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BEFORE THE WASHINGTON STATE
UTILITIES AND AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)
Complainant,)
v.) Docket Nos. UE-140762
PACIFIC POWER & LIGHT) and UE-140617
COMPANY,) (Consolidated)
Respondent.)
)

PUBLIC HEARING - VOLUME II
PAGES 28-72
CHAIRMAN DAVID DANNER

September 25, 2014
6:00 p.m. - 7:30 p.m.
Washington Utilities and Transportation Commission
129 North Second Street
Yakima City Council Chambers
Yakima, Washington

Jori L. Moore, CCR, RPR

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A P P E A R A N C E S

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COMMISSIONERS: David Danner, Chairman

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Jeffrey D. Goltz, Commissioner

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1300 S. Evergreen Park Drive SW

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Olympia, Washington 98504-7250

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Also Present: Simon Fitch, Office of Public Counsel

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Patrick Oshi, AAG

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Roger Kouchi, UTC regulatory staff

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1 YAKIMA, WASHINGTON; SEPTEMBER 25, 2013

2 6:00 P.M.

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4 P R O C E E D I N G

5 CHAIRMAN DANNER: Good evening. All right.

6 Good evening. We are here tonight to hear the views
7 of the public on a request by Pacific Power to
8 increase electricity rates in its Washington service
9 territory. This is the Utilities and Transportation
10 Commission Public Hearing on docket number UE140762.

11 My name is Dave Danner and I'm the chair of the
12 Washington Utilities and Transportation Commission and
13 with me tonight is Commissioner Jeffrey Goltz. We are
14 two of the three members of the utilities and
15 transportation commission. Our other colleague
16 Phillip Jones can't be here tonight but he will review
17 the transcript of the hearing so that he has the
18 benefit of the views that are shared here tonight.

19 I want to summarize the rate request that
20 Pacific Power has made. In May 2014, PacifiCorp filed
21 a request with the Washington Utilities Transportation
22 Commission to increase its annual electric rates by
23 \$27.2 million. The Company's request would raise the
24 monthly electric bill of the average residential
25 customer by \$10.92 or about 9.5 percent, and would

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1 increase the basic customer charge from \$7.75 to \$14.
2 In addition, PacifiCorp has requested recovery of an
3 additional \$6.6 million for deferred accounting items,
4 which would add to the total customer impact.

5 PacifiCorp's rate request states that the
6 increase is needed to cover costs for investments in
7 its electrical system; increased power costs, which
8 includes a proposal to allocate costs for purchasing
9 power from Oregon and California power generators to
10 Washington customers; as well as increased operation,
11 maintenance and administrative costs; and increased
12 shareholder profit margin.

13 So with that I want to say that the UTC sets
14 rates through a formal hearing process and it is not
15 unlike a proceeding in civil court where the
16 commissioners will sit as judges, the Company is a
17 party to the case as is the commissioner's regulatory
18 staff, who act as an independent party and the
19 Attorney General's Office of Public Counsel. Other
20 parties, often industrial customers or environmental
21 groups or other groups often intervene in these cases
22 as well.

23 We have a video, which, Mr. Kouchi, would you
24 like to show that, that's going to describe our
25 process before we get started here tonight.

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1 (Video played.)

2 CHAIRMAN DANNER: Thank you very much for
3 playing that video. There is information in the lobby
4 that is provided both by the Company and by the Office
5 of Public Counsel representing the interests of the
6 public. And so anyone here should avail themselves of
7 that information if you have not already. I just want
8 to note that the video did mention that tonight we're
9 looking at electric and natural gas. In fact,
10 PacifiCorp is not a natural gas utility in the state
11 of Washington, so we are only looking at electric
12 service tonight, so just to clarify that. All right.

13 So at this point we have several people signed
14 up to provide comments tonight. And what we would
15 like to do is because this is part of our formal
16 proceeding, we will need to swear you in, and so in
17 the interest of efficiency Commissioner Goltz would
18 like to -- we decided we would do this at one time for
19 everybody. If you're here tonight intending to
20 provide comment we would ask that you stand if you can
21 and Commissioner Goltz will administer the oath.

22 (Commissioner Goltz swears in public speakers.)

23 CHAIRMAN DANNER: We will begin tonight
24 just at the top of the list. Robert Calvert, would
25 you come forward. Mr. Calvert, are you a customer of

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1 Pacific Power?

2 MR. CALVERT: I am.

3 CHAIRMAN DANNER: Please proceed.

4 MR. CALVERT: I'd like to thank you first
5 for having this meeting to speak to you. I have a
6 question and maybe you can't answer that. The
7 Utilities and Transportation Committee reviewed
8 financial documentation of Pacific Power to ensure the
9 request is a fair and reasonable amount to be raised.
10 I'd like to know for my information what was the net
11 income for either 2013 or what has been so far in
12 2014?

13 CHAIRMAN DANNER: All right. That is a
14 question I would refer to the Company or to public
15 counsel. I actually had some speaking notes tonight
16 that I didn't turn to that basically say we're here to
17 listen tonight so we won't be providing answers to
18 questions. So I would refer those to the Company or
19 to public counsel who are here tonight.

20 MR. CALVERT: All right. Well, I really
21 hope that they can show -- I hope they have shown to
22 you that the net income is not greater than what it
23 should be, that's my main concern. And I also see
24 often increases are justified like last year receiving
25 a 5.5 when they requested a 14.1. In 2012 Pacific

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1 Power asked for a 4.3 and received a 1.5. Granted,
2 the board two years ago I believe granted zero, if I'm
3 not mistaken.

4 CHAIRMAN DANNER: By the board you mean the
5 Commission?

6 MR. CALVERT: The Commission, excuse me.
7 I'm sorry, the Commission. I believe two years ago it
8 was zero. I could be mistaken. But to me I see a
9 pattern, they throw up a number, no matter what it is,
10 and then the Commission they pick a number somewhere
11 hopefully that's justified for us, the consumer, but I
12 see it is like a person on a farm, you throw mud on a
13 wall and see how it sticks. And kind of seems to me
14 that this happens year after year that they throw a
15 number at the Commission, the Commission goes through
16 all the information they have and there's a number
17 that is brought up. I have yet to see it, hopefully I
18 never see in any lifetime, the actual percent that
19 they really ask for because like any other business
20 you're going to ask for more than what you really need
21 in my opinion. And it said in the newspaper the
22 company cannot justify a required rate hike. The
23 Commission can support a smaller increase or reject
24 it. I find that kind of hard because if it can't be
25 justified it has to be rejected. Why would you give

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1 an increase when it can't be justified? That's in my
2 opinion.

3 Also, in the newspaper it said Pacific Power
4 requires increases with the statement to maintain the
5 financial integrity of the company. I find that good
6 but the taxpayers and us, the small people, what I say
7 is small people, we don't make a lot of money in this
8 world anymore. And every increase is a bad increase.
9 Some people I have seen come in here in recent years
10 not dressed very well, they can't dress very well,
11 they don't eat well, because they can't, they got to
12 pay the bill or eat. Pay their meds or eat. To me
13 the small guy seems to be catching the bottom line
14 every time. And I don't think there's any way I can
15 -- you can explain that to me.

16 I do have one more big item for me, is I
17 understand Mr. Buffett is the owner or affiliate to or
18 however you want to say it, and my biggest concern as
19 soon as I heard this a long time ago, he's also the
20 man that put up \$1 billion for an NCAA basketball
21 tournament to -- for anyone that could pick every
22 bracket, which would have been a great thing anyway,
23 to pick every bracket and the person would win \$1
24 billion. Number one, that's either gall to me that he
25 wants to show how much money he has, which I think the

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1 government has supplied him with a lot of input with
2 money due to the fact he owns half the railroads or
3 all the railroads and a lot of the other companies
4 that the government has subsidized for him to get
5 into. It just really, really bothers me that the
6 small person has to pay when a person like this gives
7 up a billion dollars for an NCAA tournament, which
8 doesn't mean anything to anybody but apparently him.
9 I'll end with that because if anybody needs a pay
10 raise it sure as heck isn't his company. I understand
11 there's other companies, but also, I think just for
12 conclusion I think there should be a zero rate
13 increase for the year. Thank you very much. Thank
14 you for your time.

15 CHAIRMAN DANNER: All right. Thank you,
16 Mr. Calvert.

17 Sharon Baze, can you come forward, please?

18 MS. BAZE: I made some notes this time, the
19 last time I rambled on forever.

20 CHAIRMAN DANNER: Ms. Baze, you are a
21 customer?

22 MS. BAZE: Yes. I'm going to give you just
23 a little rundown of my house, I did this two or three
24 years ago. It is a 1,200 foot, two bedroom, bath and
25 a half house. My light bills are horrendous. When we

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1 first bought it in 2003 we put in a refrigerator,
2 dishwasher, stove top and new windows. Then in 2006
3 my husband passed away and he had planned on putting
4 siding on in 2007 so I did that. Added fans to the
5 ceilings because I have ceiling heat and I do not have
6 any way to get the heat down except it is there, so I
7 put fans in the ceiling. A new oven in 2012. It is
8 just -- all new thermostats this last year because the
9 bill is just going higher and higher and higher. When
10 I first started with them the 12-month average was
11 \$94.79 a month, then it jumped to 112, then it jumped
12 to 124. And it just kept jumping. So I tried to the
13 -- I started my equal payment plan. Low and behold it
14 jumped from 124 that I was paying to 176. And then it
15 would drop to 164. And then when I got the new oven
16 in oh, my, there's 146. It just -- everything's
17 bouncing around. And I have called them and I've
18 asked them, you know, what could be the problem.
19 Well, they came out and checked a couple of times,
20 couldn't find a problem. Then one year, and I think
21 that was in 2000 -- 2012, my light bill went
22 skyrocketing, for about four months it was just
23 unreal. Well, I have a well and a friend of mine
24 found the problem, one of the pipes had broke from the
25 well to the house. Got that fixed. But there's no

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1 reason for \$170 a month on a two bedroom house that
2 has its own well. No air conditioning. There's
3 nothing -- and everything practically is new in there.
4 And they say energy saving. Well, that's a joke. And
5 then from the time that I started checking this out
6 from 2004, that was our first full year there, we paid
7 an average of \$94 a month. Now I pay 170, that's
8 double almost. \$75 a month more then when we moved in
9 there. And everything is new, new siding. It is just
10 I don't know if it is all these raises. I really -- I
11 really don't know. And then they send out these
12 little pamphlet things that compare info from other
13 people with houses like yours. And I kept getting
14 those and God, it -- they had nothing -- mine's way up
15 here. So I called them and I said, how can you
16 compare my house with somebody else in this area?
17 Well, we don't do it that way. We might be doing it
18 your house and then a house 100 miles away. It is a
19 two bedroom. Well, 200 miles is different country,
20 you know. What do they have to heat with? And the
21 heating thing here is a problem because in our Yakima
22 Valley two-thirds of the winter you can't burn wood or
23 you get a \$500 fine. So last year I couldn't even
24 start my fireplace up. Every time I think I'd do it
25 they'd say no, we're banned. It is got a -- it --

0039

1 whatever that is they call it. Anyway, so I have got
2 a fireplace that could probably help with my light
3 bill but I can't use it in the winter when I need it.
4 Now, there was a couple of other little things here.
5 We have two city utility taxes on our light bill. I
6 have never understood that except for block one and
7 two or whatever. When we first started in 2003 the
8 basic charge was 4.50, it is now 7.75. The first 600
9 kilowatts back then was 26.48, now they're 38.89.
10 Everything on our bill goes up from kilowatts to
11 whatever. So I was talking to somebody and you guys
12 are from the Puget Sound so you will probably be
13 familiar with this. I was talking to a cousin that
14 moved over here and she had an old double wide mobile
15 home and she was on Puget Sound Energy, they came and
16 gave them when they wanted those little new light
17 bulbs put in, everybody was supposed to do it, they
18 brought light bulbs for every room in the house free,
19 they checked her heat vents, if it needed caulking she
20 got it. We don't get anything like that from Pacific
21 Power. So if this little company can do all that why
22 do we have to pay more and more and more every single
23 -- almost every single year to Mr. Buffett? I just
24 don't know. I tried the new spiral bulbs, supposed to
25 last seven years, it caused a fire in my bathroom. I

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1 took it up to the fire department, left it there,
2 stunk the house up, I had to open the doors, it was
3 early in the morning, had to open all the doors in the
4 winter, let it air out. And I called the hazard
5 person here in town when his office opened and told
6 him what had happened. He wanted to know what the
7 company name was. I said, I don't know, the light
8 bulb's at that fire station. He says, I want to know
9 because one started a fire in my house and burned his
10 garage down. So they want us to use those but I'm not
11 using them. I don't know if that's what's making my
12 bill so big but it is just outrageous. I think that's
13 about it. Just keeps going up. But all this new
14 stuff I put in to try to bring it down and it didn't
15 work.

16 CHAIRMAN DANNER: All right. Ms. Baze,
17 thank you very much for coming and sharing your
18 comments. I will note that there are representatives
19 from the company here tonight and I would encourage
20 you to again approach them with some of these
21 concerns. We also have a consumer office at the UTC
22 and if you have a problem or a question about your
23 bill you should call our consumer office. And the
24 number there is 1-888-333-WUTC. You might also ask
25 Mr. Kouchi, who is I believe -- there he is, and he

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1 can help put you in touch with somebody from our
2 office. So thank you very much again for your
3 comments.

4 Valorie Nesary-Bazard.

5 MS. NESARY-BAZARD: Nesary-Bazard, it is a
6 hard one.

7 CHAIRMAN DANNER: Yes. Would you spell
8 your name for the court reporter's benefit?

9 MS. NESARY-BAZARD: First name
10 V-a-l-o-r-i-e, last name Nesary, N-e-s-a-r-y hyphen
11 Bazard, B-a-z-a-r-d.

12 CHAIRMAN DANNER: Thank you. And you're a
13 customer of?

14 MS. NESARY-BAZARD: I am a customer. I
15 didn't know quite how this worked so I didn't come
16 with notes or I didn't come with a lot of information
17 written down, numbers, so forth and so on like so many
18 of the people here have.

19 I would just like to primarily ask you a
20 question and state that I'm on a really low income. I
21 was disabled. I had a heart attack when I was 45
22 years old, September 22nd was my birthday. I just
23 turned 61. And I promised myself that I was going to
24 get involved in some things and hopefully maybe try
25 and make some changes or facilitate changes. Being a

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1 very low income person I'm just wondering why the
2 amount and percentages that we pay are more than
3 corporations who are multimillion, multibillion
4 corporations pay? And why can't those numbers be
5 reversed so maybe they absorb more of the cost than
6 the consumer does? Especially the low income, the
7 disabled or students or people that are financially
8 compromised at this particular time in their life like
9 I am. Living on a really low income I am one of those
10 persons that needs to make a choice between how much
11 food I'm going to buy, how much medicine I'm going to
12 buy, or whether I'm going to make all of my bills this
13 month. And that's for somebody that has worked all of
14 their life and who has just gone through the
15 disability process and seeing how morally and just
16 emotionally compromising it can be. It is a hard
17 thing to go through. But why -- I don't understand
18 why people like me need to be put in positions where
19 they have to choose between their health, food and
20 paying their electric bill or their gas bill when
21 they're doing everything that the company has
22 suggested. Prior to my buying my place one of the
23 reasons that I bought it is because it had gone
24 through the energy upgrade, which is fantastic, the
25 windows, the new water, hot water heater, the new

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1 stove like you have and everything, so my place is new
2 too. I lived in a Olympia, my husband works --
3 ex-husband works for -- he's the motor pool fleet
4 manager for the state of Washington and we lived out
5 in about a 3,000 square foot house and our average
6 electric bill in Olympia was \$140 a month average.
7 Now here I live in a little three bedroom mobile home
8 with two bathrooms and my bill that I now pay in
9 monthly installments so they're all the same is \$146.
10 And that's only been a 10-year difference. I don't
11 understand how something that is triple the space
12 could have a lower electric bill than what I'm living
13 in now. I just don't understand it. And my question
14 -- my comment to you is please have a heart for us.
15 Please have a heart for people that are struggling to
16 live a quality life. And I know it is important for
17 corporations to make money, I know it is important for
18 people to be able to go to their stockholders and say
19 hey, this is what I'm getting you. This is what we're
20 earning. But not at the expense of people that can't
21 afford it. There's got to be another way. Thank you.

22 CHAIRMAN DANNER: Thank you very much for
23 your comments.

24 John Klingele. Did I pronounce that right?

25 MR. KLINGELE: Close.

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1 CHAIRMAN DANNER: Is there room for you to
2 get behind the podium there?

3 MR. KLINGELE: Oh, yeah. Yep, got my light
4 bill today. When I accessed the utilities commission
5 website I noticed how many people had submitted
6 testimony and one of the things I noticed was a
7 revised procedures schedule. And one of the things
8 attached to that was a docket filing matrix with over
9 five dozen issues in this case and space for comments
10 for commission, staff, public counsel, Boise Cascade,
11 the energy project, the Alliance for Solar Choice and
12 Wal-Mart who are all now parties to this case. It
13 will be interesting to see how much they comment on
14 each one, my bet is they will tend to comment on just
15 a few at a time. One of the things I also downloaded
16 was the tariffs that are being proposed. And for
17 those on low income I think they need to check to see
18 if they'll qualify for schedule 17 instead of the
19 usual schedule 16 residential rate because it does
20 provide substantial discounts. But one of the things
21 I really object to on these new schedules is how much
22 detail they have gotten into that's worthless. For
23 instance, instead of just giving your basic charging
24 energy charge, it is divided out into distribution
25 transmission, generation non NPC, generation non --

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1 NPC. And when I called the company yesterday I had to
2 ask what's NPC because I found it in no place among
3 the tariffs. And I found it is net power costs. How
4 about putting it in there so we can find out what it
5 is all about? I object to having this much breakdown
6 because one would expect to have some interest in why
7 it is broken down. I don't know of anybody that
8 really wants their bill broken down into a gillion
9 pieces so they can look at it. And I still haven't
10 found out yet and I asked the company what generation
11 non NPC includes. And I suspect no one in the
12 residential class is going to want to get a copy of
13 the study that comes up with these rate schedules and
14 how it is divided up because that's hundreds of pages.
15 So I would ask that first that the rate schedules be
16 simplified back to where they have been and not all
17 these numbers that you can't find out what they're
18 about because your customers aren't going to be
19 accountants, that's what you have staff for. And I
20 know that they have to go through deep papers to go
21 through all the accounting that Pacific has to do to
22 meet their requirements in six different states.

23 I'm glad we were able to provide you a little
24 bit of sunshine today. One of the things that I
25 notice is solar interest is involved in this case.

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1 And I think we have a nice prime state for solar
2 collectors just across the river from the River Road
3 substation. It would be convenient to have a large
4 one there. And I think that it would be prudent for
5 Pacific to provide either an option on the land
6 because it's not worthwhile for building a house, it
7 is too steep, you can't put roads there. I think that
8 would be an interesting place is to have a south
9 facing exposure. That would be a prime use for that
10 particular piece of property since it is over a mile
11 long and hundreds of feet tall for a slope.

12 In the last couple years Pacific Power has
13 replaced some of its 115,000 volt lines and poles in
14 the area. They need to do that to meet the FERC
15 requirements and there are some others I'd like to see
16 done also to increase their opportunity for
17 reliability.

18 One of the things we have trouble with is our
19 power is too reliable. We don't get the opportunity
20 to find out how bad it can be if we have some really
21 bad storms and so we take electricity for granted.
22 It does sound weird but we do take it for granted.
23 But it also means the company isn't spending lots of
24 money importing a lot of folks and equipment to repair
25 their system. I like to see their system upgraded as

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1 necessary and I hope before you leave you stop by the
2 Union Gap substation and see the new transformers that
3 are being installed there and the new equipment that's
4 being installed because we're going to be paying for
5 it. And it is very overdo because the equipment
6 that's been in that substation dates back into the
7 '20s. So that would be will be a nice upgrade.
8 Thank you for coming. And there's lots of issues I
9 take up with the company on a regular basis. They
10 know me well locally and in Portland and so I try to
11 put my oar in whenever I can and keep informed. It is
12 not easy, takes a lot of time and money but it is
13 worth it and I appreciate your work and your staff
14 that shows up at the IRP meetings because for a number
15 of years they didn't show up so I appreciate having
16 the staff there even though I don't get to talk to
17 them very much because we're so busy with the agenda.
18 But thank you very much. And enjoy a little bit of
19 sunshine before you have to go to Walla Walla where I
20 hear it's supposed to rain tomorrow.

21 CHAIRMAN DANNER: All right. Thank you
22 very much, Mr. Klingele.

23 John Tierney. Come forward. Good evening.

24 MR. TIERNEY: I am a customer of
25 PacifiCorp. I reside in Selah. And I have

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1 experienced the outages. We had three in the last
2 year because of European doves. And I know that
3 PacifiCorp had to make substantial modifications to
4 the substation in Selah and we do appreciate the fact
5 that they did do that. However, I am very concerned
6 about PacifiCorp's request for a 9.5 percent rate
7 increase. As previous people have testified, it seems
8 like, you know, throwing mud on the wall and trying to
9 get something to stick. And if you put an aggregate on
10 the rate increase request, they asked for a little
11 better than 14 percent a couple years ago, they got
12 five percent, now they're back to another 9.5 percent.
13 Gee, that adds up to a little better than 14 percent.
14 I think they know how the game is played.

15 The corporation started a conservation program
16 in 2010 and many of us in this room did everything we
17 could to comply with the needs of PacifiCorp in
18 conserving power. And as a result of those efforts
19 the customers of PacifiCorp saved 49,782 megawatts,
20 which amounts to --

21 CHAIRMAN DANNER: What was that number
22 again?

23 MR. TIERNEY: 49,782 megawatts. That's
24 from their web page. And that's enough to serve 3,000
25 houses for one year. We do that with the thought in

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1 mind of saving energy and saving the costs of our
2 electrical energy in our own homes. But because we do
3 that we then get kicked in the behind by PacifiCorp,
4 they say we need more return for our stockholders.
5 And it is a vicious circle. We'd all be better off I
6 think if we threw all the C and C bulbs and went back
7 to the incandescent and said, you know, we'll eat the
8 power costs the way they are.

9 I just feel like we're being beat up every time
10 we turn around. This isn't the first time I've
11 testified against a rate increase of PacifiCorp or
12 other utilities. I am on a fixed income. I am an old
13 geezer. I'm not in poverty by any means but I don't
14 get a 9.5 percent rate increase this year on my
15 pension. I don't get a 9.5 percent rate increase on
16 my social security. And what I do get in social
17 security they'll take away for medical care. So
18 there's no -- there's no additional return for me or
19 others like me in this community to absorb that 9.5
20 percent. If I get a small percentage increase, let's
21 say a two or three percent on a retirement, that's
22 nowhere near going to cover what PacifiCorp is going
23 to ask for. That 9.5 percent \$14 a month, you know,
24 it eats you up. And then other utilities come in and
25 the same thing, city pass utility taxes, everything

0050

1 goes up. The rate increase doesn't include the
2 increase that the utility tax goes up correspondingly.
3 I guess the thing that I look at is that growing up I
4 had a very wise individual tell me don't invest in the
5 stock market any more than you can afford to lose.
6 There are no guarantees on return of your investment.
7 You can lose money in the stock market. Some of us in
8 this room probably have. So whoever the stockholders
9 are for PacifiCorp shouldn't have a guaranteed return
10 on their investment. It should be a role the dice
11 just like it is for everybody else in any other
12 endeavor investing in the market. And I hate the
13 thought of giving somebody no risk on their
14 investment.

15 I guess the final thing that I would like to say
16 is that I really don't feel that PacifiCorp deserves
17 an additional increase of 9.5 percent. I know because
18 they're throwing the mud on the wall and they're
19 expecting something to stick. They will get
20 something. But I think it should be a miniscule
21 amount in comparison to what the general rate of
22 inflation has been. You can base it on the Puget
23 Sound consumer price index, which isn't any more than
24 two, two and a half percent, anything more than that I
25 think that would be unfair to the rate payers, not

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1 only here in Washington but in other states. The
2 other thing that I would ask is that any rate
3 increases that are given by the Washington Utilities
4 and Transportation Commission to PacifiCorp that those
5 monies only be spent within the confines of the state
6 of Washington and not utilized to improve
7 infrastructure in states like Wyoming, Utah, which are
8 part of the Rocky Mountain group of PacifiCorp. It
9 would be very unfair for our dollars to go to deal
10 with their rate problems down there rather than being
11 utilized specifically here in the state of Washington.
12 So thank you, gentlemen.

13 CHAIRMAN DANNER: All right. Thank you
14 very much, Mr. Tierney, for your comments. All right.
15 Evelyn Duim.

16 MS. DUIM: Well, thank you for this
17 opportunity to speak. Yes, I am a PacifiCorp
18 customer. I have been for at least -- well, as soon
19 as they became PacifiCorp we were already -- what was
20 it? PPNL, Pacific Power and Light, is this the same
21 thing or is it different?

22 CHAIRMAN DANNER: That's the same.

23 MS. DUIM: I think they were bought by
24 China or something. Anyway. A few years ago. I
25 don't really have anything additional to add because

0052

1 these folks have said it so well. But I would like to
2 say that of course we're on a fixed income as well.
3 I'm not just concerned about us old folks that are on,
4 you know, a fixed income. I'm concerned about our
5 young people. Our young people are having a terrible
6 time today. I mean, there's not jobs. They're saying
7 there's jobs, more jobs. Well, why do you see so many
8 young people that don't have jobs and that can't get
9 jobs and that can't even be on unemployment any longer
10 because they have been out of work for so long? You
11 know, it is just, you know, I'm really concerned about
12 our young people, our children and our grandchildren
13 and if these rates keep going up a lot of these kids
14 can't even afford to have their own place much less
15 pay for the electricity and other things that they
16 have to pay, the taxes, to keep them up. So they're
17 living at home with their folks and they don't want to
18 do that the rest of their lives. But looks like some
19 of them are going to. I don't really have anything
20 else to add because Mr. Tierney said it so well. Mr.
21 Calvert said it so well. So did Valorie and Ms. Baze.
22 I'm concerned about these folks as well that are
23 disabled. I'm 80 years old. I'm thankful that I'm
24 not disabled. I'm very thankful that I can still do
25 my daily chores but it gets harder and harder to pay

0053

1 these 9.5 rate increase. That's just way too high
2 plus the basic cost almost doubling. Why can't we
3 just have the basic cost doubling and forget about the
4 9.5 percent rate increase? I think that maybe one
5 percent, maybe, I don't know, plus the basic cost.
6 Anyway, nobody gets raises like that except our
7 politicians perhaps. Well, anyway. Thank you.

8 CHAIRMAN DANNER: All right. Thank you
9 very much for your comments. Mr. W.F. Hendrix. Good
10 evening.

11 MR. HENDRIX: Good evening. Thanks for
12 coming to Yakima. Welcome to Yakima. I wanted -- I
13 don't think there should be a 9 percent increase. I
14 would think -- actually, I don't think there should be
15 an increase at all. I wanted to tell you a little
16 story. I was -- several years ago I was home for
17 lunch for some reason and flipped on the TV and Warren
18 Buffett was being interviewed by Neil Cavuto and it
19 was right after he purchased PPNL basically and so it
20 attracted my attention and so I was changing my boots
21 and was listening and Mr. Buffett said -- well, Neil
22 said, why in the heck would you buy PPNL? And Mr.
23 Buffett says because we have plans to increase our
24 power rates to customers eight percent per year until
25 2042. And I kind of go, what? And he says these low

0054

1 rates that the Pacific Northwest has because of
2 hydropower are just not fair, they're not fair to the
3 rest of the country. Think of New York City how
4 expensive their rates are. And I'm kind of -- I'm
5 just going, I can't believe what I'm hearing. That
6 eight percent figure I promptly thought, you know, my
7 savings account isn't making eight percent so that
8 caused me actually to put in solar panels. And I
9 don't pay an electrical bill to PPNL anymore except
10 they do charge me the \$7 and some odd to read my
11 electronic meter as they drive down the road each
12 month. And now they went to upgrade that to \$14.
13 They in approximately an hour in my neighborhood they
14 get about 2,000 readings and all they do is buzz down
15 the road. So I think \$14, I realize what it is for
16 and I'm being a little facetious on this but when you
17 have an electronic reader I really do think that's a
18 little bit steep. He also -- Cavuto, back to Cavuto
19 and Mr. Buffett, he did mention that there were
20 limitations. I think he was speaking about you guys
21 on what could be charged but he said it had to do with
22 the value of investments. But he did say that those
23 could be manipulated by accountants. And I can't
24 remember the exact figure but he says a figure like
25 adding five cents to the value of a power pole

0055

1 throughout the country throughout the service area
2 that would make the value of PPNL more and the return
3 on investment would have to be more. So I don't think
4 the rates should be raised. I think they have been
5 raised enough over the last couple of years. I don't
6 like the \$14 for reading my meter. And I don't like
7 the methods designed to get back the lost revenue for
8 solar producers. I'm really concerned. I own -- I'm
9 a PPNL customer, I also have properties in other areas
10 they aren't going up near as much as PPNL's. I'm
11 really worried about low income people, fixed income
12 people and irrigated agriculture. 50 percent of our
13 agricultural costs of production right now often are
14 your power bill. And I would, you know, in the future
15 I do think a lot of the irrigated agriculture will
16 start putting in solar panels and engineer them so
17 that when they're off of power in October through May
18 they can -- use that meter. And I think that's a huge
19 investment and it is going to create more and more
20 people to get into it but it also causes this circle
21 that PPNL is trying to do to get back at the people
22 that actually aren't using any power but are using
23 lines to transmit. So it is kind of a -- they're
24 creating their own problem. I guess I have always
25 been a little bit upset with the amount that goes to

0056

1 Fish and Wildlife from our power bills in the Pacific
2 Northwest too. In some of the cases 35 cents per
3 dollar and I think it is very very high. And a lot of
4 people don't even know that that's going on. But
5 anyhow, I'm not in favor of it. And thank you for
6 coming. I really appreciate you coming and giving me
7 the opportunity to talk to you.

8 CHAIRMAN DANNER: Mr. Hendrix, thank you
9 very much for your comments tonight. I appreciate it.

10 Okay. I'm not sure I can read this but I'm
11 going to try. Frances Fuesner. Thank you. Is that
12 F-e-u-s-n-e-r?

13 MS. FUESNER: Yes. I'm going to give you a
14 letter that's from my mom, she wanted to be here too.
15 She's also German, Snyder.

16 COMMISSIONER GOLTZ: I'm German too.

17 MS. FUESNER: You understand the spellings.
18 And she would be here except she had unexpected
19 company. In fact, she was planning on it. She had
20 unexpected company so she wrote out this letter, which
21 she's a real good typist, there's a few typos. I
22 imagine she was in hurry so that is why. So I'm going
23 to read it to you.

24 I was -- I am unable to -- this is from Louise
25 Snyder in Selah -- Wenas -- Selah, Washington. And

0057

1 I'm Frances Fuesner and I'm from Selah, Washington in
2 the Wenas.

3 "I'm unable to attend the meeting this evening
4 but I wish to express my disfavor in the proposed rate
5 increase of Pacific Power. This seems to be an annual
6 proposal because I believe I was just here last year.
7 I was unable to -- I was attending a similar meeting
8 testifying against the proposal. I'm not sure if it
9 was last year or two years ago. But it seems to me
10 that Pacific Power should look to economize the
11 operation of their company and not continually seek
12 funds from her customers. Most big companies do just
13 that because they have competition and need to be
14 competitive. Customers of Pacific Power have no other
15 place to seek electricity, a much needed commodity."
16 Perhaps we should go solar like Frank. Yakima County
17 is ideal for such a solution. We have lots of sun.
18 And I also as well as her are not in favor of the 9 --
19 the huge 9.5 rate increase. I call that a huge
20 increase. We're both on fixed incomes as we are both
21 widows. And I am also a fan of Dave Ramsay. I don't
22 know if you've heard of Dave Ramsay, the financial
23 piece, whose written books and has a nightly radio
24 show. And I'm a fan of Dave Ramsay whose nationally
25 known and he could trim your company right up real

0058

1 quick. And he would teach you how to work with a
2 budget and stay on a budget and operate on a budget.
3 And I know I have to do that. I'm on a fixed income
4 and so I really appreciate you, you know, working on a
5 budget and operating on a budget and not having an
6 increase. I really don't think -- we just had an
7 increase. Like she said, we were just here. And I
8 really appreciate you trying to economize as best you
9 can without having an increase. Thank you.

10 CHAIRMAN DANNER: Thank you. All right.
11 Thank you very much for your comments and for getting
12 Ms. Snyder's letter into the record here tonight.

13 COMMISSIONER GOLTZ: Do you have an extra
14 copy of that letter? Could you give one to Mr. Kouchi
15 who will make sure it gets into the written record?

16 CHAIRMAN DANNER: All right. Thank you.
17 Melvin Bennett, you're not sure whether you want to
18 make comments here tonight? Are you here? Would you
19 like to say anything?

20 MR. BENNETT: No. Thank you.

21 CHAIRMAN DANNER: Okay. Larry Gerand,
22 would you like to come forward?

23 MR. GERAND: Just real quick. Frank is my
24 neighbor. Good to see him here. Like him I have
25 solar panels. I don't have as many. I wish I did.

0059

1 But most everybody's comments here tonight have
2 covered the issues very well. And so I just want to
3 say that I am totally against this kind of increase.
4 It is way too much of an increase. You know, it is
5 more than I want to pay and I don't for the life of me
6 when they changed over to digital meters that's
7 supposed to save them so much money and now they want
8 to raise it and part of the reason supposedly is, you
9 know, it costs money to read those. They're digital
10 and like Frank eluded to, they drive by and they have
11 got their reading. I mean, it's a no-brainer. They
12 don't have to get out of their rig like they used to.
13 (Unidentified speaker speaking.)

14 CHAIRMAN DANNER: Okay. Let's -- we're
15 going to have to --

16 MR. GERAND: So anyway, my basic stance is
17 is I'm against this. It is way too high of an
18 increase. My mother lives here as well, she's on a
19 fixed income like many, many, many of these people
20 that are testifying tonight. And for those kind of
21 people that are on a fixed income it is significant,
22 severe, incredibly destructs their ability to support
23 their life. You said that there was PPNL people here.
24 I am a customer also. They're here in this room?

25 CHAIRMAN DANNER: Yes, they are.

0060

1 MR. GERAND: Okay. I would love to chat
2 with them also. Thank you.

3 CHAIRMAN DANNER: All right. Thank you
4 very much for your comments. B.J. Buchanan.

5 MS. BUCHANAN: My first name is Barbee,
6 B-a-r-b-e-e. I am a member or consumer of Pacific
7 Power. I bought my house in '92. I retired in '93
8 for the first time and I have retired three times
9 since then so I'm still working. And I'm getting
10 awful close to that 70. I'm a bean counter. I was a
11 teacher for 35 years and I did my homework and this is
12 what I found. I went back to 2005 and between 2005
13 and 2009 just the rate, I'm not looking at the whole
14 bill, just the rate because that's what we're looking
15 at, went up 12.6874 percent, 12.6874. That was a
16 four-year period of time at 12 percent. We're asking
17 for nine for one year? Between 2009 and 2014, which
18 is five years, a little bit longer, the base rate went
19 up 28.7133 percent. That's a five-year period of
20 time. That doesn't sound so bad when you look at it,
21 but when you say between 2005 and 2014, which is nine
22 years, the base went up 48 -- excuse me, 45.4 -- once
23 again, 45.0436. That's almost 50 percent in less than
24 10 years. And they're wanting another 9.5 percent.
25 Give us a break.

0061

1 I taught for 35 years. Teachers don't make
2 much. And I taught in a state where they make a whole
3 lot less than they do in Washington State, let me tell
4 you. So when I retired at \$1,200 a month for the rest
5 of my life because we don't get anything more than
6 that that doesn't give you a whole lot to live on.
7 So not that I'm not paying my bills and I can't pay my
8 bills because I do do that. But I'm not wearing three
9 to \$500 suits like I see people wearing here. My
10 whole three-piece outfit cost \$7.50 at the Goodwill
11 store. And that's where I'm economizing. I have two
12 college degrees. I have worked all my life since I
13 was 14 years old. And it seems like people who are
14 setting rates and people who are stubbling (sic) the
15 rates seem to think that there is no end to what they
16 can ask for. And what's very shortly what they're
17 going to find that there's a big end to what they can
18 ask for because people are not going to pay it. They
19 will revolt. I'm looking at solar because it is a
20 necessity. Even in town it is becoming a necessity.
21 So I really do think that Pacific Power needs to take
22 a look at what they are doing. You people and the
23 legislature need to realize that this kind of a rate
24 increase every year, year after year is unconscionable
25 for we who have to pay it. Thank you.

0062

1 CHAIRMAN DANNER: Thank you very much.

2 Lynn Kittleson.

3 MS. KITTLESON: I am a customer. I got the
4 notice in the paper about this meeting and I decided I
5 would do a little investigating of my prior bills and
6 I discovered some very interesting facts. I need to
7 know when if you are making a comment period available
8 and what is the deadline if you are making a comment
9 period because I want to send you something in
10 writing.

11 CHAIRMAN DANNER: Our comment period is
12 open. I don't know that we have established a
13 schedule.

14 COMMISSIONER GOLTZ: We have a schedule --
15 well, we have a schedule, the formal hearings on this
16 will be the first week in December. So I think if you
17 get us your comments up until the first week in
18 December.

19 MS. KITTLESON: First of December. Okay.
20 That's on the record now.

21 COMMISSIONER GOLTZ: We'll decide. We'll
22 set it right here.

23 MS. KITTLESON: Now you said also.

24 CHAIRMAN DANNER: It is on the record.
25 First week of December.

0063

1 MS. KITTLESON: First week of December.
2 Okay. Everybody heard that, right? All my witnesses
3 here. The other thing I need to ask is with regard to
4 when you will make a decision on this how long after
5 that?

6 CHAIRMAN DANNER: We are required by law --
7 well, we are required to make a decision by March, the
8 end of March of next year, so if we don't make a
9 decision then the company's request goes into effect
10 by operation of law. So we will be making a decision
11 before that date.

12 MS. KITTLESON: Okay. Okay. The reason
13 I'm asking all of this because I started -- I have got
14 all my bills way back when and I started checking them
15 and I discovered that along sometime after 1998 we
16 acquired a city tax in two separate figures but add
17 them up and they come anywhere from four to \$7 in that
18 range. And then I also discovered that sometimes
19 there's a BPA credit on our bills and the one that I
20 happen to see was about \$16 at one time and then
21 another one was \$12. Now I notice BPA is on there but
22 it is below \$5. The other thing I discovered in --
23 before 2007, which was the next year I looked at, now
24 I have to go back and pick up some more between '98
25 and 2007 to check out the figures, but I discovered

0064

1 that there was a basic charge of 600 kilowatts and
2 then there was the next charge for additional
3 kilowatts and that there were two different prices,
4 two different fees on those, which I thought was kind
5 of interesting. And then as I went further I
6 discovered that there was a charge for the basic
7 kilowatts in two separate brackets and a charge for
8 the additional kilowatts in two separate brackets.
9 Now they're back to this current one where they now
10 charge you the basic kilowatts in block one and the
11 additional kilowatts in block two. So things are
12 jumping all over the place with these figures. And so
13 that's what I want to further -- I didn't realize when
14 I started investigating that it was going to be so in
15 depth to figure out what in the heck was going on with
16 these fees. But they are too much. I know that in
17 '98 I paid about \$35 to \$40 on my bill for the summer
18 months. Now I pay \$80 to \$90 for the summer months.
19 And the winter is unbelievable. Sometimes my bills
20 are 150 and sometimes they're 225 depending on how
21 cold it is. So I really think that they don't make
22 the bills very easy to understand what's going on. I
23 was appalled when I saw all the different charges.
24 Thank you.

25 CHAIRMAN DANNER: All right. Thank you.

0065

1 And I would like to remind people and viewers on YPAC
2 tonight that if you have questions about your bills
3 you can contact the UTC, we have a consumer staff that
4 will work with the company and they'll help you
5 explain, they will help explain any questions or
6 issues you have about the bill. But thank you very
7 much for your comments tonight. That is all I have on
8 the sign-up sheet for people wishing to make comments.
9 So is there anyone here tonight that has not signed up
10 but wishes to comment on this rate case? I see a
11 hand. Would you come forward?

12 MS. CLARK: Hello. My name is Madeline
13 Clark and I have had a home here for about 10 years,
14 which was a rental, and I retired and I moved up here.
15 And when I had my house empty a few times I was paying
16 up to 400 and something dollars with my furnace turned
17 on at 57 degrees so nothing would go wrong in the
18 house when the house was empty. And through the years
19 I have paid the utilities. I'm from southern
20 California and the rates aren't anywhere near as high
21 as they are here. And I can only remember in recent
22 years in California we have only had service
23 disruption maybe once or twice. In the last five
24 years since I have been here I have had all kinds of
25 disruptions on my service and my bill is still

0066

1 enormous. My bills are almost \$400 a month. And that
2 is a lot compared to when my house was empty it was
3 only 200 and something dollars. I mean, and now
4 you're asking for a higher rate. We have too many
5 electricity outages in my neighborhood. I know we had
6 numbers of them, you know, just for a little wind
7 storm or a big wind storm and the snow and the rain,
8 we have had a lot of outages. I can count at least
9 six since I have been here, and I have been here a
10 year. And I can only remember two in California in 20
11 years. This rate increase is enormous. And I also am
12 retired and on a fixed income and I don't think this
13 rate increase is very fair. And a lot of people like
14 solar power is really great. I don't see why the
15 state of Washington doesn't train people in the
16 schools for solar power installation, they do in
17 California and in the schools. And now a lot of
18 people are getting off the grid in California and
19 going to solar power. So this is my comment. I just
20 wanted to add to it because I think this rate increase
21 is ridiculous and I'm sorry to say that. Thank you.

22 CHAIRMAN DANNER: All right. Thank you
23 very much for your comments. All right. Is there
24 anyone else here this evening who wishes to comment on
25 this rate request by Pacific Power? All right. Yes.

0067

1 MS. BUCHANAN: I have one question.
2 Because I heat with electricity I know that there's
3 block one and block two. Usually when you buy
4 quantity you get a better discount for a major
5 quantity. With Pacific Power when you go over block
6 one and you go to block two it costs you a bunch more.
7 So I think that that's something you ought to take a
8 look at too, you need people need to take a look at in
9 calculating our bill. That block one is at one rate
10 but block two for those of us who live with power
11 heat, electric heat, that goes up exponentially more.
12 And I don't know if you're aware of that but it is in
13 the winter months part of the reason that our bills
14 get so terribly high is if we were at the lower rate
15 it would help if we got a quantity discount it would
16 be lovely. God forbid. Thank you.

17 CHAIRMAN DANNER: All right. Thank you.
18 Okay. With that I think we're --

19 COMMISSIONER GOLTZ: One question.
20 Sometimes at these hearings it would be good
21 information as we did tonight, sometimes we get ideas
22 of things that we would ask in a formal hearing and I
23 -- the status of the case now in the formal side is
24 the company's filed their evidence, we have yet to
25 hear from the commission staff, public counsel and the

0068

1 parties. I would just like to request the parties at
2 least the company in their responsive testimony to
3 just maybe they can include something to address the
4 issues that several people raised regarding the costs
5 of the electronic meter reading and if those have gone
6 down over time. And how our bills cost today the
7 proposed \$14 charge.

8 CHAIRMAN DANNER: All right. Thank you.
9 So I want to state again that the commission will be
10 taking public comment through the first week of
11 December. So if anyone wants to submit comments to
12 the UTC, once again, they can do so by e-mailing them
13 to us at Comments@UTC.Wa.gov. By mail at the UTC Post
14 Office Box 47250, Olympia, Washington, 98504-7250.
15 And we will like I said be taking these comments
16 through December. We have a case in front of us now,
17 we have taken public comment, we are going through the
18 process then of we will be receiving the testimony and
19 the arguments in favor and other arguments in the next
20 month and will be preparing this matter for a hearing
21 that right now I believe is scheduled for December and
22 -- December 16th -- and then the commission will be
23 making a determination and will have to do so before
24 the end of March of 2015. So that is the status we're
25 in. If you have friends, neighbors or family who want

0069

1 to comment, again, submit those comments to us and
2 they will be made part of the record in this case.
3 And so with that Mr. Fitch if you would --

4 UNIDENTIFIED SPEAKER: Could you repeat
5 those? Are they on this sheet here?

6 CHAIRMAN DANNER: Yes, they are on the
7 sheet that was provided by public counsel. You'll see
8 them on the top right of page two or -- I'm sorry, of
9 page three. No, it is page two.

10 Yes, Mr. Tierney.

11 MR. TIERNEY: Yes, Mr. Danner, is that
12 hearing a public hearing open to the public comment or
13 is that just within the commission and Pacific Power?

14 CHAIRMAN DANNER: This is the only
15 opportunity for public comment. And of course written
16 comments will be received and be made part of the
17 record too. The proceedings are public in that
18 insofar as they have open to the public and the public
19 can attend and see our processes at work. But
20 gathering the testimony at that point will be on a
21 closed administrative record to parties that are there
22 as given intervener status or status as parties.

23 MR. TIERNEY: Thank you.

24 Mr. Fitch, did you want to add something? This
25 is Simon Fitch from the office of public counsel.

0070

1 MR. FITCH: I just want to identify myself
2 and indicate I'm from the Attorney General's Office of
3 public counsel representing customers in this case.
4 And as the chairman has indicated and we were
5 mentioned in the video, I will be around afterwards if
6 anybody would like to speak with me, I'd be happy to
7 talk with you about the case. Thank you, Mr.
8 Chairman.

9 CHAIRMAN DANNER: Thank you, Mr. Fitch. So
10 yes, you have a question.

11 UNIDENTIFIED SPEAKER: My question is just
12 about what he said. Is there going to be a notice in
13 the paper or anything to let us know when the formal
14 hearing is going to be so that we can either watch it
15 or we can -- what am I --

16 CHAIRMAN DANNER: Yes.

17 UNIDENTIFIED SPEAKER: -- attend or to
18 watch.

19 CHAIRMAN DANNER: I'm not sure if we will
20 be putting out a notice. Whether it is picked up by
21 the press is up to the press. The best way if you
22 want to find out what's happening in the case go to
23 our web site, which is www.utc.wa.gov and then you'll
24 see a place where it asks for a docket number and the
25 docket number in this case is 140 --

0071

1 UNIDENTIFIED SPEAKER: Hang on.

2 CHAIRMAN DANNER: It is actually in here.
3 It is in this information on the top left of page two.
4 140762 is the docket number. And so you can -- you
5 can see all of the testimony that's been filed, all of
6 the notices and all of the schedules.

7 UNIDENTIFIED SPEAKER: Well, if it's here
8 I'll find it.

9 CHAIRMAN DANNER: All right. Very good.
10 So if there's nothing else to come before the
11 commission tonight then we are adjourned. Thank you
12 very much.

13 (The Proceedings concluded at 7:30 p.m.)

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1 C E R T I F I C A T E

2

STATE OF WASHINGTON)

3) ss.

COUNTY OF YAKIMA)

4

5 THIS IS TO CERTIFY that I, Jori L. Moore,
6 Certified Court Reporter in and for the State of
7 Washington, residing at Yakima, reported the within
8 and foregoing testimony; said testimony being taken
9 before me as a Certified Court Reporter on the date
10 herein set forth; that the witness was first by me
11 duly sworn; that said examination was taken by me in
12 shorthand and thereafter under my supervision
13 transcribed, and that same is a full, true and correct
14 record of the testimony of said witness, including all
15 questions, answers and objections, if any, of counsel,
16 to the best of my ability.

17 I further certify that I am not a relative,
18 employee, attorney, counsel of any of the parties; nor
19 am I financially interested in the outcome of the
20 cause.

21 IN WITNESS WHEREOF, I have hereunto set my hand
22 and affixed my official seal this 10th day of
23 October, 2014.

24

25

Jori L. Moore, RPR, CCR
CCR NO. 1993