**BEFORE THE WASHINGTON STATE**

**UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND ) DOCKET NO. UE-090205

TRANSPORTATION )

COMMISSION, )

)

Complainant, )

)

v. )

)

PACIFICORP D/B/A/ PACIFIC )

POWER & LIGHT COMPANY )

)

Respondent. )

. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . )

DIRECT TESTIMONY OF

CHARLES EBERDT ON BEHALF OF

THE ENERGY PROJECT

Exhibit No. \_\_\_\_(CME-1T)

**I. Introduction**

Q. **Please state your name, address and employment?**

A. My name is Charles Eberdt and I am the director of The Energy Project, 1322 N. State St., Bellingham, WA 98225.

Q. **Please outline your educational background and professional experience?**

A. I have an M.A.T. from Harvard University. Since 1993, I have been working with all agencies that provide energy assistance and energy efficiency services to low-income households in Washington. Prior to that I supervised training on energy efficient construction for building code officials and builders for the Washington State Energy Office and provided other public education on energy efficiency. I am a Board member of the National Center for Appropriate Technology and A World Institute for a Sustainable Humanity (A W.I.S.H.). I have participated in several proceedings before this Commission over the last sixteen years, including rate cases for all the energy utilities the Commission regulates.

Q. **On whose behalf are you testifying in this proceeding?**

A. I am testifying for The Energy Project, an intervener in this proceeding on behalf of the OIC of Washington, the Northwest Community Action Council, and Blue Mountain Action Council, which provide low-income energy efficiency and bill payment assistance in the utility’s service.

Q. **What specific issues do you address?**

A. I address the Stipulation provision regarding low income assistance and rate design for the basic customer charge.

**II. The Stipulation**

Q. **Does the Energy Project support the Settlement Stipulation already filed in this proceeding?**

A. Yes, it does.

Q. **Please provide some background on the low income issue you have identified**.

A. For some time The Energy Project has been working to get recognition that the impact of utility rate increases are particularly troublesome for low-income customers. We have spent considerable time over the last nine years working with investor-owned utilities to create bill assistance programs that will mitigate these impacts. PacifiCorp stepped up to that challenge early on creating, I believe, the first program that this Commission accepted. That’s the Low Income Bill Assistance program, or “LIBA.” However, programs such as LIBA generally only serve the poorest of the low-income customers. For example, despite the federal government’s increasing the eligible income to 75% of state median income, Washington’s LIHEAP program remains pegged at 125% of the federal poverty level, which is significantly lower. PacifiCorp’s program eligibility works at the same level to make the program simpler to administer and because we want to target that population most. Even then, the bill assistance doesn’t cover the total cost the customer sees. There is always a part of the bill that the customer must pay. When rates are increased, the portion customers have to cover out of pocket is greater as well. Since these families are at the bottom of the ladder economically, their incomes are not increasing to cover that additional cost.

Q. **How does the Settlement Stipulation resolve this issue compared to PacifiCorp’s direct case?**

A. In its direct case, the Company proposed to split the increased LIBA funding between additional customers and increased funding to the existing number of customers. By contrast, as the settlement agreement indicates, PacifiCorp has agreed to dedicate all of whatever increased funding it makes to the LIBA program to serve the existing number of customers. One effect of this is to deepen the discount level which is preferable to the Energy Project. In addition, the Company has expressed an interest in working out these issues ahead of time in the future. I think it would be an excellent idea to sit down before the next rate case to discuss ways to achieve greater penetration from the program or make other improvements. We look forward to discussing this with the Company in a collaborative process.

Q. **Is this resolution acceptable to the Energy Project in a settlement context?**

A. Yes. The Energy Project’s consistent policy position before this Commission is that LIBA funding should be increased. This resolution more closely matches this policy position than the Company’s direct case. It is for this reason, and others, that The Energy Project supports the settlement.

**Are there any other matters you would like to comment on?**

A. Yes. I’d like to say we are pleased the Company agreed to keep the basic monthly charge to $6.00 at this time.

Q. **Does this complete your testimony?**

A. Yes, it does.