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BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND	)	Docket UE-130043
TRANSPORTATION COMMISSION,	)	Pages 31-57
Complainant,	)	
	)	
v.	)	
	)	
PACIFICORP d/b/a PACIFIC POWER	)	
& LIGHT COMPANY,	)	
Respondent.	)	

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PUBLIC HEARING - VOLUME II

PAGES 31 - 57

CHAIRMAN DAVID DANNER

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12:00 p.m. - 12:47 p.m.

July 16, 2013

Washington Utilities and Transportation

Commission

15 North 3rd Avenue

Walla Walla, Washington

Patricia E. Hubbell, CSR 2919

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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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Philip B. Jones, Commissioner

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1300 South Evergreen Park Drive SW

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Olympia, Washington 98504-7250

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Also Present:

Sarah K. Wallace, Esq.

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Senior Counsel, PacifiCorp.

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825 NE Multnomah Street, Suite 1800

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Portland, Oregon 97232

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Lisa W. Gafken, Esq.

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Attorney General's Office

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800 Fifth Avenue, Suite 2000

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Seattle, WA 98104

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1 WALLA WALLA, WASHINGTON; JULY 16, 2013

2 12:00 p.m.

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5 P R O C E E D I N G S

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7 CHAIRMAN DANNER: All right. It's 12  
8 o'clock, so good afternoon.

9 We are here for the Public Comment Hearing in  
10 the PacifiCorp proposed rate increase request that is  
11 before us in Docket UE-130043.

12 My name is Dave Danner, and I am the Chair of  
13 the Washington Utilities and Transportation Commission.  
14 With me is Commissioner Philip Jones. Our third  
15 commissioner, Jeffrey Goltz, is not able to be here.  
16 He's dealing with a family matter, so he will listen to  
17 the, or read the transcripts that the court reporter is  
18 preparing.

19 We will be on the record today. Understand  
20 that the Utilities Commission is a state agency that  
21 regulates the rates and services of investor-owned  
22 electric utilities, and it's our job to insure that those  
23 rates are fair, just, reasonable, and sufficient.

24 We understand that consumers don't usually  
25 have a choice in their energy providers, so it's

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1 important for us to make sure that they are not paying  
2 any more than they need to and to get rates that are  
3 fair, but also enough for the company to insure that we  
4 have a reliable and sufficient service.

5 Pacific Power is requesting an increase in  
6 revenues that would create an additional \$42.8 million.  
7 For the average rate payer, that would be about 14.1  
8 increase in rates. They filed their request on January  
9 11th, 2013, which means that the UTC will have to decide  
10 on the request by December 11th. By law, we have eleven  
11 months to make a decision.

12 All of PacifiCorp's customers should have  
13 received a notice in the mail with the terms or with the  
14 specifics of the request. In addition, today, the  
15 Attorney General's Office has provided a fact sheet that  
16 lays out some of the terms, so if you haven't seen that  
17 and would like to, it's on the table outside.

18 The commission, in every rate case, it  
19 receives hundreds and hundreds of pages of documents,  
20 with testimony supporting the rate case from the  
21 utility's point of view, and then other parties  
22 participate and provide their views, which may agree or  
23 disagree, in some respects, with what the utility has  
24 proposed.

25 Representing the company today, so if you

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1 have questions of the company, Sarah Wallace is the  
2 senior counsel, is here, and there are other folks from  
3 PacifiCorp as well.

4           Representing the consumers before the  
5 commission as an independent party is the Attorney  
6 General, Public Counsel's Office, and Lisa Gafken is the  
7 Assistant Attorney General representing consumers.

8           In addition, the Utilities Commission staff  
9 operate as an independent party in these proceedings.  
10 What that means is they assess the record and determine  
11 what outcome would be, in their view, the right outcome  
12 in terms of the public interest and then they advocate  
13 for that position before the commission.

14           The commissioners act as judges, so when the  
15 proceedings are being conducted, we actually have ex  
16 parte restrictions that keep us from talking off the  
17 record with any of these parties without having others,  
18 or having an open public meeting.

19           So before we go any further, Roger -- we have  
20 a video that kind of explains the rate making process,  
21 and we would like to share that with you before we start  
22 taking public comment -- so, Roger, if we can get that to  
23 go.

24           MR. KOUCHI: This video is on our  
25 website, and it's entitled "About Energy Rates: What's

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1 up, what's down."

2 (Following the video presentation,  
3 the proceedings resumed as follows:)

4 CHAIRMAN DANNER: All right. Thank you,  
5 Roger.

6 Before we get started, I do want to say these  
7 public comment hearings are very important for the  
8 commissioners. We do take seriously what you have to  
9 say.

10 A lot of time at our hearings, we have  
11 lawyers and expert witnesses talking back and forth and  
12 making arguments and counter-arguments, but I think it's  
13 important for us to listen to you, the consumers, and I  
14 really appreciate the time that you're taking out of  
15 your work day or your lunch hour to come down and share  
16 with us.

17 Commissioner Jones, do you have anything you  
18 would like to say before we get started?

19 COMMISSIONER JONES: Just briefly. I'm  
20 Phil Jones, a commissioner of the UTC.

21 We do take these comments, your comments,  
22 seriously. As you saw from the video -- and feel free  
23 to talk to these experts afterwards who represent  
24 parties in the case -- but it is a complex undertaking.  
25 It involves fixed costs, variable costs, purchase power

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1 costs, as well as what I call the cost of money, the  
2 cost of equity.

3 A lot of information is presented. We have  
4 experts, a lot of cross examination, and it's a complex  
5 piece of business to set these rates that are just,  
6 reasonable, and sufficient for the company. But, again,  
7 we would like to hear directly from you and look forward  
8 to hearing your comments today.

9 CHAIRMAN DANNER: Okay, thank you.

10 All right, we have several people signed up  
11 to testify, and because this is on the record in the  
12 proceeding, we're going to have to swear you in. And so  
13 if we could just do this as a group, that might be the  
14 easier way.

15 Could those who are planning to testify,  
16 could I ask you to raise your right hand.

17 (The prospective speakers  
18 were sworn.)

19 CHAIRMAN DANNER: All right. Thank you.  
20 So let's start with Buddy Georgia.

21 MR. GEORGIA: That would be me.

22 CHAIRMAN DANNER: Okay, I have a few  
23 questions before you get started. You did not provide  
24 your address. Can you tell me what community you live  
25 in?

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1 MR. GEORGIA: Yes, I live College Place.

2 CHAIRMAN DANNER: And are you a customer  
3 of PacifiCorp?

4 MR. GEORGIA: Yes.

5 CHAIRMAN DANNER: Okay, great, thank you.  
6 So proceed.

7 MR. GEORGIA: Okay, well, a couple of  
8 things that I am, in addition to being a consumer, I am  
9 also a member of the Veterans' Relief Advisory Panel.

10 And one of the things we have noted over the  
11 past fiscal year is an increase in the number of  
12 veterans that are needing to apply for assistance with  
13 utilities, the bulk of those utilities consisting of  
14 electrical, the electrical side of the utility.

15 And as the population here in this area is  
16 increasing of veterans and, as such, you know, a certain  
17 number of those are going to be needy veterans, we  
18 anticipate that this rate increase will have an adverse  
19 effect on our ability to maintain a level of reserve  
20 funding to meet those needs.

21 That's one of the reasons why I'm here in  
22 opposition for the increase. Ultimately, it tends to  
23 impact -- those with the least, it impacts the most.  
24 There were a couple of things in the statement that came  
25 in my electrical bill, and I've been discussing it with



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1 one of your employees here, but --

2 CHAIRMAN DANNER: Just to clarify though,  
3 that's the company's; the Utilities Commission is the  
4 state agency.

5 MR. GEORGIA: Yeah, I'm sorry, one of the  
6 employees of Pacific Power. And they indicated, as I've  
7 gone online and noted, that Pacific Power is a  
8 subsidiary, probably third line down or whatever, I  
9 don't know. I would suspect the Secretary of State  
10 would know better than I, as far as who actually is the  
11 ultimate owner of the people who are providing us with  
12 what we need here.

13 But in the costs that are requested, a couple  
14 of things I noted was \$4.2 million for a decrease in  
15 revenues from lower overall loads. I'm presuming that  
16 to mean overall demand. And it seems, seemed ironic to  
17 me at the time when, for several years, we've been  
18 encouraging the public to purchase energy efficient  
19 appliances, to do things, such as insulating our homes,  
20 things of that nature, to decrease demand; that by  
21 decreasing demand, we're actually facing an increase in  
22 price in order to offset the efficiencies that we've  
23 been encouraged to embrace, so it seems like we're  
24 getting to pay more for less.

25 The other item was relating to the return of

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1 investment. And I realize that you have a certain  
2 amount authorized, and the amount authorized isn't the  
3 amount that you're actually paying for the investment,  
4 but, still, even at 6 percent or whatever it may be, if  
5 you look at what a person would receive if they were  
6 able to commit to a long-term CD or something to that  
7 effect, it's significantly higher, six times, let's say,  
8 somewhere in that neighborhood.

9 So what constitutes a fair reimbursement? I  
10 mean, the average person who can't afford to invest with  
11 the utility company is receiving a lot less for what  
12 they can afford to, say, put into a, even just a regular  
13 savings account.

14 Let me see -- oh, okay. As far as variable  
15 costs go, the fuel costs and all that, we're all facing  
16 that, and there are several things that I've noted  
17 online, because I'm one of those people, as a disabled  
18 vet, I have considerable time that I can devote to  
19 looking into abstract things.

20 And the concept that there are alternatives  
21 that could be used to make your vehicles that you use to  
22 do maintenance or delivery or whatever, to make them  
23 more efficient. I would suggest that that would be one  
24 way that you could reduce the cost, as opposed to  
25 raising the rates.

0041

1                   So I don't know, specifically, what may or  
2 may not be taking place at this point. But to be  
3 specific, there is one thing that I found online, which  
4 is called hydrogen on demand, which is a relatively  
5 low-cost modification which doesn't require purchasing  
6 new vehicles, but it does insert hydrogen into the air  
7 and fuel mixture, making the engine that's powering the  
8 vehicle more fuel efficient. So just one suggestion,  
9 I'm sure there are many others.

10                   And the final item that I would like to  
11 submit was carried in the Union Bulletin a while back,  
12 indicating that the wind generating plants that are on  
13 the hill, that many of those had been shut down,  
14 required to shut down because they were competing with  
15 the dams and other means of generating electricity.

16                   And that also seems to me to be a waste of  
17 low-cost supply, and I understand that there are  
18 certain, I've been told politically motivated areas that  
19 are involved in the decision-making process as to where  
20 the electricity that's being generated comes from.

21                   So rather than perhaps increasing the output  
22 from the wind generating things that already exist, and  
23 as well as utilizing the dams to the full capacity,  
24 they're using the higher costs coal-fired or gas-fired  
25 plants.

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1                   And I would suggest that if there is a case  
2                   that you are generating more electricity than the demand  
3                   is there for, that perhaps some of the investment, if  
4                   there is going to be investment in infrastructure,  
5                   should be in a way to send those resources, that excess  
6                   electricity that's being generated, to other states  
7                   which have the need and certainly have, obviously, are  
8                   paying a higher rate.

9                   So it seems to me that would also generate  
10                  revenue to the Pacific utility that is requesting the  
11                  rate increase. And I do thank you for giving me the  
12                  opportunity.

13                  CHAIRMAN DANNER: Well, thank you for  
14                  taking the opportunity. I really appreciate you being  
15                  here. Okay, thank you very much.

16                  So next we have Steven Moss from Blue  
17                  Mountain Action Council.

18                  Good afternoon.

19                  MR. MOSS: Good afternoon, Commissioners,  
20                  and thank you for your service to the state, thank you  
21                  for coming to Walla Walla.

22                  And I am the CEO for the Blue Mountain Action  
23                  Council. We're a community action agency serving Walla  
24                  Walla, Columbia and Garfield Counties, all three  
25                  counties served by Pacific Power. We work with the

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1 lower-income people in our communities, about 4,000  
2 separate households every year.

3 We're multi-service in scope, working with  
4 people for food assistance, operating food distribution,  
5 food banks in our area, job training, advocacy. We also  
6 work to conserve power by helping people understand  
7 energy conservation techniques, partially funded by  
8 Pacific Power, as well as state and federal resources.

9 We also weatherize low-income homes for  
10 homeowners and renters, again, in an attempt to reduce  
11 power bills and allow for those homes to be more  
12 comfortable and extend the lives of those properties.

13 We also operate the federally-funded  
14 Low-Income Heating Energy Assistance Program for our  
15 area. And every year that allows us, or the last  
16 several years, has allowed us to assist in paying  
17 directly to vendors and reducing power bills to some,  
18 between 800 and 1,100 families a year.

19 So we work very closely with the utilities,  
20 all the utility providers in our area.

21 If there are increases to -- well, I guess  
22 the other thing I would like to point out is we are also  
23 a consumer of power, in that we own and operate about  
24 180 units of housing for what I'll term as  
25 specialty-needs population.

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1           And that ranges from homeless individuals,  
2           formerly homeless families, people with developmental  
3           disabilities, those that are chronically mentally ill,  
4           those that are physically disabled, and those that are  
5           low-income seniors.

6           And so all of those individuals are at or  
7           below 50 percent of barely meeting income, some as well  
8           as 30 percent, so on very, very low income, and most of  
9           them very, very fixed incomes. So rate increases,  
10          obviously, would impact those families and their budgets  
11          would be stretched.

12          At the same time, the commission has seen the  
13          benefit of providing public benefit from some of the  
14          rate increases that you've outlined in the past to come  
15          back to communities, and we have been the recipient of  
16          some of those funds to then, in turn, benefit our  
17          low-income residents.

18          Pacific Power has been a good partner in  
19          working with us for the Low Income Bill Assistance  
20          Program, both their staff locally and in Portland have  
21          been very cooperative and easy to work with. Last year  
22          that allowed to us work with 850 families in our  
23          community, reducing their energy power bills by an  
24          average of \$200 a family, so that's much appreciated.

25          We also weatherize, as I mentioned, and are

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1 able to work with Pacific Power, with state and federal  
2 resources, an average of 30 homes in our community. And  
3 those funds come about, like I say, through a variety of  
4 resources. Pacific Power has been willing to step up  
5 and assist us in a solid way, and we appreciate that.

6 So, obviously, any increase is an impact. We  
7 also recognize that there are inflationary factors and  
8 know that you'll be taking into account everything  
9 before any increases are issued and also, again, we  
10 would emphasize that the ability of the commission to  
11 then allow for some of those funds to be put back into  
12 the community through the public benefit.

13 Thank you very much for your time.

14 CHAIRMAN DANNER: Thank you.

15 COMMISSIONER JONES: Mr. Moss?

16 MR. MOSS: Yes.

17 COMMISSIONER JONES: I'm just curious,  
18 how many people are actually receiving LIBA, Low Income  
19 Bill Assistance, through the Blue Mountain Council.

20 MR. MOSS: And that, again, we're serving  
21 Walla Walla, Columbia, and Garfield counties, 850  
22 families.

23 COMMISSIONER JONES: 850, but you also  
24 say that you serve 4,000 households in the three county  
25 area?

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1                   MR. MOSS: That's in a variety of  
2 services. I didn't mean to mislead the commission, but  
3 we have, again, a full range of services, from food bank  
4 assistance to job training to energy assistance,  
5 weatherization.

6                   COMMISSIONER JONES: And my last  
7 question. The federal budget, the federal budget is  
8 very tight, and we've talked when we've come to Walla  
9 Walla before, about LIEA, Low-Income Energy Assistance  
10 Program. What are you hearing from Department of  
11 Commerce and your resources in D. C., about the  
12 decrease, expected decrease with sequestration?

13                   MR. MOSS: Well, I do anticipate that,  
14 through sequestration, and then it's anybody's guess  
15 what the future allocations may be, that those probably  
16 are not going to be increased and, if anything, they may  
17 be decreased.

18                   CHAIRMAN DANNER: Thank you very much.  
19 We very much appreciate you being here today.

20                   MR. MOSS: Thank you.

21                   CHAIRMAN DANNER: Next, Marcy Grail has  
22 signed up to speak with IBEW Local 125.

23                   Ms. Grail, you do not state a community that  
24 you live in.

25                   MS. GRAIL: Oh, I'm sorry. I live in



0047

1 Clatskanie, Oregon, but --

2 CHAIRMAN DANNER: Okay, you are not a  
3 customer --

4 MS. GRAIL: I am not. Our local is  
5 headquartered in Portland, Oregon.

6 CHAIRMAN DANNER: Okay, so your  
7 affiliation is with IBEW, which is affiliated, which has  
8 workers who are represented who are employees of  
9 PacifiCorp?

10 MS. GRAIL: Yes.

11 CHAIRMAN DANNER: Okay, great. Thank  
12 you.

13 COMMISSIONER JONES: And didn't we see  
14 you over at the commission a few, what, an open meeting  
15 or two ago?

16 MS. GRAIL: Yes, sir.

17 COMMISSIONER JONES: Yes, okay.

18 MS. GRAIL: Good afternoon. My name is  
19 Marcy Grail and I'm the assistant business manager for  
20 the International Brotherhood of Electrical Workers,  
21 Local 125. We represent approximately 3,500 members who  
22 work throughout the Pacific Northwest utility industry,  
23 including nearly 1,100 here in the state of Washington.

24 I'm not here to advocate for a rate increase  
25 but to raise an issue that has a direct effect on rates.

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1 My members made a conscious decision to work for Pacific  
2 Power. They choose to live in the communities in which  
3 they serve.

4 The IBEW, as a whole, expects our employer  
5 partners to provide safe environments for our members to  
6 perform their duties safely and efficiently.

7 We recognize the value of competition, it's  
8 essential to our economy, but rules must be fairly  
9 identified and fairly enforced, otherwise, there are  
10 costs that no one wants to bear.

11 Our local doesn't believe that any utility  
12 should have to work, excuse me, any utilities linemen  
13 should have to worry about additional hazards as they  
14 perform their work. We recognize that other utilities,  
15 such as phone and cable, can generate hazards for our  
16 linemen, however, the system that you have here in Walla  
17 Walla is unique.

18 We are requesting your assistance in  
19 addressing the matter, because it impacts not only our  
20 members, but the community as well as the utilities'  
21 customers or members.

22 In our world, we have a place for  
23 competition. It's a lineman rodeo. That competition  
24 does not belong on a right-of-way, especially when  
25 safety is at risk.

0049

1                   We thank you for your consideration and help  
2     in addressing rates that are affected by this unique  
3     situation.

4                   CHAIRMAN DANNER: Questions?

5                   COMMISSIONER JONES: So, specifically, is  
6     there anything in the rate case related to this  
7     competition that you wish us to address?

8                   MS. GRAIL: I haven't studied it. I can  
9     tell you, but just knowing that every day, when my  
10    linemen go to work and, for example, if they're working,  
11    you know, they're aware of their clearances and the  
12    things that they cannot do.

13                  But in the midst of, in reference to Walla  
14    Walla, you have lots of wind storms and weather that  
15    come out, they shouldn't have to worry about positioning  
16    themselves around another system. It just produces  
17    additional hazards. And we're concerned, as things  
18    continue to change and grow, we just want to address  
19    that. And I think the direct impact to the rates is  
20    simply that you have to add additional precautions,  
21    additional, perhaps, manpower, additional things that  
22    can ultimately increase costs through this arrangement.

23                  COMMISSIONER JONES: So yesterday, when  
24    we were in Yakima, one example, a customer -- not one of  
25    your IBEW people -- said that when a transformer is

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1 being changed out, or a pole, that they were complaining  
2 about the inefficiency, that it was being done with two  
3 trucks instead of one, and I forget the testimony.

4 But is it that sort of thing, with you have  
5 duplicate systems more efficient equipment, more  
6 manpower is required to change out infrastructure,  
7 transformers, poles?

8 MS. GRAIL: I will not pretend to be a  
9 journeyman lineman, but I will tell you that when, if  
10 our linemen are saying you need two trucks to get  
11 something done, there is a reason. And that the thing  
12 that Pacific Power and the IBEW promote first and  
13 foremost is safety. You can't put a cost on how to get  
14 their work done safely. Electricity is hazardous within  
15 itself.

16 With the situation that I'm aware of from one  
17 of our members is that he was doing some work, he was in  
18 a bucket, and however it was, when he was positioning a  
19 reposition, he's like, oh, wait, I've got to remember  
20 there's an extra line there.

21 Normally, when you're looking at the other  
22 utilities, such as cable or phone, they're not as high,  
23 so you're well aware that they're there, but when you  
24 have to reassess things -- and it's not that they can't  
25 do it, they're trained, they're skilled, they're

0051

1 knowledgeable -- but they shouldn't have to do it.

2 COMMISSIONER JONES: I understand. Thank  
3 you.

4 CHAIRMAN DANNER: Thank you very much.

5 And we have certain people who are signed up  
6 but not wishing to testify -- Bob Castoldi, Destry  
7 Henderson, Scott Peters and Paul Vogel and Toby Freeman.

8 Is there anybody among those who would like  
9 to testify? Okay, and Tom Osborn, you signed up but you  
10 did not say whether or not you want to testify.

11 Do you wish to make a comment?

12 MR. OSBORN: No.

13 MR. GEORGIA: Excuse me. I was wondering  
14 if I might ask a question, if there is anyone here who  
15 is familiar with what the duplicate system is that --  
16 I'm sorry, your name again was --

17 CHAIRMAN DANNER: Okay, that's an issue,  
18 though, that I think I would ask you to have that  
19 conversation off line.

20 MR. GEORGIA: Right, will do.

21 CHAIRMAN DANNER: So we will proceed.  
22 There is, I'm sorry, I cannot read your name, Jean  
23 Dolling.

24 MS. DOLLING: Dolling.

25 CHAIRMAN DANNER: Dolling. All right,

0052

1 could you state and spell your name for the court  
2 reporter?

3 MS. DOLLING: Jean Dolling, and I am a  
4 customer.

5 CHAIRMAN DANNER: That's D-o-l-l-i-n-g?

6 MS. DOLLING: Correct, "doll" with an  
7 "ing" on it.

8 CHAIRMAN DANNER: Okay, and where do you  
9 --

10 MS. DOLLING: I live at 208 Detour Road,  
11 which is west of Walla Walla.

12 CHAIRMAN DANNER: All right, and you are  
13 a customer of PacifiCorp?

14 MS. DOLLING: Right.

15 CHAIRMAN DANNER: Please proceed.

16 MS. DOLLING: And I also checked, I would  
17 have gone with another electric cooperative that  
18 provides lower rates, except that they have specific  
19 areas where they don't go into the other person's area.

20 I guess my main question is, can they do  
21 anything to provide lower rates? This is not a  
22 localized problem, it's not a problem just in  
23 Washington, Idaho, Oregon. It's a problem clear across  
24 the United States. I wrote a letter here, so I'll,  
25 because I get sidetracked sometimes, so I'll read that

0053

1 and then I may make some comments.

2           Production and distribution of electricity is  
3 a necessary public service, a vital part of our economy  
4 that include roads, bridges, fuel for transportation,  
5 communications, libraries and schools, structures for  
6 families and industry, the criminal justice system, food  
7 and health care and a whole lot more.

8           Categorically, necessities that sustain our  
9 lives that operate in a manner as to extract an  
10 unnecessarily high margin of people's income force  
11 budgetary choices of elimination that increase  
12 competition in the entire business economy.

13           The hardship is especially hard on our fixed,  
14 low-income people and small business owners that support  
15 our economy, which is in trouble.

16           Damaging the bottom rung on a ladder damages  
17 the entire ladder, clear to the top. If these people  
18 requesting this rate increase operated as a non-profit  
19 public service provider, that are successful at  
20 providing living wage jobs that are not excessive -- an  
21 example is Blue Mountain Action Council -- what would  
22 their operating budget look like in comparison?

23           Are they top heavy with corporate executives  
24 with way above average incomes? Travel and pension  
25 plans and other perks are a privilege the customer

0054

1 supporting our economy can't come close to.

2           How do they justify rate increases when  
3 people they depend on to pay their wages through  
4 electric rates are furloughed or out of a job? Our  
5 citizens qualifying for public health, welfare, and  
6 housing should pay a reduced rate for electricity. This  
7 would allow such agencies as Blue Mountain Action  
8 Council to focus their efforts where needed elsewhere,  
9 besides drawing lottery and handing out energy credits.

10           And because of the reduced funding every year  
11 to grant energy credits to low-income people, they now  
12 have a lottery system, they can't just help everybody  
13 that needs it. They draw names by lot, according to how  
14 much funds they have to distribute to the low-income  
15 people.

16           And as we damage the low-income people, they  
17 further damage the rest of the economy because that  
18 means that non-necessities, they simply eliminate from  
19 their budget because they don't have the money if they  
20 have to spend it on electricity and also fuel for  
21 vehicles.

22           And a lot of people give up their cars  
23 because they can't afford to drive them. But it's kind  
24 of hard to give up your heat when it's freezing weather.  
25 Giving up electricity in the summer time and cooking is



0055

1 an option, but freezing is not.

2 Do you have any questions?

3 CHAIRMAN DANNER: I have no questions. I  
4 would like you, if you wouldn't mind, could you provide  
5 Mr. Kouchi a copy of your letter? We'll make that part  
6 of the record.

7 MS. DOLLING: Right.

8 CHAIRMAN DANNER: Okay, great. Thank  
9 you.

10 And then Bill Clemens and Genie Morris also  
11 signed up that are not wishing to speak. Okay, that  
12 concludes all the people who have signed up to speak  
13 today.

14 We are going to have a hearing, I want to  
15 make sure this is right, the hearing on this case begins  
16 August 26th, which means if you have any friends or  
17 neighbors or others who would like to comment on this  
18 case, who were not able to be here today, they can  
19 contact us by e-mail or telephone or by U.S. mail and we  
20 will get their comments into the record.

21 You saw the addresses up there in the video.  
22 I will just reiterate that [comments@utc.wa.gov](mailto:comments@utc.wa.gov) is  
23 probably the best way to comment. We'll be taking  
24 comments up until August 26th, okay.

25 COMMISSIONER JONES: Just one other

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1 thing. There was a question about the holding structure  
2 of this company and the holding structure, as I  
3 understand it, is Pacific Power is owned by Midamerican  
4 Energy Holdings, which is in Des Moines, Iowa, and that  
5 is a multi-state holding company. And then above that  
6 is owned, largely, by Berkshire Hathaway, which is a  
7 company quartered in Omaha, Nebraska. That's basically  
8 the holding structure.

9 MR. GEORGIA: See, the reason why I  
10 brought that up is because they allowed, there was a  
11 time when there was a thing called PUHCA statutes, which  
12 indicated that only certain agencies or certain groups  
13 who had experience providing the specific utility and  
14 that were allowed to do it, thus trying to avoid another  
15 Enron-type situation.

16 And that was allowed to lapse, so that was  
17 the reason why I was --

18 CHAIRMAN DANNER: Yeah, that was repealed  
19 by congress, Public Utility Holding Company Act.

20 COMMISSIONER JONES: 2005, that was  
21 repealed by the Congress.

22 CHAIRMAN DANNER: Anything further to  
23 come before the commission today? If not, then we are  
24 adjourned. Thank you.

25 (Whereupon, the hearing concluded at 12:47 p.m.)

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1 STATE OF WASHINGTON )  
2 ) ss.  
3 COUNTY OF BENTON )

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5

6 I, Patricia E. Hubbell, do hereby certify that  
7 at the time and place heretofore mentioned in the caption  
8 of the foregoing matter, I was a Certified Shorthand  
9 Reporter for Washington; that at said time and place I  
10 reported in stenotype all testimony adduced and  
11 proceedings had in the foregoing matter; that thereafter  
12 my notes were reduced to typewriting and that the  
13 foregoing transcript consisting of 27 typewritten pages  
14 is a true and correct transcript of all such testimony  
15 adduced and proceedings had and of the whole thereof.

16 I further certify that I am herewith securely  
17 sealing the said original deposition transcript and  
18 promptly delivering the same to

19 Witness my hand at Kennewick, Washington, on  
20 this \_\_\_\_\_ day of July, 2013.

21

22 \_\_\_\_\_

23 Patricia E. Hubbell  
24 CSR No. 2919  
25 Certified Shorthand Reporter