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1 BEFORE THE WASHINGTON STATE

2 UTILITIES AND AND TRANSPORTATION COMMISSION

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4 WASHINGTON UTILITIES AND )

5 TRANSPORTATION COMMISSION, )

6 Complainant, )

7 v. ) Docket Nos. UE-140762

8 PACIFIC POWER & LIGHT ) and UE-140617

9 COMPANY, ) (Consolidated)

10 Respondent. )

11 )

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13 PUBLIC HEARING - VOLUME II

14 PAGES 28-72

15 CHAIRMAN DAVID DANNER

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17 September 25, 2014

18 6:00 p.m. - 7:30 p.m.

19 Washington Utilities and Transportation Commission

20 129 North Second Street

21 Yakima City Council Chambers

22 Yakima, Washington

23

24

25 Jori L. Moore, CCR, RPR

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1 A P P E A R A N C E S

2 COMMISSIONERS: David Danner, Chairman

3 Jeffrey D. Goltz, Commissioner

4 1300 S. Evergreen Park Drive SW

5 Olympia, Washington 98504-7250

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7 Also Present: Simon Fitch, Office of Public Counsel

8 Patrick Oshi, AAG

9 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 --

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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 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 aggrate 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

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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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0072

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

Jori L. Moore, RPR, CCR

25 CCR NO. 1993