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1                   BEFORE THE WASHINGTON UTILITIES AND  
                                   TRANSPORTATION COMMISSION

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3           WASHINGTON UTILITIES AND            )  
           TRANSPORTATION COMMISSION,        )  
   )  
 4                                   Complainant, )  
   )  
 5           V.                                    )   Docket No. UE 100749  
   )  
 6           PACIFIC POWER AND LIGHT         )   Volume II  
           COMPANY,                            )   (24-90)  
 7    )  
   )  
                                   Respondent. )  
 8           \_\_\_\_\_ )

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10                   A prehearing conference in the above matter was  
 11 held on October 21, 2010, at 5:30 p.m., in the Parker  
 12 Room, Yakima Valley Community College, 1015 South 16th  
 13 Avenue, Yakima, Washington, before Administrative Law  
 14 Judge PATRICIA CLARK.

15                   The parties were present, as follows:

16                   ATTORNEY GENERAL'S OFFICE, Michael A. Fassio,  
 17 P.O. Box 40128, Olympia, Washington, 98504-0128,  
                   (360)664-1192.

18                   PUBLIC COUNSEL, SIMON FFITCH, Senior Assistant  
 19 Attorney General, 800 Fifth Avenue, Suite 2000, Seattle,  
                   Washington, 98104, (206)464-6595.

20                   COMMISSIONERS:   PATRICK OSHIE

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24           Patricia E. Bute, CSR

25           Court Reporter

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P R O C E E D I N G S

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COMMISSIONER OSHIE: Good evening,

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everyone. My name is Patrick Oshie, I'm a commissioner

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with the Washington Utilities and Transportation

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Commission, and I will be conducting and presiding over

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this hearing this evening in the matter of the PacifiCorp

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general rate increase, of which you're all here to at

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least witness, if not testify. And with me and also

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presiding is Judge Patricia Clark, and Judge Clark will,

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she'll really go through the introductions.

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We have people here from Public Counsel'S

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Office, we have individuals here, Mr. Fassio --

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Mr. ffitich, Public Counsel Office. Mr. Fassio is

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representing the staff of the commission, and he's with

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the Attorney General's Office. We have members of the

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PacifiCorp here tonight as well. Ms. Allen sits in the

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back, and I believe there are a couple other people which

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she told me are going to be here tonight.

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So in order to get this started, we're going

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to get it rolling, we have a number of people here today,

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we have a good turnout for Yakima, and that's good. I

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think that's great, and I'll turn it over to Ms. Clark and

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she will walk through the rules of how this hearing is

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going to be conducted. And it is in the form of a

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1 judicial hearing, and we have a court reporter here and  
2 she's going to be taking your testimony, and that will be  
3 available and put in the record as we proceed with hearing  
4 this matter as a commission.

5                   So without getting started, any further, I  
6 mean, let's go ahead and get rolling on this. And I just  
7 want to thank you again for taking your time out to give  
8 your testimony to the commission.

9                   JUDGE CLARK: Thank you, Commissioner  
10 Oshie. For the record, the public hearing is convened  
11 this evening in the Washington Utilities and  
12 Transportation Commission versus Pacific Power and Light  
13 Company, given docket number UE 100749.

14                   As Commissioner Oshie indicated, my name is  
15 Patricia Clark and I am the Administrative Law Judge  
16 assigned to this case. And we have a three-member  
17 commission. With us this evening is Commissioner Patrick  
18 Oshie. Chairman Jeffery Golds, and Commissioner Phillip  
19 Jones were unable to attend this evening due to other  
20 regulatory business, but they will be reviewing the  
21 transcript of this evening's proceeding before they make a  
22 decision in this case.

23                   I have an agenda for this evening's hearing  
24 which I would like to explain to you now. We're here  
25 because Pacific Power and Light Company has requested

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1 approval to increase its rates for electric service. I  
2 want to explain the standard of review that the  
3 commissioners will use when they evaluate Pacific Power  
4 and Light Company's request. I want to identify the other  
5 participants or parties in this case, I want to give you a  
6 brief outline of the request for rate relief and the  
7 opposition to that request, and then we're going to  
8 proceed to the public comment portion of this proceeding,  
9 which is your opportunity to speak to the commission.

10                 The Washington legislature establishes the  
11 standards by which the commission reviews applications,  
12 such as this. The commission will review the proposed  
13 rate increase to determine whether or not the requested  
14 rates are fair, just, reasonable, and sufficient.

15                 To make that determination, the commission  
16 will evaluate a significant amount of testimony. They  
17 will review accounting and financial data, they will take  
18 testimony from expert witnesses, and documentary evidence  
19 to determine how much money Pacific Power and Light  
20 Company will be allowed to recover in its rates to  
21 customers.

22                 The commission wants the rates to be fair to  
23 customers and also allow Pacific Power and Light Company  
24 the opportunity to recover its operating expenses,  
25 including a reasonable opportunity to earn a profit.

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1           The commission's process is a quasi judicial  
2 process. It is very similar to what you might observe in  
3 a civil courtroom. The commissioners are the judges or  
4 decisionmakers in this case, and I simply assist them by  
5 presiding at public hearings like this one and the  
6 evidentiary hearing.

7           In cases before the commission, the parties  
8 submit prefiled testimony and exhibits of their witnesses.  
9 The witnesses will present that testimony during the  
10 evidentiary hearing and those witnesses are subject to  
11 cross examination by the other parties in the case and  
12 they're subject to questions by the commissioners.

13           The comments you present this evening are also  
14 considered testimony and you will need to give that  
15 testimony under oath. I'm going to administer one oath to  
16 everyone who wishes to testify in the hearing this  
17 evening. As Commissioner Oshie noted, there is a court  
18 reporter to our left, and she will be taking down all of  
19 your testimony and comments to prepare a transcript of  
20 this evening's hearing.

21           When you testify, we're going to use the  
22 podium that is to my right. There's a microphone there,  
23 so when your name is called, if you'll come forward and  
24 stand at that podium, we would appreciate it.

25           I also want to identify the parties in this

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1 case. In addition to Pacific Power and Light Company, and  
2 there are representatives seated at the back of the room,  
3 we have the commission's regulatory staff.

4 Mr. Fassio, if you could take the microphone  
5 and introduce yourself, please.

6 MR. FASSIO: Good evening. I'm Michael  
7 Fassio, I represent the commission's regulatory staff.  
8 And we are separate and independent from the commissioners  
9 in this case, but we are a party to the case.

10 JUDGE CLARK: Thank you. As Mr. Fassio  
11 noted, the commission's regulatory staff is completely  
12 separate from the decisionmakers in this case. We also  
13 have present a member of the Public Counsel Section of the  
14 Office of the Attorney General.

15 Mr. ffitch, if you could identify yourself,  
16 please.

17 MR. FFITCH: Thank you, Your Honor.

18 Good evening. My name is Simon ffitch, and  
19 I'm an attorney with the Public Counsel Office, and we are  
20 the representative of the residential and small business  
21 customers of Pacific Power in the rate case.

22 We did prepare a handout for people, I'm  
23 afraid we might have run out, given the large turnout, but  
24 there is a handout that explains our participation in the  
25 case.

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1                   JUDGE CLARK: Thank you, Mr. ffitch.

2                   In addition, the industrial customers of  
3 Northwest Utilities, which represent large industrial  
4 customers, are a party to this proceeding, although I  
5 don't believe there is a representative from IGNOU here  
6 tonight. In addition, Walmart is a party in this  
7 proceeding and they are representing their business  
8 interest in this proceeding. The Energy Project is also a  
9 party to this case and they represent as a low income  
10 public interest group.

11                   I want to give you a brief overview of the  
12 case. In its initial filing, Pacific Power and Light  
13 Company said that it needed to collect additional revenue  
14 from its customers. Pacific Power requested an additional  
15 \$56.7 million dollars, or about a 21 percent rate  
16 increase. The average residential customer using  
17 approximately 1300 kilowatt hours would experience a rate  
18 increase of \$19.75 per month. The company also proposes  
19 to increase the residential basic charge from \$6 to \$9 per  
20 month.

21                   The commission staff, as a separate party, and  
22 IGNOU, filed testimony opposing the rate increase. Staff  
23 recommends that Pacific Power be allowed to collect an  
24 additional \$33,000,000, or approximately a 12 percent  
25 overall rate increase.

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1           The average residential customer using 1300  
2 kilowatt hours per month would see their electric bill  
3 increase by about \$13.10, for a total bill of \$103.34.  
4 Staff also proposes an increase in the basic monthly  
5 service charge from \$6 to \$7.50 per month.

6           The commission will hold an evidentiary  
7 hearing in Olympia, Washington, on December 8th, 2010 to  
8 consider the request for rate relief.

9           For this evening's hearing, the process for  
10 testifying before the commission is actually a pretty  
11 simple one. We do have a significant number of people who  
12 have signed up to present comments this evening, so I'm  
13 going to have to limit your comments to about three  
14 minutes. That sounds really short, but it's actually a  
15 quite long period of time in order to be able to speak.

16           If you speak longer than three minutes, I'm  
17 going to have to probably politely interrupt you and ask  
18 you to conclude your comments so that everyone has an  
19 opportunity to be heard.

20           We do have this room until 7 p.m. tonight, but  
21 there is another meeting following this hearing and we  
22 will have to vacate this room at approximately 7 p.m.  
23 If a previous speaker's comments covered essentially what  
24 you wished to say, you can simply say that you agree with  
25 those comments. There is no need to repeat the comments.



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1                   And I want to remind you that this is a quasi  
2   judicial proceeding, so please listen politely as others  
3   speak. It's really not appropriate to applaud or boo or  
4   anything of that nature, as other individuals are  
5   speaking.

6                   You should try not to speak too rapidly so  
7   that the court reporter can record all your comments. If  
8   you have written comments, you can give them to  
9   Mr. ffitch, with the public counsel and he will ensure  
10  that those comments are presented in the record.

11                  The commission will continue to take written  
12  comments in this case until the conclusion of the hearing  
13  process or until approximately January 18th, 2011. This  
14  is not the time for you to ask questions of either me or  
15  Commissioner Oshie. If you have questions, you may pose  
16  them to the Assistant Attorney General representing the  
17  commission staff, public counsel, or representatives from  
18  Pacific Power and Light Company.

19                  In addition, the commission has a  
20  representative of its Consumer Protection section with us  
21  this evening, Mr. Roger Kouchi, the individual who helped  
22  you sign in, and you may also pose questions to  
23  Mr. Kouchi. If these individuals can't answer your  
24  questions, they'll let you know how we can get an answer  
25  to your question.



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1                   Thank you.  When you get to the microphone,  
2  I'm going to have just a couple of questions for you.

3                   Could you state your full name for the record  
4  please, sir?

5                   MR. GATES:  Thomas G. Gates.

6                   JUDGE CLARK:  And where do you live?

7                   MR. GATES:  6 Burning Tree Drive in  
8  Yakima.

9                   JUDGE CLARK:  Yakima, Washington.  Are you  
10 an electric customer of Pacific Power and Light?

11                   MR. GATES:  Yes.

12                   JUDGE CLARK:  Thank you.  Please make your  
13 comments.

14                   MR. GATES:  In the four reasons they cite  
15 for rate increase -- new investments, power costs  
16 associated with expiring power purchase contracts, that's  
17 the one I would like to talk about.

18                   Electricity futures contracts are traded on  
19 the New York Mercantile Exchange, and I've printed a chart  
20 of the October, 2013 pricing of Western Electric Utility  
21 contracts, and they're basically about the same as they  
22 existed back in 2003, 4, and 5.  So depending on when they  
23 purchase their power contracts, if they're maturing,  
24 they're substantially maturing at about the same price  
25 they bought them for.

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1                   However, if they purchased contracts back in  
2 2006, 7, 8, the prices of renewing those contracts are  
3 half as much as conceivably they bought back then, so I  
4 don't, I can't see the justification for costs associated  
5 with rolling over their purchase contracts. That's my  
6 main comment.

7                   JUDGE CLARK: Thank you, Mr. Gates. If  
8 you could hold on just a second and we'll see if there's  
9 any inquiry for you.

10                  Mr. Commissioner Oshie?

11                  COMMISSIONER OSHIE: No inquiry.

12                  MR. FFITCH: No, Your Honor.

13                  JUDGE CLARK: Thank you for your comments,  
14 Mr. Gates.

15                  The next individual I have is Norman Hyatt.

16                  MR. HYATT: Yes.

17                  JUDGE CLARK: Mr. Hyatt, if you could  
18 state your name for the record, please.

19                  MR. HYATT: L. Norman Hyatt.

20                  JUDGE CLARK: Where do you reside, sir?

21                  MR. HYATT: Yakima, Washington.

22                  JUDGE CLARK: Thank you. And are you an  
23 electric customer of Pacific Power?

24                  MR. HYATT: I am.

25                  JUDGE CLARK: Please make your comments.

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1                   MR. HYATT: Thank you so much. We believe  
2 that -- I represent Hyatt Corporation, Hyatt Centers  
3 Nursing Home Group throughout the state, as well as Hyatt  
4 Family Facilities here in Yakima -- and I believe that  
5 the, we believe that the request is just breathtaking.  
6 Twenty-one percent in this economy is outrageous.

7                   We all know that the entire world is in a  
8 recession. The United States and Washington State are no  
9 different. Nursing homes, in particular, have been cut  
10 substantially, \$90 million over the last two years, which  
11 amounts to about \$100,000 per building.

12                   And currently in front of the governor is  
13 another request for an additional \$160,000 per building.  
14 So over the last two to three years, nursing homes have  
15 had a decrease in revenue of about \$250,000 per building,  
16 if the current budgetary proposals coming from the  
17 governor's office might not come to be.

18                   But, more importantly, the Yakima economy is,  
19 when it comes to the elderly and the infirm, 65 percent  
20 Medicaid, so that the commission's acceptance of the  
21 Pacific Power rate request would cost about \$1,000 to  
22 \$1,200 a month to each of eleven nursing homes in Yakima  
23 County. That doesn't address fourteen assisted-living  
24 centers at about \$1,000 a month for copy, it doesn't call  
25 out any funds for adult family homes, and there are

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1 thousands, literally, of the elderly and infirm in this  
2 county, which, on fixed incomes, will have no means to  
3 respond to such a drastic rate increase.

4           Finally, in looking at the Pacific Power's  
5 request, a \$2.5 million rate increase to provide an  
6 increased return on investment on a \$56 million rate  
7 increase is a 5 percent, about a 5 percent return. Our  
8 money in banks today earn about 1 percent. I think that  
9 that's excessive. Pacific Power investors should be happy  
10 to retain the return that they now receive.

11           \$17.7 million for increased power costs. This  
12 is one monopoly talking to another monopoly. \$30.8  
13 million for investment in the electrical system. Nursing  
14 homes and all the healthcare properties in the Pacific  
15 Northwest have been put under mandatory capital  
16 expenditure freeze now for two years, with no relief in  
17 site. And, finally, \$2.5 million for depreciation, which  
18 I assume means cash-funded depreciation, and increase in  
19 operations, maintenance, and administrative salaries.

20           It just almost, 21 percent almost smacks of  
21 arrogance to request a rate increase of such proportion.  
22 I think that Pacific Power needs to buckle down like the  
23 rest of us and hang in till times are better. Thanks for  
24 this evening's comments.

25           JUDGE CLARK: Thank you, Mr. Hyatt.

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1 Is there any inquiry for Mr. Hyatt?

2 (No response.)

3 JUDGE CLARK: Hand those to Mr. ffitich,  
4 that would be great.

5 Thank you, Mr. Hyatt.

6 MR. HYATT: Thanks, so much.

7 JUDGE CLARK: The next individual I have  
8 signed up to speak is David Tobin.

9 State your full name, please.

10 MR. TOBIN: David Tobin.

11 JUDGE CLARK: Where do you reside,  
12 Mr. Tobin?

13 MR. TOBIN: Benton City, Washington.

14 JUDGE CLARK: And you're a customer of  
15 Pacific Power?

16 MR. TOBIN: I am not a personal customer  
17 of Pacific Power.

18 JUDGE CLARK: And so your comments are on  
19 behalf of?

20 MR. TOBIN: Of Boise Paper Mill in  
21 Wallula, Washington.

22 JUDGE CLARK: Please proceed.

23 MR. TOBIN: My name is David Tobin, I'm  
24 the energy engineer at the Boise Paper Mill in Wallula,  
25 and I just want to make a few statements about what's

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1 going on in our facility.

2 Since 2007, we've spent a lot of capital money  
3 to improve our energy efficiency, yet over that same  
4 period, our power costs have increased over 20 percent.

5 If this proposed rate increase goes through, our annual  
6 power bill will be over \$25 million a year. We compete on  
7 the global marketplace against very modern, efficient  
8 mills in China, South America, and Scandinavia, and this  
9 is going to make it very difficult to continue to compete  
10 and it's going to directly affect over 500 jobs in Walla  
11 Walla County. Thank you.

12 JUDGE CLARK: Thank you.

13 Any inquiry from Mr. Tobin?

14 (No response.)

15 JUDGE CLARK: Thank you.

16 David Glessner. State your full name, please.

17 MR. GLESSNER: My name is David Glessner.

18 JUDGE CLARK: And you reside?

19 MR. GLESSNER: I live in Wallula,  
20 Washington.

21 JUDGE CLARK: And are you a customer of  
22 Pacific Power?

23 MR. GLESSNER: In more than ways than one,  
24 yes.

25 JUDGE CLARK: My name is David Glessner.



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1 I live in Wallula, Washington, and I'm an electrician at  
2 Boise Incorporated. I'm also vice president of the local  
3 union there. I'm a volunteer fireman for the Walla Walla  
4 County Fire Protection District No. 5 in Burbank, officer  
5 and lieutenant. I'm also a watermaster for Wallula Water  
6 District. I'm here as a watermaster.

7           Within a block of my house, there's seven  
8 homes on fixed incomes. I'm very fortunate because I have  
9 a good job. These people are on fixed incomes. They are  
10 struggling to pay their bills now. If the rate increase  
11 goes in, they're going to have an increase in their  
12 electric bill. Where are they going to get the money  
13 from? They're on fixed incomes.

14           As the watermaster, if the electric rate goes  
15 up, I'm going to have to raise the water bills. These  
16 people are going to get slam dunked not once, but twice --  
17 once on their electric bill and then on their water bill  
18 -- and I don't have a choice. I'm asking that the  
19 Utilities and Transportation Commission consider the far  
20 reaching impact on less fortunate people in our society.

21           I understand that PacifiCorp needs to make  
22 money, but to make money on the backs of people on fixed  
23 income, I object to that strenuously.

24           So as you consider this, please allow me, as a  
25 watermaster, to continue to serve my 48 customers without

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1 giving them a rate increase. Thank you.

2 JUDGE CLARK: Thank you, Mr. Glessner.

3 I'm assuming that if anyone has inquiry of a  
4 witness, just going to let me know.

5 Thank you.

6 The next individual I have signed up to speak  
7 is Ken Daniels.

8 State your full name, please.

9 MR. DANIELS: Kenneth M. Daniels.

10 JUDGE CLARK: And where do you reside?

11 MR. DANIELS: Richland, Washington.

12 JUDGE CLARK: Thank you. And are you a  
13 Pacific Power customer?

14 MR. DANIELS: No, I'm not.

15 JUDGE CLARK: And so you're speaking --

16 MR. DANIELS: Through Boise.

17 JUDGE CLARK: Thank you.

18 MR. DANIELS: My name is Ken Daniels. I  
19 work at Boise Inc, a corrugated container facility in  
20 Wallula. And as a union member, I've taken on the safety  
21 liaison role at our facility, so I directly interact with  
22 all 160 individuals that work at that plant.

23 Across our company, we've been asked to do  
24 more with less, and I imagine that's the way it is to a  
25 lot of other companies. Fortunately, we are doing more

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1 with less, and safely. A rate increase like this will  
2 force us to do even more with less. We can't pass cost  
3 increases like this onto our customers. All of our  
4 customers at the packaging facility are under contracts,  
5 so, you know, many of them also are seeing rate increases  
6 also.

7                   So, therefore, we have to look inside of our  
8 company to pass this rate increase along, which was  
9 something that we've already had to do a lot of. We've  
10 already decreased our waste, improved our production.  
11 Capital projects are in jeopardy with this, too, and to  
12 improve our production, we need new machinery and stuff,  
13 so that would hurt us also.

14                   So I urge you to consider the additional  
15 burden PacifiCorp's rate increase would put on our  
16 company.

17                   JUDGE CLARK: Thank you.

18                   Lori Crow. State your full name, please.

19                   MS. CROW: Lori Lee Crow.

20                   JUDGE CLARK: And you reside?

21                   MS. CROW: Yakima, Washington.

22                   JUDGE CLARK: And are you a customer of  
23 Pacific Power?

24                   MS. CROW: Yes, I am. I have something  
25 actually written that I wanted to go over, but my esteemed

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1 colleague, Norm Hyatt, did say quite a bit.

2 I represent the assisted-living, Ponderosa  
3 assisted-living community. 50 percent of our residents  
4 are on Medicaid, Medicaid program, and these are not  
5 people that have worked the system by any stretch. They  
6 have just simply outlived their money. We face cuts from  
7 DSHS to the tune of over \$100,000 a year by April. If  
8 this goes into effect, I honestly don't know how our  
9 community will be able to make ends meet.

10 We have new healthcare regulations, training  
11 regulations, that we have to meet by the first of January,  
12 which will entail a lot of our care staff being more  
13 highly trained. We have a minimum wage increase that will  
14 go into effect the first of January also. I just, I ask  
15 you to look at the people -- I know this is a simple  
16 business proposition, but it's really not simple -- I ask  
17 you to look at the people that you're going to be hurting.  
18 I mean, they're the salt of the earth people, have worked  
19 all their lives, thought they were doing the right thing,  
20 cut coupons, used leftovers, and paid their bills, and  
21 this is going to really hurt so I really, I not only beg  
22 you, I implore you to please think twice before you do  
23 this. Thank you.

24 JUDGE CLARK: Thank you, Ms. Crow.

25 William Duerr. State your full name, please.

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1                   MR. DUERR: My name is William R. Duerr.  
2 I live in Yakima.

3                   JUDGE CLARK: And are you a Pacific Power  
4 customer, Mr. Duerr?

5                   MR. DUERR: Yes, ma'am.

6                   JUDGE CLARK: Please make your statement.

7                   MR. DUERR: The utility -- just a slight  
8 bit of confusion -- the handout from the commission stated  
9 that the commission recommended \$30 million and you stated  
10 33 earlier, and also which they stated 11 percent, you  
11 stated 12. The numbers are close, but there's a little  
12 difference there.

13                   One of the things I noticed in the handout was  
14 that the commission's recommendation was a \$30 million  
15 increase annually, which is an eleven percent overall rate  
16 hike. That takes in the future, which is an astronomical  
17 amount of increase that will go on the general public.

18                   One of the comments I wanted to say -- well,  
19 I've got a few -- the state, counties, cities, have been  
20 receiving less and less revenue, and all of us are  
21 decreasing our budgets, laying people off, and here we go  
22 looking for an astronomically high rate of increase.

23                   The elderly, which I can say I am now a part  
24 of, living on Social Security income, did not receive a  
25 COLA in 2010 and will not receive one in 2011 so,



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1 do want to point out for the record that I did misspeak.  
2 The request that would be offered by the staff would be a  
3 \$30 million increase, not a \$33 million increase, and an  
4 eleven percent increase, not a twelve percent increase.  
5 I'm sorry for misspeaking on that.

6 The next name I have is Nick Nachbar.

7 MR. NACHBAR: Yes.

8 JUDGE CLARK: State your full name,  
9 please.

10 MR. NACHBAR: Nicholas L. Nachbar.

11 JUDGE CLARK: And where do you reside?

12 MR. NACHBAR: Walla Walla.

13 JUDGE CLARK: And are you a Pacific Power  
14 customer?

15 MR. NACHBAR: Yes, ma'am.

16 JUDGE CLARK: Please make your statement.

17 MR. NACHBAR: I'm the mill manager for  
18 Boise Incorporated, a pulp and paper mill in Wallula. We  
19 are located in Walla Walla County, about halfway between  
20 Pasco and Walla Walla. And between the various business  
21 units that make up our facility, we employ just shy of  
22 about 600 people.

23 We pride ourselves for providing a safe work  
24 environment and living wage jobs for our employees and our  
25 contractors that serve us, however, PacifiCorp's proposed

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1 increase does jeopardize those jobs. In an industry such  
2 as ours with low profit margins and very tough overseas  
3 competition, we just simply can't pass our cost increases  
4 onto our customers.

5           Throughout our company, we are taking actions  
6 to either reduce input costs or figure out how to overcome  
7 increased input costs, and this type of increase would  
8 force us to look at headcount, job elimination, as a way  
9 to overcome the increased costs and keep the mill running.

10           I urge you to think carefully about such a  
11 rate increase. It will have a negative impact, certainly  
12 on our facility, but also on many of our employees who are  
13 PacifiCorp customers as well. Thank you.

14           MR. FFITCH: Your Honor?

15           JUDGE CLARK: Yes, Mr. ffitch.

16           MR. FFITCH: If I may, Mr. Nachbar --

17           JUDGE CLARK: Would use the microphone,  
18 please, Mr. ffitch, so everyone can hear your question.

19           MR. FFITCH: Sorry about that. Thank you,  
20 Your Honor.

21           Mr. Nachbar, I just wanted to ask about the  
22 number of employees. You've had several speakers from  
23 Boise, and you've mentioned 600 positions. Is that the  
24 number for the different facilities, the total number for  
25 all the different facilities?



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1                   MR. NACHBAR: Yes. We have a  
2 transportation facility on site, which is a business  
3 division of Boise, Inc.; we have a corrugated medium  
4 facility, which is a business division, part of the  
5 business division within Boise, Inc.; and the paper mill  
6 itself, which is another business division.

7                   MR. FFITCH: Those add up to the 600  
8 positions you're talking about?

9                   MR. NACHBAR: Yes, just shy.

10                  MR. FFITCH: Thank you, Your Honor.

11                  JUDGE CLARK: Thank you, Mr. Nachbar.

12                  Jerry Arnold. State your full name, please.

13                  MR. ARNOLD: Jerry J. Arnold.

14                  JUDGE CLARK: And where do you reside?

15                  MR. ARNOLD: College Place, Washington.

16                  JUDGE CLARK: And you're a Pacific Power  
17 customer?

18                  MR. ARNOLD: I am.

19                  JUDGE CLARK: Thank you. Could you make  
20 your comments.

21                  MR. ARNOLD: I'm also an employee of  
22 Boise, Inc., and I'm the sole wage earner in my family of  
23 four. I have two children in school and my wife is in  
24 college currently. I live on a tight budget, and this  
25 will negatively impact my family budget. My parents are

0049

1 also on Social Security and fixed income, and that will  
2 negatively impact them. And it will negatively impact my  
3 employer who is going to be spending an extra I think  
4 approximately \$4 and a half million a month on their  
5 electricity bill.

6           The department I work in, we strive every day  
7 to run energy efficiently, and we recover chemicals used  
8 in the pulping process and convert those into energy, so  
9 we try to be as self-sufficient as we can, but we still  
10 need to purchase power to make our product. And I just  
11 hope that the mill stays competitive in our market and  
12 stays there for me to continue to earn a wage for my  
13 family. Thank you.

14           JUDGE CLARK: Thank you, Mr. Arnold.

15           I'm not sure about the first name, Destry  
16 Henderson.

17           MR. HENDERSON: Very good.

18           JUDGE CLARK: That was pure luck, sir.

19           MR. HENDERSON: I get that a lot. You did  
20 well.

21           JUDGE CLARK: State your full name,  
22 please, and where you reside.

23           MR. HENDERSON: Sure. Destry J.  
24 Henderson. I live in Richland, I'm not a PacifiCorp  
25 customer, but I represent Boise, which is.

0050

1 JUDGE CLARK: Thank you.

2 MR. HENDERSON: I'm the communications  
3 manager at the mill. Tonight you've heard my colleagues  
4 explain not only the impact the rate increase would have  
5 on our mill, but on our families as well. I can also tell  
6 you that the community is against the increase.

7 Today, the Walla Walla Union Bulletin came out  
8 on its editorial page, saying that the 21 percent increase  
9 is uncalled for, even staff's recommendation of a twelve  
10 percent increase. The newspaper said, and I'll read it,  
11 "A double digit increase in power rates would be a  
12 crushing blow to industry and painful to private  
13 citizens."

14 Tonight's turnout here in Yakima, I ask that  
15 you consider holding a hearing in Walla Walla as well.  
16 Our mill has a small budget that we use to support  
17 activities and roots in the Tri-Cities area and Walla  
18 Walla area. You've been told from my co-workers that we  
19 can't pass those, a cost increase, such as this, onto our  
20 customers, so we're going to have to look inward to cut  
21 costs. My budget is certainly at the top of that list.

22 So what does that mean? Fort Walla Walla  
23 Museum, the Walla Walla County Fair, the Boys and Girls  
24 Club of Benton/Franklin Counties -- those are agencies  
25 that rely on us to help support them. Those would all be

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1 impacted. Our mill is the largest taxpayer in Walla Walla  
2 County. Anything that jeopardizes our mill, such as this  
3 increase, that's actually a cost shift. Our mill isn't  
4 able to pay the taxes that support first responders,  
5 schools, infrastructure. This class would have to shift  
6 elsewhere. I appreciate your time tonight. Thank you.

7 JUDGE CLARK: Thank you, Mr. Henderson.

8 And we have a question mark, Javier Gutierrez.

9 MR. GUTIERREZ: Pass.

10 JUDGE CLARK: John Klingele.

11 MR. KLINGELE: John E. Klingele, native  
12 Yakima resident and Pacific Power customer. And I've also  
13 been serving on Pacific Power's Integrated Resource  
14 Planning Group for more than ten years now, as a volunteer  
15 citizen, not getting paid to go to those meetings, so I  
16 have some information and foresight in opportunities  
17 because those plans go for 20 years or more.

18 Several things that are not thrilling. A  
19 couple years ago, we, in the state of Washington, voted  
20 for renewable resource requirements with utilities, and  
21 that isn't cheap. And so this is, I think, one of the  
22 things that we'll see as part of our rate increase, which  
23 we all hate.

24 Mr. Gates talked about power contracts, and  
25 the biggest ones that are expiring are those from Priest

0052

1 Rapids and Wanapum, which are over 50 years old, and those  
2 are major changes in electric rates because when you  
3 consider how expensive electricity was in the '60s and how  
4 it is now, that's a big change.

5           One of the things I am critical with Pacific  
6 Power on is some of their operations. One of the things I  
7 look at is substations. I visit substations as a hobby,  
8 and one of the things I notice is when substations had to  
9 lock their cooling fans on their transformers for a full  
10 summer and, for instance, the one at Prospect Point in  
11 Walla Walla, they've been locking that on for over 20  
12 years, which says those transformers are subject to  
13 overheating, alarmingly overheating, if they don't have  
14 some load relief. And that's one of the things that  
15 Pacific Power has had to do to refrain from investing in  
16 their system.

17           Those same kinds of things are happening at  
18 Mill Creek in Walla Walla, at the Orchard substation in  
19 west side of Yakima, and out in Selah.

20           I review, as a hobby, power plant  
21 installations or proposals, and one of the proposals, back  
22 20 years ago, was for one up in Creston, Washington, and  
23 the power integration report for that indicated that one  
24 of the lines from Walla Walla into downtown Walla Walla, a  
25 69,000-volt line, would be overloaded if one of the other

0053

1 lines failed. And that was a 20, a report 20 years ago,  
2 that was a problem then. It still hasn't had any change.

3           The new line from Vantage to Yakima was  
4 indicated in that report 20 years ago, that was planned  
5 for, it's just being built in the near future, we hope.  
6 If we have either of the lines coming from Vantage or  
7 Priest Rapids go down, those 230,000-volt transmission  
8 lines in certain conditions, we would have pieces of  
9 Yakima go dark because the remaining lines couldn't  
10 support it all.

11           And because that line out to Moxee is over 75  
12 years old and was built at a time when we used, the whole  
13 valley used as much as one substation does now, you know,  
14 that won't support very much either. So there's a reason,  
15 I see, that we have a rate increase and ten percent is  
16 reasonable, from what I see in the numbers. The basic  
17 charge, that \$6 to \$7.50 or \$9 is the part I object to  
18 most, as it will impact every single customer.

19           I'd like first seeing that rate impact mostly  
20 on the high users to help encourage conservation, and that  
21 would be a more appropriate place to fund this increase,  
22 rather than on every single customer before you use any  
23 electricity even. Thank you for my comments today.

24           JUDGE CLARK: Thank you, Mr. Klingele.

25           D. Thorn. State your full name and your

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1 residence, please.

2 MR. THORN: Dennis H. Thorn in Yakima.

3 JUDGE CLARK: Are you a Pacific Power  
4 customer?

5 MR. THORN: Yes.

6 JUDGE CLARK: Thank you. Please make your  
7 statement.

8 MR. THORN: Thank you, Your Honor. I  
9 would just like to reiterate a couple of points that  
10 Mr. Duerr, Mr. Glessner, and Mr. Hyatt have made, and that  
11 is that when Pacific Power is asking for a 21 percent  
12 increase, that is on top of an increase of three out of  
13 the last four years that they have had.

14 That, number one, I don't think is fair;  
15 number two, all of the people that are on fixed incomes,  
16 it's very, very difficult to meet our obligations as they  
17 stand now. This would make it incredibly difficult.

18 Now this hasn't been mentioned, but the city,  
19 the state, and the county have budget freezes. Now I  
20 don't see anything wrong with making a budget freeze for  
21 the next two or three years because our economic situation  
22 in this country is not good, and if we have a budget  
23 freeze, that will at least keep the door open for  
24 additional increases, if they need be, but I do agree with  
25 the previous people that have spoken, that I don't think

0055

1 it's necessary, frankly. That's all I have to say.

2 JUDGE CLARK: Thank you, Mr. Thorn.

3 Chris Thorn?

4 CHRIS THORN: No.

5 JUDGE CLARK: Carol Thorn?

6 MS. THORN: No.

7 JUDGE CLARK: I was to make sure I'm not  
8 ignoring anyone.

9 Art Berger.

10 MR. BERGER: My name is Arthur Berger, I  
11 reside in Yakima, and I do business in several counties in  
12 the Eastern Washington area.

13 And I'm wondering primarily, and this would be  
14 a question for the PP & L representatives, I guess, if  
15 there's an efficiency problem, because we are in the  
16 manufactured home business, we build them and we have our  
17 own retail lots where we display and sell them.

18 And it seems strange that, for example, Grant  
19 County, Benton County, Grant is 50 percent cost of Yakima  
20 at this point in time, without the 21 percent increase; 25  
21 percent more efficient in Benton County, costs us that  
22 much less. And it seems odd that this should take place  
23 because it has to be a matter of efficiency somewhere  
24 along the line.

25 My son lives next door, and he had a



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1 transformer blow, this was recent, within the last six  
2 months, I observed this, their fixing it. There was  
3 never, anyone left the site totally, there was always  
4 someone at the site from 7 o'clock in the evening until 7  
5 o'clock in the morning. There was, at times, five  
6 representatives, three trucks, and that's how long it took  
7 to change a transformer. I didn't see a lot of  
8 productivity, I didn't think for that period of time, but  
9 be that as it may.

10                   The other thing that I have in the form of a  
11 question is on all of our bills, we have an assistance  
12 program that's mandatory, I'm assuming it's mandatory, and  
13 it's not a huge sum, but in one of my bills, it was \$22 a  
14 month, another one 94 cents. We have several bills from  
15 several different locations, and if I'm going to donate to  
16 somebody, I would like to choose who I'm going to donate  
17 to. I don't see why they should be in a position to  
18 donate my money, it irritates me very frankly, more than  
19 just the money, it's the idea.

20                   The other thing that we do is we have all  
21 Energy Star products that we turn out, we try to be  
22 conscientious about energy efficiency, and we do build up  
23 to 600, 700 homes in a year. At this present time, we're  
24 not doing that, but we certainly have in the past, and  
25 we're very conscientious. Our load has met the Bonneville

0057

1 Power criteria, it meets and exceeds Energy Star criteria,  
2 so we are conscious of energy and efficiency in energy.

3 I'm wondering if Pacific Power is because,  
4 very frankly, I don't know why these other people would be  
5 able to do the same job for a lot less money.

6 Tell you another experience I had within the  
7 last year, this is almost unbelievable. When we put in  
8 our lot in Kennewick in 1983, they put in a meter. Within  
9 the last year, we were told they put an erroneous meter  
10 and we were due a rebate. We got \$18,000 back, it would  
11 have been more than that, but they only go back, I forget  
12 what it is, so many years, but we didn't question it, we  
13 felt very fortunate in their calling it to our attention  
14 and finding out about it and giving us the rebate.

15 I don't think PP & L would have done that, I  
16 just don't believe it after trying to get 21 percent  
17 rates.

18 Another thing that kind of bugs me, Berkshire  
19 Hathaway is a big stockholder of PP & L, is my  
20 understanding. Berkshire Hathaway is a very, very  
21 prominent, large, financially solvent money making  
22 company. And I'm wondering, I read some article recently  
23 that they loaned a lot of money to PP & L, even though  
24 they're a stockholder, so possibly they're charging too  
25 much interest at this time. There's got to be some answer

0058

1 to why this money is all needed. I think that completes  
2 my grievances here.

3 JUDGE CLARK: Thank you, Mr. Berger.

4 Mr. Ffitch has, I think, a question for you.

5 MR. BERGER: Good.

6 MR. FFITCH: Mr. Berger, good evening. I  
7 just wanted to ask you about the rebate. Which company  
8 was that from?

9 MR. BERGER: The company in Kennewick that  
10 we have, I can tell you who they are in Kennewick. It's  
11 Benton County P.U.D.

12 MR. FFITCH: Okay. Thank you. And I was  
13 wondering about the number of employees that you have in  
14 your business.

15 MR. BERGER: Up to 400. Presently we're  
16 down from that considerably.

17 MR. FFITCH: Okay, thank you.

18 JUDGE CLARK: Thank you, Mr. Berger. I do  
19 know that there's a representative of Pacific Power and  
20 Light here tonight, and I'm hoping that you will make an  
21 effort to confer with Mr. Berger after this evening's  
22 hearing. Thank you.

23 Roy Robeck.

24 MR. ROBECK: Thank you. My name is Roy  
25 Robeck. I do live in Yakima and I'm a Pacific Power

0059

1 customer.

2 I'm here representing Yakima Specialties,  
3 myself and my parents who are on fixed companies, my  
4 income, not me yet.

5 As a sales manager, sales and marketing  
6 manager of Yakima Specialties, and also the general  
7 manager of our Yakima Medical Laundry, we use a lot of  
8 power. We employ 83 people currently. We've had  
9 employees of over 100 in the past, but we are a non-profit  
10 and times are tough. 85 percent of our employees are  
11 people with disabilities. These are people on fixed  
12 incomes.

13 My parents are on fixed income. We have this  
14 all wrong. We should be raising wages 21 percent so  
15 people can afford these cost increases. You're not the  
16 only one that's hitting us with cost increases. Everybody  
17 is cutting back. Pacific Power is increasing, fuel, gas,  
18 food, everything is going up, and the American public is  
19 hurting right now.

20 So a great marketing tactic on Pacific Power's  
21 part would be, hold off for a year or two, and you would  
22 get 21 percent return in the gratuity. Thank you.

23 JUDGE CLARK: Thank you, Mr. Robeck.

24 Gene Paz. Good evening. State your full name,  
25 please.

0060

1 MR. PAZ: My name is Gene Paz.

2 JUDGE CLARK: Thank you for correcting me.

3 And where do you reside?

4 MR. PAZ: Here in Yakima.

5 JUDGE CLARK: And are you a Pacific Power  
6 customer?

7 MR. PAZ: Yes, I am.

8 JUDGE CLARK: Thank you. Please make your  
9 comments.

10 MR. PAZ: And I have a prepared statement,  
11 but I would like to state that I'm not related with any  
12 lobbying agency or organization and I'm not affiliated  
13 with any business or company. I'm just a concerned  
14 citizen that lives here in Yakima.

15 I would like to speak on behalf of thousands  
16 of electrical power customers located in Central  
17 Washington who voice their opposition to an electrical  
18 rate increase.

19 Such an increase at this time, whether it is  
20 12 percent or 21 percent, would be a tremendous increased  
21 hardship for many families and businesses throughout this  
22 region. At a time when many families are already  
23 struggling to pay their utility bills, an increase in  
24 electrical rates would cause an extreme hardship and  
25 families would have to decide where to make the cuts in

0061

1 their budget in order to meet the cost of electricity.

2           The request for an additional rate increase by  
3 Pacific Power only reveals how out of touch their company  
4 is with its customers. Pacific Power has been granted  
5 rate increases in the past and continues to seek rate  
6 increases at extreme cost to its customers. The  
7 justification of this rate increase is unreasonable.

8           Pacific Power's operations, Pacific Power's  
9 customers should not be expected to be the backbone when  
10 it comes to the cost of operations. And state mandates an  
11 alternate energy, Pacific Power should be expected to  
12 contribute substantially to the company's outside  
13 projects, not the consumers. Development costs should  
14 come from within the company's profits, not from  
15 additional costs towards the welfare of families and  
16 businesses throughout Central Washington.

17           The Pacific Northwest has been blessed with  
18 these natural resources and the water tributaries have  
19 provided our state with a cheap and reliable source of  
20 electrical power that has greatly contributed towards its  
21 economic development and prosperity, bringing thousands of  
22 jobs in the sectors of manufacturing and agriculture.  
23 Just this past Spring, the amount of electricity generated  
24 was so much that the Bonneville Energy Commission had to  
25 request that the alternative wind turbines be shut down

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1 due to the inability in the electrical grids' capacity to  
2 handle the electrical load.

3                   Currently this supply of generated electricity  
4 outweighs the demand, and I would urge the commission, on  
5 behalf of thousands of Central Washington citizens, to  
6 rethink any grant of rate increase. I would suggest that  
7 Pacific Power look at areas where it can reduce cost in  
8 labor, materials, and project operations before asking for  
9 more money from its customers. Thank you.

10                   JUDGE CLARK: Thank you, Mr. Paz.

11                   All right, I have an individual who is not  
12 sure, Derald Ortloff.

13                   MR. ORTLOFF: Yes.

14                   JUDGE CLARK: And do you wish to comment,  
15 sir?

16                   MR. ORTLOFF: Yes, I do.

17                   JUDGE CLARK: All right, please come  
18 forward.

19                   MR. ORTLOFF: Derald Ortloff from  
20 Toppenish, and I am a PP & L customer.

21                   I've listened to the comments tonight, but  
22 I've not heard one about the UTC, and it seems like  
23 Pacific Power is a business for profit and they're  
24 entitled to make that profit, but the decision-making is  
25 made by the utility commission. And when I go back and

0063

1 look at this, in the last three years -- 6.5 percent, 8.5  
2 percent, 5.3 percent -- comes to 20.3 percent that the  
3 commission has approved.

4 Do they represent the people or do they  
5 represent corporate America? That's my question, and so  
6 they've gotten 20 percent, they want another 20 percent.  
7 When is the commission going to listen to the people, and  
8 that's my question. Thank you.

9 JUDGE CLARK: Thank you, any inquiry?

10 (No response.)

11 JUDGE CLARK: Evan Ciyonst.

12 MR. CIYONST: Pass.

13 JUDGE CLARK: Gary Price.

14 MR. PRICE: Good evening, I'm Gary Price.

15 I live in Yakima, Washington, and I am a paying customer  
16 of Pacific Power.

17 I'm here representing Tree Top and its nearly  
18 1,100 employees and nearly 1,400 grower members as well.

19 And as a business, I sympathize with falling  
20 revenues, increasing costs. I face that every day, along  
21 with my colleagues over that, I face with that, that's  
22 business, and what do we do. We engage in vigorous  
23 negotiations with our freight companies and with our  
24 suppliers.

25 We try to work hard with our engineering



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1 groups and our bottling suppliers to take a few ounces or,  
2 I'm sorry, a few grams out of a bottle that we put juice  
3 in can save us money and make us competitive. We take a  
4 few grams off a box of corrugate, all of these things that  
5 we can do that, all together, make us be competitive.  
6 Take all that money to our bottom line, it just holds  
7 inflation off for us.

8                   In my time with Tree Top, I've been involved  
9 with two complete plant closures in the last three years.  
10 That was devastating, but we had to do that. It was hard  
11 decisions that we had to make to stay competitive. Along  
12 with that, in the same time period, we had nearly a 20  
13 percent reduction in, across the company, in all salaried  
14 staff. To go on, that had to be done to stay competitive  
15 in the business environment that we were facing.

16                   We've emerged out the other side now a  
17 stronger company and have continued to grow, but we've  
18 made the hard decisions and made the business decisions to  
19 do that. We're asking no less of Pacific Power, and we're  
20 asking the Utilities and Trade Commission to enforce that  
21 on them and make them behave fiscally responsible.

22                   In the last three years, it's been said that  
23 we've had a compounded 22 percent rate increase already.  
24 That's really strange to me. We're involved in partnering  
25 with Pacific Power on capital investments that we've made

0065

1 to reduce our energy usage to reduce our costs to stay  
2 competitive, and when we do that they actually participate  
3 in paying for some of that capital, we reduce our  
4 electrical usage and they come right back around and want  
5 to charge us a rate increase.

6 So, again, where does the madness stop? With  
7 the 21 percent that was advocated and you're saying, well,  
8 maybe we'll settle on eleven percent, that's giving us  
9 sleeves off of the vest. It's nothing. We say that there  
10 should be no increases.

11 The CPI for this region, in this region, is  
12 actually deflationary, negative 1.3 percent in the last  
13 year, so there should be no increases at this time. Thank  
14 you.

15 JUDGE CLARK: Thank you, Mr. Price.

16 Mr. ffitch has inquiry for you.

17 MR. FFITCH: Leave this turned on.

18 Mr. Price, where were the plant closures located?

19 MR. PRICE: Cashmere, Washington, and  
20 Realto, California.

21 MR. FFITCH: Is the Cashmere in an area  
22 that's served by PacifiCorp also?

23 MR. PRICE: No, it is not.

24 MR. FFITCH: Okay, but you do have plants  
25 that are or a plant --

0066

1                   MR. PRICE: Yes, we do, multiple plants,  
2 yes.

3                   MR. FFITCH: What is your electric or do  
4 you have an estimate of the increase in your monthly  
5 electric costs?

6                   MR. PRICE: It would be in excess of  
7 \$350,000 a year annually.

8                   MR. FFITCH: That would be the increased  
9 amount if this is given?

10                  MR. PRICE: Yes.

11                  MR. FFITCH: Thank you.

12                  JUDGE CLARK: I have just one  
13 clarification question for you, Mr. Price. I've got the  
14 300 employees but I didn't catch the grower member number.

15                  MR. PRICE: It's 1,100 employees and 1,400  
16 grower members.

17                  JUDGE CLARK: Thank you for your  
18 testimony, Mr. Price.

19                  Cal Groenenberg.

20                  MR. GROENENBERG: Close.

21                  JUDGE CLARK: Okay, so now you're going  
22 the tell me what your name really is.

23                  MR. GROENENBERG: Calvin Groenenberg.

24                  JUDGE CLARK: Calvin Groenenberg. Thank  
25 you. Where do you reside?

0067

1 MR. GROENENBERG: Yakima, Washington.

2 JUDGE CLARK: And you're a Pacific Power  
3 and Light customer?

4 MR. GROENENBERG: I am.

5 JUDGE CLARK: Thank you, Mr. Groenenberg.

6 MR. GROENENBERG: This evening I'm  
7 actually representing where I work, which is Living Care  
8 Retirement Community. I'm the director there. We're a  
9 non-profit organization, serving 310 seniors, average age  
10 86 years of age.

11 As others have already communicated, those 310  
12 residents haven't received any Social Security increase  
13 last year, and come January, there will be no change  
14 there. Our nursing home has over 50 percent Medicaid  
15 residents in it. Our annual electric bill is \$221,000.  
16 It doesn't compare quite with some of the other  
17 manufacturers here, but a 21 percent increase on that is  
18 about \$46,000 above the \$221,000.

19 Our staff, a little over 200 staff, we had to  
20 tell them last year, no increase, absolutely none. And I  
21 hope there are no staff in the room because we're working  
22 on our budget for 2011 and, again, no increase.

23 As others have shared, we have had to work  
24 hard to make our organization more efficient, cutting  
25 where we can so that we can keep our costs under control

0068

1 because we know our residents cannot afford any rate  
2 increases. Twenty-one percent, quite honestly, to 300  
3 seniors who are 86 years old, if they were here, it's  
4 insulting, it's truly insulting to them.

5 And am I the only one in this room who thinks  
6 that maybe there's a little bit of a game that's going on?  
7 How many years have we seen the request be for "X" percent  
8 and the approval be for half of that? I guessed, when I  
9 was coming to this meeting, where the commission might  
10 come out, pretty close, 11 percent.

11 But, truly, these are different times, these  
12 are not what might be referred to as the good old days.  
13 These isn't the wild, wild west anymore where you can just  
14 go out and do your own thing. There needs to be some  
15 conscience shown on behalf of the utility for the  
16 customers. And it's really time to stop this and take a  
17 much harder look at what's required, what's truly  
18 required. Thank you.

19 JUDGE CLARK: Thank you, Mr. Groenenberg.

20 Any inquiry?

21 (No response.)

22 JUDGE CLARK: Tony Marey.

23 MR. MAREY: Yes, my name is Tony Marey. I  
24 live in the Wapato area, and what's the other question?

25 JUDGE CLARK: Are you a Pacific Power

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1 customer?

2 MR. MAREY: Yes, and I'm just speaking for  
3 myself and all the other individual customers. And  
4 everyone is very well spoken tonight and done a lot of  
5 research, which I'm very impressed with, but I just have a  
6 feeling like this is not supposed to be an inflationary  
7 time and everybody is cutting their budgets and you do get  
8 the feeling that somebody is making money where they maybe  
9 don't need to be making that extra money.

10 And, gee, I've kind of have drawn a blank. I  
11 just want to agree to all that I've heard tonight. And  
12 then the one gentleman talking about the infrastructure  
13 being perhaps in poor condition, and I would like to see  
14 Pacific Power, in the past, they've done these rate  
15 increases. Has that gone to improve the infrastructure,  
16 because I get the feeling that maybe that money isn't  
17 going to where it really needs to be going. Thank you.

18 JUDGE CLARK: All right, thank you,  
19 Mr. Marey.

20 Marcelo Alvarado. State your full name,  
21 please.

22 MR. ALVARADO: Marcelo Alvarado, Junior.  
23 I live in Yakima, Washington, and I am fortunate enough to  
24 be a customer.

25 JUDGE CLARK: Thank you.

0070

1                   MR. ALVARADO: First and foremost, I would  
2 like to say that I do understand, as a business major,  
3 what is the concept of making a profit and making money.  
4 I understand that you guys employ a lot of people and you  
5 guys provide a service that, without which, we would be  
6 still living in the dark ages with candles and whatever,  
7 and that takes a lot of money to run and it's a service  
8 that's greatly appreciated by the customers.

9                   But being a business student, I realize the  
10 concepts of business. PP & L cannot continue to run its  
11 business if its customers become bankrupt, it's just  
12 simple economics. You keep charging more and more and  
13 more, where there isn't anymore and there's not going to  
14 be anything left. I am fortunate enough to be one of the  
15 people that are on disability, and I got disabled young,  
16 and so my disability check is not very much, and I live  
17 off of that with financial aid. And so I hear from  
18 students how hard it is just to survive with a little bit  
19 of financial aid.

20                   And I'm also unfortunate enough to have a  
21 girlfriend that is kind of scared of the dark so she  
22 leaves the lights on all the time so I have to go back and  
23 turn off the lights, which I was taught by my father. I  
24 happen to be fairly young, compared to everybody that's  
25 here, and I just want to know, what's it going to be like

0071

1 when I get to the prosperous age of many of the people  
2 that are here. Twenty-one percent now, what it's going to  
3 be later on, you know, and if it doesn't end now, you  
4 know, when is it going to end?

5 You know, I've had to button down, you know,  
6 and tighten up my belt, and I think it's only a  
7 financially responsible thing for the electric company to  
8 do the same. Thank you.

9 JUDGE CLARK: Thank you, Mr. Alvarado.

10 Connie Gotzu.

11 MS. GOTZU: Gotzu.

12 JUDGE CLARK: Sorry about that.

13 MS. GOTZU: That's okay. Nobody can  
14 pronounce our name.

15 JUDGE CLARK: State your full name and --

16 MS. GOTZU: My name is Connie A. Gotzu,  
17 and I live in Yakima, Washington and am a Pacific Power  
18 customer.

19 I am very concerned about the power increase  
20 right now. I'm on retirement and Social Security and my  
21 husband has retired and he's on Social Security. So far,  
22 we're able to manage, but I'm wondering, if these  
23 increases continue, how much longer can we survive. I'm  
24 like ready kilowatt, I go around and turn off everything  
25 that I can possibly turn off, and I don't feel cheap, I'm



0072

1 trying to be frugal, you know.

2                   It's just ridiculous what we're paying in  
3 power. And I talked to a gentleman that was going around  
4 reading the meters, and he told me that there's quite a  
5 few people that are going to be laid off, once the new  
6 system goes in, so I don't think Pacific Power is really  
7 going to lose on that one either. And he said that he's,  
8 he will be sad when that is completed because he will no  
9 longer have a job.

10                   So I'm wondering, with all of these people  
11 getting furloughed or laid off and losing their jobs, how  
12 many people are going to be able to continue with the  
13 power?

14                   JUDGE CLARK: Thank you.

15                   Loran Kitts.

16                   MR. KITTS: My name is Loran Kitts, and I  
17 am a resident of Yakima and I do pay my power bill to  
18 Pacific Power every month.

19                   I am 80 years old, I'll be 81 in another two  
20 months. I get a Social Security check for \$929 a month.  
21 In the past winters, I have made contact with Pacific  
22 Power about my winter bill running up as high as \$160 in a  
23 given month. And I prefer to keep it on a monthly basis,  
24 but they always have suggested the energy saving means and  
25 that there may be assistance available to pay my bill.

0073

1 I enjoy paying my bills, I enjoy paying them on time, I  
2 enjoy having the money to do that, but I don't have any  
3 extra.

4 I recently, just a week ago, returned from a  
5 visit to my son in California. He was complaining about  
6 his power bill, and he made contact with some company, I  
7 do not know who it is, but they have installed solar  
8 panels in his backyard with a fixed rate for 18 years.  
9 And since that installation, it's tied into the power  
10 company's system, since that time, he's been getting  
11 credit from the power company.

12 He's still paying a fixed amount, though,  
13 every month, for the use of those solar panels, and will  
14 for 18 years, but as of now, he's getting credit because  
15 his solar panels are providing more electricity than he is  
16 consuming. I don't know who the company is, I think maybe  
17 I might look into that.

18 Beyond that, I really don't have anymore  
19 comment, other than I just don't know how much more I can  
20 stand, even if I enjoy paying it, I don't know whether I'm  
21 going to be able to very much longer. Thank you.

22 JUDGE CLARK: Thank you.

23 Mr. ffitch, do you have an inquiry?

24 MR. FFITCH: Mr. Kitts, I just wanted to  
25 ask, how your home is heated.

0074

1 MR. KITTS: We're electric all the way.

2 MR. FFITCH: All electric heat?

3 MR. KITTS: Yes.

4 MR. FFITCH: Thank you.

5 MR. KITTS: Um-hum.

6 JUDGE CLARK: Thank you, Mr. Kitts.

7 MR. KITTS: Thank you.

8 JUDGE CLARK: I have a number of  
9 individuals who have a question mark next to their names  
10 about whether or not they want to speak, so I'm going to  
11 call on you.

12 Keith Boss?

13 MR. BOSS: No.

14 JUDGE CLARK: Tom or Beth Davidson?

15 MR. DAVIDSON: I do. I am Tom W.

16 Davidson, I live in Yakima and am a customer.

17 I'm a true lover of electricity and  
18 electronics, and it bothers me a bit, and I had questions  
19 of, I know we're all going to digital meters, which is  
20 great, I like the concept. And in Yakima, I just happened  
21 to ask the guy who was reading the meters just a day or  
22 two ago, he said Yakima is going to lose 18 employees,  
23 Walla Walla will lose around 11.

24 And it seems just a bit strange to me, I'm a  
25 working truck driver, and I work for a non-union company,

0075

1 a couple years ago, we got notification that we were  
2 losing three benefits, gone right now.

3           And we may get a little bit of it back, but it  
4 just seems odd to me that Pacific Power, who I believe is  
5 investing quite heavily in wind power, especially around  
6 Goldendale, if I'm not mistaken -- and I love it, people  
7 think I'm strange because I love forest trees much better  
8 than I do wind turbines, but I love them, I like looking  
9 at them, and especially at night when you see all the  
10 lights going on, just something I enjoy, weirdness with  
11 me -- but it seems strange to me that you guys would look  
12 for another 21 percent increase, just makes no sense to  
13 me, especially for our seniors, and we've heard a lot of  
14 that tonight.

15           And they have gone two years without anything  
16 at all, and our government is maybe going give them \$250,  
17 what's that going to do, that won't even pay their  
18 electric bill for one year. Pretty pitiful.

19           I just think it's amazing that they're asking  
20 and looking for money right now.

21           JUDGE CLARK: Thank you, Mr. Davidson.

22           Bill Hicks.

23           MR. HICKS: No additional comments.

24           JUDGE CLARK: Dan Jennings.

25           MR. JENNINGS: No thanks.

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1 JUDGE CLARK: Juan Sanders.

2 (No response.)

3 JUDGE CLARK: Gordon Franks.

4 (No response.)

5 JUDGE CLARK: Lisa Clark.

6 MS. CLARK: My name is Lisa G. Clark. I  
7 live in Yakima, Washington, and I am a power customer.

8 You know, you guys are talking about doing  
9 this 21 increase, and then you guys said before this came  
10 up, installing these new meters and stuff, where you would  
11 be able to drive through the alleys and get everybody's  
12 power rating on a radio frequency, that this would save  
13 you guys money.

14 Now here you are asking for this increase when  
15 it's not making no sense because here you are installing  
16 these new meters that are supposed to be saving you guys  
17 money too. I'm on fixed income, disabled. I get \$639.  
18 There's people that are on TANF grants that have kids.  
19 Asking for such a high increase, you're going to have  
20 people without power and people not using heat, you know.

21 We really need to take a good look at this.  
22 This is not a good thing. We're in a crisis, we're in a  
23 deficit, you know, like lots of people have spoke, there's  
24 not going to be a cost increase for us, you know. I mean,  
25 how many, stop and look at, right now, how many people's

0077

1 homes do you guys go out and turn off because they're not  
2 being able to afford to pay their power bills, having to  
3 rob Peter to pay Paul, you know.

4                   Everybody is raising rates, you know, our  
5 water and sewer, garbage is talking about raising rates,  
6 you know, they're talking about raising tax increases,  
7 okay, well, people are renting homes, rent is going to go  
8 up and you guys are wanting a rate increase, too. It  
9 seems like we've had a rate increase every year with  
10 Pacific Power. Isn't enough enough? Time to stop it?  
11 That's all I have.

12                   JUDGE CLARK: Thank you, Ms. Clark.

13                   MS. CLARK: You're welcome.

14                   JUDGE CLARK: Sam Woods.

15                   MR. WOODS: My name is Samuel A. Woods, I  
16 reside in Moxee, Washington and, yes, I am a customer.

17                   I don't know what else I can say, except I'm  
18 one of these two people, not few, but I am one of the  
19 people on SSDI and also I am on L & I, and with the amount  
20 of money I'm making, while I'm not able to work, I am over  
21 the amount of money that I can get help, and even then I  
22 really don't want to ask for help because I am very  
23 self-sufficient, I'm proud of that fact.

24                   And I guess I just don't know what the heck is  
25 going on, because as you've been told, the whole company,

0078

1 the whole United States is having a problem with the  
2 economy, and here you folks are saying that you need more  
3 money. When the heck is this going to stop? There has to  
4 be a stop somewhere and, by golly, now is about the best  
5 time I can think of to show that you do, that you are  
6 concerned about your customers, instead of them just  
7 being, well, how much money can I take from them now.  
8 It's getting old. Thank you.

9 JUDGE CLARK: Thank you, Mr. Woods.

10 Tim Lick?

11 (No response.)

12 Jesse Torres.

13 MR. TORRES: It sounds like we're all  
14 agreeing here.

15 JUDGE CLARK: Your name, sir?

16 MR. TORRES: Jesse Torres. I live in  
17 Yakima, I'm a consumer and customer. Anyway, this is what  
18 turned me on to be here, this, one of the last information  
19 notice post rate increases from Pacific Power, and I call  
20 it the propaganda sheet.

21 Anyway, last, a couple of weeks ago, I had an  
22 editorial in the paper here standing against high rates.  
23 I just want to go ahead and read this as it was written in  
24 the editorial.

25 "Pacific Power has asked the Washington

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1 Utilities and Transportation Commission for permission or  
2 approval to increase electrical rates up to 21 percent for  
3 its customers. Since 2008, Pacific Power has gone to WUTC  
4 three times, requesting approval totalling 33.3 percent.  
5 WUTC approved 17.4 percent in electrical rate increases.  
6 Has your income increased 17.4 percent in the last three  
7 years?

8 In times of economic recession, more customers  
9 are falling into poverty levels, they're backsliding with  
10 fixed incomes because of inflation. In general, taxpayers  
11 who are being overtaxed must act and say enough is enough.  
12 The proposed 21 percent rate increase in a depressed and  
13 seasonal area like the Yakima Valley will certainly cause  
14 a negative ripple effect upon businesses and residential  
15 users, resulting in higher costs for drugs and services  
16 with increase on employment.

17 Let's turn the answers on Pacific Power  
18 marketing campaign is best used to lower electric rates.  
19 Let's take a stand to stop corporate bailouts on the backs  
20 of consumers."

21 JUDGE CLARK: Thank you, Mr. Torres.

22 Pat Boss.

23 MR. BOSS: Hi, I'm Pat Boss, B-o-s-s, and  
24 I'm here on behalf of the Columbia Snake River Irrigators  
25 Association.



0080

1 I'm not going to repeat that, I'm going to say  
2 CSRIA, for short, when I give my comments. So I'm --

3 JUDGE CLARK: Mr. Boss, you are located  
4 where?

5 MR. BOSS: I'm located in Moses Lake, and  
6 I'm a government affairs consultant for them, but they're  
7 located in the Tri-Cities, Kennewick area, but I grew up  
8 in Yakima, if that means anything.

9 JUDGE CLARK: No, I'm trying to figure out  
10 the Pacific Power correlation.

11 MR. BOSS: A lot is a lot here, and  
12 Columbia Irrigators represents hundreds of farmers, food  
13 processors, companies like Boise Cascade, port districts,  
14 dairies, irrigation districts, wineries, cold storage  
15 companies, a lot of power users in the region that are  
16 clients of Pacific Power.

17 And we're very concerned about this power rate  
18 increase proposal. In fact, we firmly oppose the  
19 proposal, especially the company's proposed increase of 21  
20 percent and that we do not concur with the UTC's proposal  
21 of 11 percent. And we really question the underlying  
22 management decisions in this rate increase. And also,  
23 really, the bottom line is the adverse economic impact to  
24 the state's economy, this is the wrong time to be doing  
25 these sort of things.

0081

1                   We also recommend that the UTC allow  
2 PacifiCorp to tie its rate increase to real world  
3 decisions. You know, frankly, right now, the economic  
4 projection by the state economists office are only, at the  
5 maximum, a 6 percent rate growth increase, you know, and  
6 that's a very optimistic increase, so we're clearly, this  
7 rate increase is clearly four or five times above the  
8 inflation rate or projected inflation rate.

9                   The other thing I want to talk about, too, is  
10 I do a lot of work around the region on economic sites  
11 selection, representing a lot of different companies, high  
12 tech companies. I do a lot of work for Columbia Snake  
13 River Irrigators, dairies, different companies. It's  
14 funny, and I'm looking at the area that Pacific Power  
15 covers -- Kittitas, Columbia, Garfield, Walla Walla,  
16 Yakima County -- I've had in a number of companies come  
17 into this area, high tech companies, and power rates are  
18 the number one game for them. I mean, power rates are by  
19 far the number one game. All these areas, when you look  
20 here there's been no major, gigantic manufacturing  
21 companies, no major high tech companies coming into these  
22 counties, and these counties are, not all of them are, but  
23 a lot of them are depressed areas.

24                   In fact, I had a company here last year  
25 looking around, a fairly well known company from the

0082

1 Silicon Valley that was down at the Wapato area. They saw  
2 the power rates and said no way.

3                   And there was a report that was out recently  
4 by the Boyd Company, out of New Jersey, a national site  
5 selection company, and they looked at rural communities  
6 across the country, and they looked at 46 rural  
7 communities, including some communities in this area.  
8 Only one community made their list, Quincy, Washington,  
9 not any of these communities were even in their top one  
10 thousand because of power rates.

11                   Jack Boyd is the national site selection  
12 expert, and he said the power rates are killing a lot of  
13 this area from attracting new companies. Now on top of  
14 that, the other problem, and I've heard this comment made  
15 earlier by some of the food processors, is China, Canada,  
16 South America, a lot of the our neighbors, foreign  
17 competitors are actively recruiting companies, French fry  
18 processors, juice concentrate manufacturers, brewers, hop  
19 growers, you name it.

20                   The competition is on right now, and all of  
21 these little, it's almost like death by a thousand paper  
22 cuts and, unfortunately, these types of things are causing  
23 a lot of economic turmoil.

24                   Just to close my comments, and I realize you  
25 guys are just doing your jobs here, so I understand that

0083

1 so this is, I'm not trying to beat up the messenger but I  
2 think the message needs to be clear, that these things are  
3 not helping the economy, not helping create jobs, and in  
4 fact, it's going to make this area, some of these regions,  
5 uncompetitive for a long time.

6 But I think the other thing I want to say,  
7 too, is there's really no justification for retail power  
8 rates that exceed the growth rates of the current economic  
9 projections. And especially taking in, I heard these  
10 other comments earlier, the recent economic declines.

11 There's actually been some deflation lately  
12 and, you know, we're thinking 6 percent is probably the  
13 highest it should even be considered. In fact, we think  
14 probably like 4 percent would even be, if you're looking  
15 at economic inflation, that should be what you're looking  
16 at. These rates that you're proposing are just out in  
17 outer space.

18 So with that, the Columbia Snake River  
19 Irrigators does oppose this proposal. We oppose it  
20 because a lot of our members are going to lose business,  
21 they're going to have to lay people off, and right now,  
22 that's just the wrong thing to do in this economy. We  
23 need to be doing things to recruit businesses, increase  
24 productivity, increase jobs. And so, with that, thank you  
25 for allowing me to testify and I appreciate the

0084

1 opportunity.

2 JUDGE CLARK: Thank you, Mr. Boss.

3 We're getting close to the 7 p.m. hour, and I  
4 have two more names on the list that we would certainly  
5 like to hear from.

6 We have Cliff Simmons.

7 MR. SIMMONS: Yes, I'm Cliff Simmons from  
8 Yakima, resident myself.

9 I try to do all the right things. I build  
10 houses, 03, energy efficient, heat pump, everything, and I  
11 use interspacial light bulbs and everything.

12 Every year, our rates go up, and I try to get  
13 affordable house we can afford to live in. We're on a  
14 fixed income, and our income don't go up 21 percent. It  
15 only goes up one percent, yet you ask for 21 percent. My  
16 bill already is up more than it was before I built the  
17 house, when I had an unefficient house.

18 We're asked to do this so we can survive. We  
19 do it and it doesn't do any good. And also I think we're  
20 hurting our community in more than one way. We're cutting  
21 the meter readers out, putting meters on. I don't know if  
22 we're paying for them or you're paying for them, but it  
23 seems like 21 percent, we're paying for them, so there's  
24 more profit.

25 I wouldn't be, I'm not a speaker, but my wife

0085

1 said, if you're going to complain, come down here and  
2 complain, don't complain to her, so that's my complaint.  
3 Thank you for listening.

4 JUDGE CLARK: Thank you, Mr. Simmons.  
5 Will Scarlett.

6 MR. SCARLETT: I'm Will Scarlett, I live  
7 in Zillah, and I pay about a dozen power bills, PP & L  
8 power bills every month.

9 We've heard from the retirement community.  
10 My mother-in-law lives in one. We've heard from Tree Top,  
11 I'm a Tree Top member. We've heard from Boise Cascade, my  
12 apples go in their boxes.

13 I'm a small farmer. All the rest of the  
14 industry in the area, the farming is what, it's on my  
15 back, okay, all the industry in the whole Yakima area is  
16 on my back, and thousands of other growers like me. I  
17 grow apples, pears, cherries.

18 And I know one question I wanted to ask, who  
19 am I addressing here, who is the utility commission that  
20 I'm talking to individually?

21 JUDGE CLARK: The --

22 MR. SCARLETT: I understand, but who are  
23 the people that represent the commission here? I see  
24 Commissioner Patrick. Who else is in the commission here  
25 tonight?

0086

1                   JUDGE CLARK: Commissioner Oshie is the  
2 only commissioner that's present this evening. Mr. Fassio  
3 represents the regulatory commission staff, who is a party  
4 in this proceeding.

5                   MR. SCARLETT: Okay, I'm not going to be  
6 very eloquent but, you know, I remember four or five years  
7 ago, Scottish power owned PP & L. The utility commission  
8 said, when they asked for a rate hike, they said, you go  
9 take a hike, we're not giving you a rate hike.

10                  Warren Buffett buys PP & L and all of a  
11 sudden, every single year, he's asked for an increase, he's  
12 gotten it. You just like the other gentleman said, it's  
13 just a game. Ask for 12, you get 6; ask for 16, you get  
14 8; ask for 21, you get 11. It's just a crock.

15                  My income, I'm getting paid the same for my  
16 peers as I was in 1985, and my costs are more than  
17 doubled. I wasn't making a ton of money in '85, but we  
18 were making a living and we were able to buy new equipment  
19 and able to keep going.

20                  My anger isn't directed at PP & L. PP & L is  
21 a company, you know. Warren Buffett comes out as this  
22 big, you know, liberal, you know, trying, you know, get  
23 along with everybody type of a guy, but he's, down deep,  
24 he's just a business man, he's asking for money.

25                  My anger is directed at the utility commission

0087

1 that's supposed to be representing the, because PP & L is  
2 a monopoly, the utility commission is supposed to be  
3 representing the people so that the power company doesn't  
4 have just total control. I don't feel they've done that,  
5 you know. They've talked, what's the rate increase, it  
6 adds up to 18 or 20 percent. Well, it doesn't really add  
7 up that way because you have to, it's a percentage  
8 increase on the percentage the prior year, so it's  
9 probably closer to 25 percent increase in the last three  
10 years.

11 That's wrong. That's absolutely wrong, and I  
12 don't feel that the utility commission -- I'm not making  
13 any accusations about what, anything illegal that's  
14 happened -- but this is just wrong. For the utility  
15 commission to just say, oh, you're asking for 12, yeah,  
16 we'll give you 6; you're asking for 18, 15, we'll give you  
17 7.

18 Now, 21, yeah, we'll give you 11. It's wrong.  
19 It's just wrong. I think you need to look at, and I  
20 haven't read your commission -- we're busy picking apples.  
21 I just came from the harvest. I don't know what your  
22 written, you know, your mission statement is, but it seems  
23 like it should be to represent the customers, beings PP &  
24 L is a monopoly in this area. I don't feel you've been  
25 doing that. That's all I've got to say.



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1 JUDGE CLARK: Thank you, Mr. Scarlett.

2 Mr. Ffitch, did you have inquiry?

3 MR. FFITCH: One question for  
4 Mr. Scarlett. You mentioned that you pay a dozen bills to  
5 Pacific --

6 MR. SCARLETT: I irrigate with irrigation  
7 pumps. I've got multiple irrigation pumps on different  
8 locations. I've got an electric wind machine, I've got a  
9 couple residences, and that's where all of those come  
10 from.

11 MR. FFITCH: Okay, thank you.

12 JUDGE CLARK: Thank you, Mr. Scarlett.

13 That concludes all the individuals that I have  
14 signed up to speak, and we are a little bit over the time  
15 where we're supposed to be out of this room, but if  
16 there's someone else who needs some comments presented,  
17 we'll certainly try to hear from you quickly.

18 Sir, come forward, please.

19 UNIDENTIFIED MAN: Is the commission able  
20 to make a statement now about the comments made?

21 JUDGE CLARK: No. I just want to kind of  
22 sum up.

23 As I indicated at the beginning of the hearing  
24 this evening, the commission's obligation is a statutory  
25 obligation, and the commission follows the mandate that is

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1 set by the legislature when it evaluates the rate  
2 increase. No decision has been made on the rate increase.

3           There are at least two proposals in front of  
4 the commission at this time, and it will go to hearing in  
5 Olympia on December 8th. All of the hearings before the  
6 commission are open to the public, and the commission will  
7 consider the comments that were received tonight, as well  
8 as all the other testimony that has been filed in this  
9 case before any decision is made regarding a rate  
10 increase.

11           I do want to thank everyone for coming out  
12 tonight. It's an excellent turnout and we're very pleased  
13 to see so many people express an interest in this  
14 proceeding, and I want to thank you for taking time out of  
15 your busy schedule. We do appreciate it.

16           There are members of the Public Counsel,  
17 Pacific Power and Light Company, and the commissions  
18 regulatory staff who are also available to answer any  
19 questions you might have. With that, we are adjourned.

(7:09 p.m.)

21  
22  
23  
24  
25

0090

1 STATE OF WASHINGTON )  
 )  
2 County of Benton )

3

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

15 I further certify that I am herewith securely  
16 sealing the said original deposition transcript and  
17 promptly delivering the same to Attorney

18 Witness my hand at Kennewick, Washington, on  
19 this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

20

21 \_\_\_\_\_  
Patricia E. Bute  
22 CSR No. 2919  
Certified Shorthand Reporter  
23 Notary Public for Washington  
My commission expires: 2-29-12

24

25