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TESTIMONY OF JEFFREY C. THOMAS**

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Exhibit No.__(JCT-2)—Club and Company Data Responses

Exhibit No.__(JCT-3)—Exhibit Filing (PLT-9) from Docket UE-130043

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Jeffrey C. Thomas. My business address is 1390 Country Club Rd., Walla
4 Walla, Washington 99362.

5 **Q. PLEASE STATE YOUR OCCUPATION AND ON WHOSE BEHALF YOU ARE**
6 **TESTIFYING.**

7 A. I am the General Manager of the Walla Walla Country Club (the "Club"). I have held the
8 position of the Club's General Manager since 1991. I am testifying in this matter on
9 behalf of the Club, which currently receives electrical service from Pacific Power &
10 Light Company ("Pacific Power" or the "Company").

11 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND WORK EXPERIENCE.**

12 A. I received my Bachelor of Science in Business with a major in Accounting from the
13 University of Idaho in 1973. I was the Golf Course Superintendent of the Walla Walla
14 Country Club for 11 years, from 1980 through 1990, and have been the General Manager
15 of the Walla Walla Country Club from 1991 to the present.

16 **Q. WHAT TOPICS WILL YOUR TESTIMONY ADDRESS?**

17 A. My testimony addresses: 1) matters related to electrical service facilities located on the
18 Club property; 2) the decision of the Club to change electrical service providers from
19 Pacific Power to Columbia Rural Electric Association ("Columbia REA"); 3)
20 communications with representatives of Pacific Power; and 4) charges demanded by
21 Pacific Power to disconnect electrical service to permit the Club to begin receiving
22 electrical service from Columbia REA.

1 **Q. ARE OTHER WITNESSES SUBMITTING TESTIMONY ON BEHALF OF THE**
2 **CLUB IN THIS PROCEEDING?**

3 A. Yes. Club Exhibit No.____(BGM-1CT) contains the Complainant Testimony of Mr.
4 Bradley G. Mullins, who will discuss operational issues related to Club facilities and the
5 Company's Net Removal Tariff, as contained in Rule 6 of Pacific Power's General Rules
6 and Regulations for Washington ("Rule 6").

7 In addition, Club Exhibit No.____(DJM-1CT) contains the Complainant Testimony
8 of Mr. David J. Marne, P.E., who will discuss safety issues related to Pacific Power's
9 Rule 6 and the National Electric Safety Code, as it relates to the permanent disconnection
10 of Pacific Power's facilities.

11 **Q PLEASE PROVIDE AN OVERVIEW OF YOUR TESTIMONY.**

12 A. My testimony will provide the background for the Walla Walla Country Club's decision
13 to request disconnection of electrical service from Pacific Power and to have Columbia
14 REA provide electrical service to the Club. My testimony will also address
15 communications between the Club and Pacific Power and Pacific Power's demands for
16 payment to disconnect its facilities on Club property.

17 **II. WALLA WALLA COUNTRY CLUB**

18 **Q: DESCRIBE THE WALLA WALLA COUNTRY CLUB.**

19 A: The Walla Walla Country Club is a Washington corporation with a place of business in
20 Walla Walla, Washington. The Country Club owns and operates a country club which
21 includes a golf course, dining room and bar, tennis courts, a swimming pool and other
22 amenities.

1 **Q: WHAT ARE YOUR DUTIES AS GENERAL MANAGER OF THE CLUB?**

2 A: As General Manager of the Country Club, I have overall supervisory responsibility for all
3 aspects of Club operations, including responsibility for overseeing construction on the
4 property owned by the Club and relations with utility providers.

5 **Q: WHO CURRENTLY PROVIDES ELECTRICAL SERVICE TO THE CLUB?**

6 A: The Club receives electrical service from PacifiCorp, which does business and is known
7 as Pacific Power.

8 **Q: WHAT CLUB FACILITIES ARE SERVICED BY PACIFIC POWER?**

9 A: The electrical service provided by Pacific Power services all club buildings,
10 improvements and the golf course irrigation system.

11 **Q: HOW LONG HAS PACIFIC POWER PROVIDED ELECTRICAL SERVICE TO**
12 **THE CLUB?**

13 A: Pacific Power has provided electrical service to the Club for as long as I have been
14 General Manager. I believe Pacific Power, or its predecessors, have provided electrical
15 service to the Club since approximately 1923.

16 **Q: DID THE CLUB GRANT ANY EASEMENTS TO PACIFIC POWER FOR THE**
17 **INSTALLATION OF ELECTRICAL FACILITIES?**

18 A: In or about October 1987, and again in or about May 2000, the Club granted Pacific
19 Power easements to install, service and maintain certain underground utility facilities on
20 Club property.

21 **Q: WHAT ELECTRICAL FACILITIES ARE LOCATED ON CLUB PROPERTY?**

22 A: Pacific Power's utility service to Club property is serviced by conduit, vaults and
23 associated electrical equipment and facilities. The conduit is 4 inch PVC piping, and the

1 vaults are small concrete “boxes” which are used to encase the electrical wiring and
2 meters, as well as to provide access to the same. Those vaults and conduits are located in
3 several places on Club property.

4 **Q: WHERE IS ELECTRICAL CONDUIT LOCATED ON CLUB PROPERTY?**

5 A: One conduit run consists of a run from the 15th tee to a transformer located behind a
6 restroom. This line crosses under approximately 650 feet of the 15th tee and rough. The
7 Country Club paid for the excavation, installation and conduit, related parts and
8 equipment and installation of the utility run in this location.

9 **Q: IS CONDUIT LOCATED IN ANY OTHER LOCATION ON CLUB PROPERTY?**

10 A: Another run of conduit runs approximately 600 feet from the shop to a pump station
11 located by the 2nd tee. This run crosses under approximately 300 feet of fairway and 300
12 feet of rough. Another electrical utility line runs from west of the tennis courts, which
13 are located across the street from the Clubhouse, under the street, related curbing and
14 gutter and under an asphalt parking lot. I do not believe that the Club directly paid for
15 the installation and equipment cost for these locations.

16 **Q: DID YOU HAVE DISCUSSIONS WITH ANYONE AT COLUMBIA REA ABOUT**
17 **COLUMBIA REA PROVIDING ELECTRICAL SERVICE TO THE CLUB?**

18 A: In the early summer of 2012, I had discussions with a representative of Columbia REA
19 about Columbia REA providing power service to the Club. After several meetings of the
20 Club’s Board of Directors, the Board voted to change service providers from Pacific
21 Power to Columbia REA.

1 **Q: WAS THERE ANY DISCUSSION WITH PACIFIC POWER ABOUT REMOVAL**
2 **OF PACIFIC POWER'S FACILITIES FROM CLUB PROPERTY?**

3 A: In the course of considering whether to change service providers, the Country Club's
4 Board met with Pacific Power's Bill Clemens, a Regional Community Manager for the
5 Company with nearly 30 years of experience at the time.^{1/} Mr. Clemens advised that if
6 the Club transferred its service, the Club would be responsible to pay for the cost of
7 removing Pacific Power's facilities. Mr. Clemens quoted a cost of \$19,581 to remove the
8 Pacific Power facilities.

9 **Q: DID MR. CLEMENS DISCUSS THE SCOPE OF FACILITIES REMOVAL**
10 **REQUIRED TO EFFECT THE CLUB'S PERMANENT DISCONNECTION**
11 **REQUEST?**

12 A: My remembrance agrees with what the Company has stated in discovery during this
13 proceeding. Specifically, Mr. Clemens estimated that permanent disconnection could be
14 effected through the removal of only a portion of the Club's facilities—i.e., limited
15 meter, wire, and hardware removal, but definitely not involving the removal of any
16 underground conduit on Club property.^{2/}

17 **Q: WHEN WAS THE DECISION MADE TO SWITCH TO COLUMBIA REA AS**
18 **THE CLUB'S ELECTRICAL SERVICE PROVIDER?**

19 A: The decision was made in late October 2012.

20 **Q: WHAT WAS DONE TO ATTEMPT TO SWITCH SERVICE PROVIDERS?**

21 A: At the Country Club Board's request, I called a representative of Pacific Power to advise
22 of the Club's decision and to arrange for the transfer of service. After that call, on or

^{1/} Mr. Clemens was an original witness in Docket UE-001734, in which the Washington Utilities & Transportation Commission first approved the Net Removal Tariff.

^{2/} Exh. No.__(JCT-2) (Company Responses to Club Data Requests 005, 058).

1 about November 13, 2012, I met with two representatives of Pacific Power regarding the
2 transition of the Club's electrical service to Columbia REA. During that meeting,
3 Pacific Power's representatives raised, for the first time, the purported need to remove
4 the underground conduit, as well as the actual electrical facilities contemplated in Mr.
5 Clemens' estimate (namely, wires and meters). Pacific Power's representatives stated
6 that the electrical wire could be removed by "pulling" it through the conduit, without
7 digging the conduit up; that the meters could also be removed without digging; but that
8 removing the conduit and vaults required Pacific Power to bring in a backhoe to dig
9 through the city street, the Club's landscaped parking strips, the asphalt parking lot,
10 curbs and sidewalk to remove conduit. I advised Pacific Power's representatives that
11 Mr. Clemens had previously quoted \$19,581 for the removal of Pacific Power's
12 facilities; they responded that Mr. Clements' quote was a mere "estimate" and that the
13 actual costs would be "much" more. Pacific Power's representatives indicated that a
14 more accurate estimate would be forthcoming.

15 **Q: WHAT HAPPENED NEXT?**

16 A: I waited for about a month without receiving any estimate from Pacific Power. Having
17 received no further information, on or about December 11, 2012, in order to effect
18 permanent disconnection, I delivered to the Pacific Power office in Walla Walla a check
19 in the amount of Pacific Power's initial quote (\$19,581); Pacific Power, however,
20 refused to accept the check. Though Pacific Power refused to accept the Club's tender, it
21 again refused to tell me what price it intended to charge to remove its facilities from the
22 Club's property.

1 **Q: DID YOU MAKE ANY CONTACT WITH THE WASHINGTON UTILITIES**
2 **AND TRANSPORTATION COMMISSION?**

3 A: On or about December 28, 2012, I wrote to the Washington Utilities & Transportation
4 Commission ("the Commission"), in hopes that the Commission could be of assistance
5 to the Club in its dispute with Pacific Power. Just prior to that, a member of
6 Commission Staff had been publicly quoted as stating, in explicit reference to the Club's
7 permanent disconnection request, that "(the conduit) is something that has no value to
8 (Pacific Power) ratepayers."^{3/} Given this publicly stated position, the Club was
9 encouraged that a quick and reasonable outcome could be reached with the Company.
10 At least publicly, Mr. Clemens had also just stated that Pacific Power was "always
11 interested in exploring ways to work things out in the best interest of customers."^{4/}

12 **Q: WHAT WAS THE RESULT OF YOUR CONTACT WITH THE COMMISSION?**

13 A: It is my understanding that Commission staff spoke with the Club's lawyers and Pacific
14 Power's lawyers and learned that the lawyers were attempting to negotiate a resolution.
15 As a result, the Commission closed the Club's complaint.

16 **Q: DID THE CLUB RECEIVE A REVISED DEMAND FOR THE COST OF**
17 **DISCONNECTING POWER AND REMOVING ITS FACILITIES FROM CLUB**
18 **PROPERTY?**

19 A: On January 25, 2013, the Club received a letter from Mike Gavin, Pacific Power's
20 Distribution Manager, demanding a total disconnection fee of \$104,176.00.^{5/} According
21 to Mr. Gavin's letter, that amount consisted of: (a) \$19,373 for removal of the wires,
22 transformers, and metering; (b) \$19,877 for the net book value of the facilities to be

^{3/} Exh. No.__(JCT-3) (PLT-9 at 1).

^{4/} Id. (PLT-9 at 2).

^{5/} Complaint of the Walla Walla Country Club ("Complaint"), Exh. D

1 removed; (c) a credit of \$1,792 for the salvage value of the facilities to be removed; and
2 (d) \$66,718 for removal of the conduits and vaults.

3 **Q: WHAT WAS THE CLUB'S RESPONSE?**

4 A: The quoted figure of \$104,176.00 was not acceptable to the Club's Board. In an effort
5 to resolve the dispute, the Club proposed that it pay the demanded \$104,176, less the
6 \$66,718 that pertained to the conduits and vaults.^{6/} Pacific Power, however, insisted on
7 payment of the entire \$104,176. Mr. Gavin's letter also offered to sell the conduit and
8 vaults to the Club for the exact same sum Pacific Power had demanded to remove the
9 facilities, specifically, \$66,718. Included with the letter was a Bill of Sale.^{7/}

10 **Q: DID THE CLUB ATTEMPT TO DETERMINE WHAT THE SALVAGE VALUE**
11 **WAS FOR ALL OF PACIFIC POWER'S FACILITIES?**

12 A: Yes. It was determined that the actual salvage value for all of the facilities (including
13 the conduit, vaults, wires, and meters) is substantially less than even the \$19,581
14 initially quoted by Pacific Power. The salvage value has been determined to be less than
15 \$10,000.^{8/}

16 **Q: WHAT WAS THE CLUB'S RESPONSE?**

17 A: On May 3, 2013, and also on May 23, 2013, the Club offered to tender to Pacific Power
18 either replacement conduit and vaults or the sum reflecting the actual cost of similar new

^{6/} See Complaint, Exh. E at 1 (noting Club's offer).

^{7/} Complaint, Exh. D.

^{8/} See, e.g., Complaint, Exh. G at 1 (stating reasonable facilities values).

1 facilities.^{9/} Pacific Power refused this proposal and restated its offer to sell the vaults
2 and conduit for \$66,718.^{10/}

3 **Q: HAS ANYONE FROM PACIFIC POWER EXPRESSED ANY SAFETY**
4 **CONCERNS OR ISSUES ABOUT LEAVING THE CONDUIT AND VAULTS IN**
5 **PLACE?**

6 A: No. At no time has anyone from Pacific Power stated to me that there are any specific
7 concerns that leaving the vaults and conduit in place would create a safety issue.

8 **Q: HAS PACIFIC POWER DISCONNECTED ITS FACILITIES FROM THE CLUB**
9 **PROPERTY?**

10 A: No. As of this date, the Pacific Power facilities have not been disconnected, and Pacific
11 Power continues to provide electrical service to the Club.

12 **Q: HAS THE CLUB BEEN FINANCIALLY DAMAGED AS A RESULT OF**
13 **PACIFIC POWER'S REFUSAL TO DISCONNECT ELECTRICAL SERVICE**
14 **TO THE CLUB?**

15 A: Yes. Based on Columbia REA's initial estimate that it could provide electrical service
16 to the Club at a cost savings of approximately \$1,000 per month,^{11/} I estimate that the
17 Club has paid approximately \$30,000 more for electrical service since the date it
18 requested disconnection from Pacific Power than it would have paid had the Club been
19 able to disconnect from Pacific Power and have Columbia REA supply electrical
20 service to the Club.^{12/}

^{9/} Complaint, Exh. F & G.

^{10/} Complaint, Exh. H.

^{11/} Exh. No.__(JCT-2) (Club Data Response, Attachment I at 16).

^{12/} I.e., December 2012 to June 2015, or 30 months.

1 **Q: WHY DID THE CLUB DECIDE TO CHANGE ELECTRIC UTILITY**
2 **SERVICE PROVIDERS?**

3 A: Certainly saving money was one consideration, but our decision was mainly as a result
4 of deteriorating customer service.

5 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

6 A: Yes.