steps to promote equity and remedy
7 historic harms, but there is insufficient evidence for the Commission or other interested
8 parties to make a proper assessment of the claims. Because the Company's filing is
9 unsupported and does not meet the public interest standard or the standards the
10 Commission adopted in Cascade Order 09, the Company must conduct further equity
11 analysis, as described below for Recommendation 3. Until the Company has satisfied
12 equity requirements through the compliance filing, the Commission can enter provisional
13 rates subject to adjustment based on the outcome of the compliance filing. The
14 Commission may change rates in order to provide an equitable outcome that does not
15 perpetuate historic inequities and require the Company to take additional steps to mitigate
16 harm.

17 **Q. Please discuss Recommendation 2 further.**

18 A. Puget Sound Energy, Avista, and Cascade Natural Gas have all already received support
19 from the Commission in launching bill discount programs that include at least five

⁶⁴ Public Counsel believes that this should be a practice required for all Washington investor-owned utilities. However, this proceeding and forthcoming Commission order obviously pertains only to PacifiCorp.

1 discount tiers, self-attestation of income for enrollment, and several other critical
2 features. Furthermore, Avista's and Cascade Natural Gas' filings both include an
3 arrearage management program effective October 2023, and Puget Sound Energy intends
4 to receive approval for a program effective October 2024. Programs of this nature are an
5 important step forward and pursuing similar changes will provide PacifiCorp's customers
6 with more affordable bills and improve energy security. The Commission should order
7 the Company to work with low-income advisory group members to address revisions to
8 the current bill discount program and implement an arrearage management program and
9 file tariff revisions when the advisory group reaches consensus. Discussions should
10 commence no later than 30 days after the Commission's Order is entered.

11 **Q. Please discuss Recommendation 3 further.**

12 A. Given the Commission's requirements for equity in GRC filings, it is important to
13 provide an affirmative requirement to conduct equity impact analyses of major rate
14 changes – which are typically rate increases. This will better ensure the Commission and
15 interested parties have additional evidence to determine whether or not filings are in the
16 public interest.

17 At a minimum, an equity analysis must incorporate the principles outlined in
18 Cascade Order 09. To comply, this analysis should be two-fold:

19 1. Assess whether the Company's request is reducing or perpetuating systemic
20 harms, in line with the Washington State Office of Equity's goals;⁶⁵ and

⁶⁵ Cascade Order 09, ¶ 54.

1 2. Demonstrate how the Company’s filing adheres to the four tenets of energy
2 justice.⁶⁶

3 In addition to incorporating the aforementioned two principles, an equity analysis
4 should also assess the impacts of their proposal on Named Communities. For example, if
5 a utility proposes increased rates, then the Company must provide analysis as to whether
6 Named Communities bear a disproportionate share of the proposed rate increase
7 compared to the general customer population. The Washington Department of Health’s
8 Environmental Health Disparities Map⁶⁷ could be a helpful tool in conducting this
9 analysis, since it provides data about disparities on a zip code level. The analysis of
10 disparate impacts should further examine specific proposals, including but not limited to
11 changes to rate spread and rate design. If there is a finding of disproportionate impacts,
12 then the utility must provide reasoning as to why the proposed increase is fair, just, and
13 reasonable and provide a clear plan to mitigate the harm.

14 An equity analysis should be included with every utility filing and provide clear
15 evidence for the Commission and interested parties to examine. The same analysis
16 outlined above could be applied to all proposed utility actions, not limited to rate
17 changes.

⁶⁶ *Id.* ¶ 56.

⁶⁷ Wash. Dep’t of Health, *Washington Health Disparities Map*, <https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map> (last visited Sept. 14, 2023).

