

**BEFORE THE**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND )  
TRANSPORTATION COMMISSION, )  
 )  
Complainant )  
 )  
v. )  
 )  
PACIFICORP D/B/A PACIFIC )  
POWER & LIGHT, )  
 )  
Respondent. )  
\_\_\_\_\_ )

DOCKET NO. 061546

THE ENERGY PROJECT'S

REPLY BRIEF

The Energy Project has proposed that PacifiCorp should increase the level of funding to its low-income bill payment assistance program to a range consistent with AVISTA and PSE, 0.41% and 0.64% of base revenues, respectively. No party cross-examined the Energy Project's only witness, Mr. Charles Eberdt, at hearing. In fact, no party other than PacifiCorp even addressed the issue at hearing aside from the Company which stated that it had no objection to either the Energy Project's proposal, as opposed to the Company's original proposal of a modest increase from 0.24% of base revenues to 0.29%. This was confirmed at hearing by PacifiCorp witness Mr. William R. Griffith and in the Company's post-hearing opening brief wherein the Company states that "[t]he Company **will support** any of the three approaches, as determined by the Commission in its order in this proceeding."<sup>1</sup> *PacifiCorp Post-Hearing Brief at p. 59, emphasis added.*

For the first time in this proceeding, Staff has finally weighed in on the issue, but only in its post-hearing brief. Without having cross-examined Mr. Eberdt, without having presented a shred of its own evidence, and without having even spoken a word throughout this entire case on the issue, Staff posits: "[t]here is no cogent reason why PacifiCorp must be "in the range" of Avista and PSE's funding levels, as The Energy Project proposes." *Staff post-hearing Br. At p. 59.* This statement is quite curious for it is Staff who has not offered any cogent reasons either supporting or refuting the Energy Project's proposal.

In its brief, Staff points out that the AVISTA funding level was established through an uncontested tariff filing and subsequently changed as a result of settlement

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<sup>1</sup> The "three approaches" referred to include 1) the Company's proposal of 0.29%, AVISTA's funding level of 0.41% and 3) PSE's level of 0.64%.

proceedings. Staff doesn't even mention why PSE's level of funding is not relevant for consideration.

It is confounding why the fact that AVISTA's funding level was established through an uncontested tariff filing has any bearing on the appropriate amount of PacifiCorp's funding level. Again, no party to this proceeding contested the Energy Project's proposal until Staff's eleventh hour protestation.

Contrary to Staff's erroneous assertion, the Energy Project offered numerous "cogent" reasons why PacifiCorp's level of funding should be more or less in parity with those of AVISTA and PSE. As stated in the Energy Project's Post-Hearing Brief, 83 public comments were received in this case, the majority of which support an increase to PacifiCorp's low-income bill payment assistance funding. *The Energy Project's Post-Hearing Brief at p. 4.*

Another "cogent" reason offered by the Energy Project for its proposal is that since the year 2000 when PacifiCorp's LIBA program was implemented, there have been numerous rate increases, but absolutely no increase to LIBA funding. Low-income ratepayers who are on the margin of their capability to pay their utility bills have had to forego other of life's necessities to pay these increases without any commensurate increase in the level of assistance to them. *Direct Testimony of Charles Eberdt, Exh. CME-1T, p. 2.*

Another cogent reason is that there simply **is no reason** why the funding levels of the three utilities should not be in relative parity. The Energy Project respectfully submits that it is Staff who should have to prove at this late hour why parity is not a desirable objective. Staff offers no such proof.

A fourth reason for the Energy Project’s proposal is the evidence offered by Mr. Eberdt in his undisputed, direct testimony and exhibits that PacifiCorp serves some of Washington’s poorest counties and that the Company’s “poverty population” is increasing. PacifiCorp is one of Washington’s largest investor-owned electric suppliers. As such, a meaningful increase to the Company’s LIBA program will have far-reaching effect in assisting the poor. *See, the Energy Project’s Post-Hearing Br. At p. 3, Direct Testimony of Charles Eberdt, Exh. CME-1T, pp. 2-4.*

A fifth cogent reason is the undisputed factual evidence provided by Mr. Eberdt that there is an ever-widening gap between the needs of PacifiCorp’s impoverished customers and the resources available to assist those customers. *Direct Testimony of Charles Eberdt, Exh. CME-1T, pp. 4-5.*

A sixth reason is that no party, including Staff, has asserted, let alone provided any factual evidence, that an increase of 30 cents or even 50 cents per month on the average residential customer’s bill is not fair, just and reasonable.

Finally, perhaps the most compelling reason of all, is the very fact that PacifiCorp states that it will “support” a funding level equal to that of either AVISTA or PSE. Oddly, only the Staff opposes this and offers absolutely no reason why. Regardless whether this Commission has the legal authority to mandate any particular funding level, the Company has made it very clear that it is looking to the Commission for guidance, and will support, a level of funding consistent with the range of AVISTA and PSE.

With all due respect, Staff’s objections are untimely, unwarranted, and without a shred of factual or policy basis or reasoning. The Energy Project respectfully requests that this Commission provide PacifiCorp with the guidance it seeks and, for all of the

reasons stated above, recommend to the Company and authorize the recovery of a level of funding on a par with AVISTA and PSE.

RESPECTFULLY SUBMITTED, this 7<sup>th</sup> day of May, 2007.

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Brad M. Purdy