

Q. (By Michael V. Hubbard) Please state your name, occupation and business address;

A. Thomas H. Husted. I am the General manager of Columbia Rural Electric Association, Inc. which is located at 115 East Main Street in Dayton, Washington.

Q. How long have you been Columbia REA's manager?

A. Since December 1, 1997.

Q. What are your duties?

A. As the chief operating officer of the Cooperative, I am in charge of all its day to day business activities.

Q. What is the nature of Columbia REA's business?

A. It is a nonprofit, cooperative corporation that was formed in 1939 under the laws of this state. Columbia is "owned by those it serves", having some 3,389 members. It provides electricity, other utility products and services to those members in Walla Walla and Columbia Counties in the State of Washington and Umatilla County in the State of Oregon.

Q. Do you have any territorial agreements with PacifiCorp or other utilities?

A. No.

Q. Have you read the prefiled testimony of William G. Clemens in this case?

A. Yes. I have gone over it and reviewed it with my staff and linemen.

Q. Does Columbia REA hold any city franchises for the providing of electricity?

A. Yes. We have a nonexclusive franchise for College Place, Washington, last granted by ordinance for 20 years on October 14, 1996, and a non exclusive franchise for Dayton, Washington for 20 years, granted by ordinance on January 9, 2000. On June 27, 2001, the City of Walla Walla granted Columbia REA a non exclusive, site specific “mini-franchise” for an area bordering the intersection of Myra Road and SR125 in that city.

Q. Is Columbia REA duplicating the facilities of PacifiCorp in those cities?

A. No. In College Place, WA the installation of service facilities by Columbia REA is, and has been, done through permits and other approvals first obtained from that city. In Dayton, WA the franchise ordinance was joined with a right of way ordinance to regulate new or relocated facilities and guard against duplication of facilities. PacifiCorp’s franchise in Dayton, WA was granted at the same time as Columbia REA’s, contains essentially the same language and is also subject to Dayton’s right of way ordinance. With respect to Columbia’s mini-franchise in the City of Walla Walla, Washington, no utility presently has metered service in that area.

Q. Has Columbia REA been soliciting existing customers of PacifiCorp?

A. No. However, on several occasions PacifiCorp customers have approached me or other employees of Columbia REA about switching their electric service to us.

Q. Have you looked into or studied what is driving those requests?

A. Yes.

Q. What have you found in that regard?

A. The PacifiCorp customers who have inquired about switching utility service to Columbia REA are most interested in quality of service, reliability, rates, freedom of choice and local ownership with local control.

Q. When a member discontinues service with Columbia REA, is there a charge to that member for removing the meter and any related facilities?

A. No. The cost of removing facilities is charged off as a general operating expense rather than charged to the departing member or directly assessed against his or her patronage capital in the Cooperative.

Q. Is the removal of a meter and, say, two or three poles, a significant cost?

A. No. And even if the departing member were a large industrial load or large irrigator, the removal costs would still be booked as retirement work orders and, after allowance for depreciation and salvage made part of overall operating expenses. Columbia Rural Electric does not restrict the freedom of its members to choose to receive service from a different utility by imposing exit fees or stranded cost charges on them.

Q. Has PacifiCorp solicited utility business from Columbia Rural Electric's members?

A. Yes. For example, one of Columbia's largest accounts is Walla Walla College in College Place and Bill Clemens of PacifiCorp has approached it about switching utilities in the last twelve months.

Q. Is that to say you are opposed to competition?

A. No. Competition fairly brought promotes better service and better rates to the end consumers.

Q. Do you see PacifiCorp's request to impose "net removal cost charges" as an effort to limit competition?

A. I do, especially since it is designed to apply only to customers who want to switch utilities and not to customers who abandon or otherwise discontinue service with PacifiCorp. It imposes an additional cost that could become the deciding factor in whether a customer changes utilities.

Q. Does that conclude your response testimony?

A. Yes.

Q. Do you declare under penalty of perjury that your answers to the foregoing questions are true and correct to the best of your knowledge?

A. I do.