November 21, 2005

Oregon Public Utility Commission Attn: Filing Center P.O. Box 2148 Salem, OR 97308-2148

> Re: In the Matter of MidAmerican Energy Holding Company Application for Authorization to Acquire Pacific Power &

> > Light, dba PacifiCorp

Enclosed please find an original and five copies of the Direct Testimony of Thomas James (Jim) Abrahamson on behalf of the Community Action Directors of Oregon and the Oregon Energy Coordinators Association in the above-captioned Docket.

Thank you for your assistance.

Sincerely,

/s/ Thomas James (Jim) Abrahamson

Thomas James (Jim) Abrahamson

Enclosures

cc: Service List

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1209

In the Matter of MIDAMERICAN ENERGY HOLDING COMPANY & PACIFICORP, Application for Authorization to Acquire Pacific Power & Light, dba PacifiCorp)) Direct Testimony of Thomas James (Jim)) Abrahamson on behalf of the Community) Action Directors of Oregon and the) Oregon Energy Coordinators Association))	
This testimony is submitted on beha	alf of the Community Action Directors of	
Oregon and the Oregon Energy Coordinate	ors Association (CADO-OECA) who are	
intervenors in this docket relating to MEHO	C Energy Holdings Company's (MEHC)	
application for authorization to acquire Pac	cifiCorp. It is submitted by Thomas James	
(Jim) Abrahamson whose qualifications can be found in CADO-OECA Exhibit 101.		
A. Introduction		
The Community Action Directors of Oregon is a statewide organization		
comprised of the Directors of Oregon's 18 Community Action Agencies, the Oregon		
Human Development Corporation, and 9 associate member agencies whose purpose is to		
provide direct services to, and promote the self-sufficiency of, low-income people.		
Community Action Directors of Oregon is highlighted in more detail in CADO-OECA		
Exhibit 102.		

The Oregon Energy Coordinators Association is the energy advisory board to 2 CADO. OECA's main purpose and goal is to help low-income Oregonians meet their 3 energy needs through information sharing, identification of training needs and assistance 4 in meeting those needs, interpretation and clarification of funding source regulations, and 5 reviewing and commenting on legislation and regulations relating to low-income energy 6 issues.

CADO-OECA have closely reviewed the material submitted by the Applicants in this docket and have actively participated in this application's process since its inception. We do not find that the proposed acquisition as it currently stands, and when compared to the potential harm we identify, possesses sufficient net benefits to customers, particularly low-income customers, to merit our support.

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B. Energy Problems Faced by PacifiCorp's Low-Income Customers

Tens of thousands of Oregonians do not have sufficient money to pay for the basic necessities of life, such as food, shelter, heath care, childcare, transportation and utilities. Statistics from the 2000 Census ¹ show that Oregon's total population was 3,421,399 people and that 11.6 percent of Oregonians were living with total annual incomes below the federal poverty level. Multiplying these two figures yields a total of 396,882 people in Oregon who have total annual incomes below the federal poverty level. Dividing Oregon's poverty population by the State's 2000 Census estimate of total persons per household (2.51) you arrive at a figure of over 158,000 Oregon households that have total households incomes below the federal poverty level.

¹ US Census Bureau: State and County Quick Facts. Data Derived from Population Estimates, and the 2000 Census of Population and Housing.

Table 1 displays the most recent figures for the Federal Poverty Guidelines that shows the annual federal poverty level for various household sizes for households at 100 percent, 75 percent, and 50 percent of the federal poverty level (FPL).

Table 1
5 2005 Federal Poverty Guidelines (*) ²

	100 Per	cent of FPL	75 Perc	ent of FPL	50 Percent	of FPL
Househol Size	d Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income
1	\$9,570	\$798	\$7,178	\$598	\$4,785	\$399
2	\$12,830	\$1,069	\$9,623	\$802	\$6,415	\$535
3	\$16,090	\$1,341	\$12,068	\$1,006	\$8,045	\$670
4	\$19,350	\$1,613	\$14,513	\$1,209	\$9,675	\$806
5	\$22,610	\$1,884	\$16,958	\$1,413	\$11,305	\$942
6	\$25,870	\$2,156	\$19,403	\$1,617	\$12,935	\$1,078
7	\$29,130	\$2,428	\$21,848	\$1,821	\$14,565	\$1,214
8	\$32,390	\$2,699	\$24,293	\$2,024	\$16,195	\$1,350

^(*) Figures Rounded to Nearest Dollar

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As mentioned above, an estimated 158,000 Oregon households live with total annual incomes below the federal poverty level. A recent study published by Fisher, Sheehan & Colton³ sheds some light on the distribution of these families and the total home energy burdens they face. ⁴ According to this study, nearly 68,000 Oregon families live below 50 percent of the federal poverty level; over 40,000 live with annual incomes

Oregon Housing & Community Services, Energy Assistance Programs Operations Manual, Program Year 2006.

On the Brink: 2005, Fisher, Sheehan & Colton, Belmont Massachusetts, May, 2005.

⁴ Energy burden is the proportion of a household's total income that is consumed by energy costs.

- between 50 and 74 percent of the federal poverty level; and over 48,000 families live
- with annual income between 75 and 99 percent of the federal poverty level.⁵ These
- 3 figures, when combined with the information contained on Table 1 illuminate the
- 4 frightening reality faced by many low income Oregonians. A single person at 50 percent
- 5 of the federal poverty level is living on an average monthly income of \$399. A family of
- 6 four, also at 50 percent of the federal poverty level, lives on a total monthly income of
- 7 \$806.

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Maintaining the livability of a household's dwelling through the use of energy is one of the basic necessities of life. Low-income households pay a significantly higher percentage of their total household income for energy, including electricity, than other households. The Fisher, Sheehan & Colton study cited above present energy burden statistics for Oregon households that are living in poverty. Table 2 displays a summary of these figures.

Table 2 ${\it Oregon Households at Various Levels of the Federal Poverty Level and their Associated Home } \\ {\it Energy Burdens}^6$

17	Poverty Level	Home Energy Burden
18	Below 50 percent	33.0 percent
19	50 to 74 percent	13.2 percent
20	75 to 99 percent	9.5 percent
21	100 to 124 percent	7.4 percent
22	125 to 149 percent	6.0 percent

⁵ There is an insignificant statistical discrepancy of 1.43% between the Oregon estimates of Poverty population from the 2000 census and the figures cited in the FSC study. Such a discrepancy could easily emerge from a tiny difference in the estimate of persons per household that each utilized, or from the fact that the FCS figures estimated the number of poverty households below the 99 percent level of the federal poverty level.

⁶ On the Brink: 2005, Fisher, Sheehan & Colton, Belmont Massachusetts, May, 2005.

Easing these household's energy burden is one of the goals of providing energy assistance to low-income Oregonians. To qualify for low-income energy assistance in Oregon (both bill payment assistance and weatherization) a household's total income needs to be at, or below, 60 percent of the State's median income. This level is approximately equal to 150 percent of the federal poverty level. There are approximately 377,000 Oregonians that currently qualify for low-income energy assistance. But while requests for energy assistance are growing at CADO agencies, aid from federal, state, utility and voluntary sources isn't keeping pace. Last year, a little more than 20 percent of Oregon households that were eligible for low-income energy assistance received help before the cash ran out. By the end of January, CADO agencies reported that over 15,000 households were on waiting lists throughout Oregon for assistance that most would never receive. A large number of Oregon low-income customers who receive energy assistance, and the even greater number of those who do not, are PacifiCorp customers. In 2004, PacifiCorp provided electricity service to an annual average of 437,737 residential customers. ⁷ Applying Oregon's average poverty rate of 11.6 percent to this figure you

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While the problems faced by low-income households with high energy bills are daunting, the benefits to the utility and all customers of providing low-income customers with assistance are compelling. Utilities receive around 70 percent of the total amount

arrive at an estimate of 50,777 PacifiCorp customers who live at, or below, the federal

poverty level. The number who would actually qualify for bill payment assistance and

weatherization at 60 percent of State Median Income is substantially higher.

⁷ 2004 Oregon Utility Statistics, Public Utility Commission of Oregon.

1	provided for low-income bill payment assistance in the form of payment of utility bills.
2	These funds help to reduce customer arrearages, the costs associated with customer
3	disconnection and reconnection, and the amount of revenue that is written off each year
4	as uncollectible. Table 3 displays the dollar amount of PacifiCorp's residential net write-
5	offs from fiscal year 1999 through fiscal year 2005. We believe that this information
6	shows the impact that the Oregon Energy Assistance Program (OEAP), which was
7	created through the implementation of SB 1149, has had in reducing residential customer
8	write-offs. Funds for the OEAP program began arriving at Oregon Housing and
9	Community Services in January, 2000. This initial money was associated with the
10	program's bridge funding. Though collected in the later months of FY 2000, relatively
11	small amounts of client payments would have been provided in the last three months of
12	that fiscal year when compared to the amount of funds distributed in the following years.
13	The figures shown in Table 3 reveal that for the two years prior to the creation and
14	funding of the OEAP program the amount of annual net residential write-offs averaged
15	nearly \$4.75 million. Over the next five years with the OEAP program in place, annual
16	net residential write-offs averaged nearly \$3.59 million – a 24.4 percent reduction.
17	CADO-OECA contend that this dramatic decline in net residential write-offs was made
18	possible by the bill payment assistance meter charge included in SB 1149 that funds the
19	OEAP program.
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Table 3

PacifiCorp Oregon Residential Net Write-offs
(1000's of Dollars)⁸

	Year	Period	Oregon Net Write-offs
	FY 1999	Apr 1998 - Mar 1999	\$4,625.09
	FY 2000	Apr 1999 - Mar 2000	\$4,872.33
	FY 2001	Apr 2000 - Mar 2001	\$3,286.93
	FY 2002	Apr 2001 - Mar 2002	\$3,547.32
	FY 2003	Apr 2002 - Mar 2003	\$3,739.53
	FY 2004	Apr 2003 - Mar 2004	\$3,912.40
	FY 2005	Apr 2004 - Mar 2005	\$3,459.74
Average FY 1999 thru FY 2000 \$4,7			\$4,748.71
Average FY 2001 thru FY 2005			\$3,589.18
	Percentage Reduc	24.42%	

In summary, tens of thousands of PacifiCorp's residential customers in Oregon face crushing energy burdens and are forced to make dramatic lifestyle, health and safety tradeoffs as a result. All low-income energy assistance funding sources combined provide only enough money to serve about 20 percent of customers who qualify for assistance. Any and all funding for low-income bill payment assistance directly helps other utility customers by providing payments to the utility that it might not otherwise receive. Reductions in customer arrearages, disconnections/reconnections and bad debt write-offs are tangible benefits enjoyed by all customers from assisting low-income ratepayers pay their energy bills.

 $^{^{8}}$ MEHC/PacifiCorp Response to CADO-OECA Data Request 3, November 15, 2005.

C: Applicants Proposal Introduces Several Sources of Potential Harm to Oregon.

2	In evaluating the potential risks and harms of this application we have compared
3	the potential acquisition and operation of PacifiCorp by MEHC to PacifiCorp's status quo
4	operations. We say this knowing that if this application is rejected future changes are
5	most likely in store for PacifiCorp. We have learned through this application of the
6	desire of Scottish Power to divest themselves of PacifiCorp because it's business profile,
7	which includes the need to invest at least \$1 billion per year for at least the next five year
8	to assure reliable electric energy service, does not match well with Scottish Power
9	investor's expectations for regular dividends and returns on investment. PPL/100,
10	Abel/11, 19-23. Apparently, MEHC found itself in the proverbial "right place at the right
11	time" with that kind of money to invest and a willingness to accept an expected rate of
12	return that is apparently unacceptable to Scottish Power. If this application is rejected we
13	will be left in a situation where a potentially dissatisfied company, who would most
14	likely seek another buyer, will own PacifiCorp. However, it would be speculative to
15	presume how any future attempts by Scottish Power to sell, divest, or otherwise dispose
16	of PacifiCorp would play out before this Commission in a 757.511 proceeding.
17	Therefore, we conclude that the proper comparison of the net benefits and harms of this
18	proposed transaction are to PacifiCorp's ongoing status quo operations.
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1 CADO-OECA has identified four areas of potential harms to PacifiCorp's Oregon 2 customers, particularly low-income customers from this proposed acquisition. These 3 areas are: 4 The Risk of Unnecessarily High Future Rates 5 ➤ Potential Lack of Sensitivity to the Importance of SB 1149 > PacifiCorp Leadership's "Center of Gravity" and the Future of Local Jobs 6 7 > Potentially Unnecessary Multi-State DSM Study and the Risks to Oregon's 8 **Low-Income Weatherization Programs** 9 10 The Risk of Unnecessarily High Future Rates: Against the backdrop of 11 demonstrated income insufficiency and high energy burdens of low-income customers, 12 we have become extremely alarmed that MEHC has come forward with an application 13 that outlines an ambitious capital spending plan that presumes the need for price 14 increases averaging four percent per year for the foreseeable future. Adding insult to 15 injury, there is no discussion in either MEHC's direct testimony, or supplemental direct testimony, of the impact that increasing energy un-affordability will have on PacifiCorp's 16 17 customers. MEHC is not offering any rate credits; is not offering any specific plan to 18 control spending or cost escalation; and does not acknowledge the impact that these plans 19 will have on low-income customers. MEHC's references to cost reductions totaling \$36 20 over five years and \$75 million over a longer period of time pale to insignificance when 21 compared to MEHC's multi-billion dollars investment plan. PPL/100, Able/3, 13-15. 22 23

1	At the October 25, 2005 Oral Presentation to the Commission in UM 1209, both
2	Greg Abel and Judi Johansen addressed issues related to the application and to comments
3	put forth by other parties in the case, including CADO-OECA. Neither Mr. Abel not Ms.
4	Johansen addressed the concerns put forward to the Commission by CADO-OECA about
5	the negative impact that PacifiCorp's plans will have on low-income customers, nor on
6	any new proposals that they intend to put forward to mitigate these negative impacts.
7	PacifiCorp plans to embark on an ambitious capital investment program that will
8	lead to rate increases in Oregon averaging 4 percent per year for the foreseeable future.
9	MEHC stands ready to provide the over \$1 billion per year for at least the next five years
10	that Scottish Power is apparently unwilling to commit. This is great news if you have
11	capital to invest and are satisfied with an expected rate of return that is apparently not
12	acceptable to the present owner. We are left with the impression of a well-financed
13	operation (what could be more well financed than Berkshire Hathaway) aggressively
14	scanning the investment horizon looking for opportunities to put it's capital to work – and
15	finding PacifiCorp and it's captive customer base. We contend that beneath the veneer of
16	the "benefit" proposed by the applicant of having deep pockets and a willingness to
17	invest lies a risk to ratepayers of overly aggressive capital investment – leading to
18	unnecessarily high future electricity prices.
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20	Potential Lack of Sensitivity to the Importance of SB 1149: Being new to Oregon,
21	the risk exists that MEHC may not be sufficiently sensitive to the importance of SB 1149
22	and the critical role this unique legislation plays in providing benefits to both low-income

customers and to PacifiCorp itself. Senate Bill 1149 was watershed energy legislation for

1 Oregon. It provides an essential source of funding for weatherization (via a proportion of 2 the public purposes charge) and bill payment assistance (via a separate meter charge) that 3 provide valuable and indispensable relief to thousands of PacifiCorp's low-income 4 customers. During the last program year, the Oregon Energy Assistance Program 5 (OEAP) provided bill payment assistance to 10,359 PacifiCorp households while the 6 Energy Conservation Helping Oregonians (ECHO) program weatherized the dwellings of 7 708 low-income PacifiCorp customers. 8 MEHC representatives have made numerous statements in public forums about 9 their intention to comply with all applicable laws and regulations. CADO-OECA's 10 position is that as far as Oregon's SB 1149 is concerned, a blanket statement such as this 11 is not sufficient protection from the risk that applicants may actively seek to alter this 12 legislation in a manner detrimental to the broad interests of Oregonians, and PacifiCorp's 13 low-income customers. 14 15 PacifiCorp Leadership's "Center of Gravity" and Future of Local Jobs: In their 16 direct testimony, MEHC offers a "benefit" to Oregon under the heading "Corporate 17 Presence." PPL/100 Abel/18, 34-40. Applicants commit to maintaining adequate 18 staffing and presence in each state, consistent with the provision of reliable service and 19 cost-effective operations. Applicants shed additional light on this elastic concept with the 20 inclusion of supplemental commitments made for Utah in recognition of the growth that 21 is occurring in that jurisdiction. The supplemental commitments include increasing the 22 number of corporate and senior management positions in Utah to better reflect the size of 23 Utah's retail load compared to the retail loads of the other states. PPL/101 Abel/5.

1 In opening comments other intervenors, most notably the City of Portland (City of 2 Portland Opening Comments, 3), the Industrial Customers of Northwest Utilities 3 (Opening Comments of ICNU, 13), the Citizen's Utility Board of Oregon (CUB Opening 4 Comments, 19-20), and the Natural Resources Defense Council (NRDC Opening 5 Comments, 4) correctly note this condition as being of major concern. CADO-OECA 6 shares the concern about the potential loss of jobs and shift in corporate influence from 7 Oregon to other states. Local elected officials, most notably Oregon's Governor and the 8 Mayor of the City of Portland, whose representatives met with the applicant to discuss 9 this issue, also shared the concern. On September 23, 2005 it was announced that MEHC 10 promised to keep the PacifiCorp headquarters in Portland if the acquisition is successful. 11 However, also in the September 23 announcement, Keith Hartje, a MEHC Senior Vice 12 President, reportedly stated that the company was reserving the right to fill executive-13 level vacancies to either Portland or Salt Lake City. Further, at the October 25, 2005 14 Oral Presentation to the Commission in UM 1209, Greg Abel stated that MEHC intended 15 to move two or three executive positions from Utah to Portland. Layered within these 16 subtle statements is a potentially significant risk to Oregon ratepayers from this 17 acquisition. Simply put, maintaining a corporate "headquarters" in a specific location is 18 no guarantee of the organizations "center of gravity", the total number of employees, and 19 the "quality" of those positions. These statements could imply that MEHC's ownership of 20 PacifiCorp may lead to a hollowing of its overall corporate presence in Oregon. The 21 'headquarters/leadership' function could consist simply of a CEO or President along with 22 a small support staff. Remaining Portland (and Oregon) based PacifiCorp employees 23 and/or contractors could report to decision makers that are based in Salt Lake City. In an

1 environment such as this there are no allowances for maintaining the number of positions 2 that would be Oregon-based, the quality of those positions (full-time employees versus 3 part-time and/or contract employees) or the ongoing maintenance of a corporate culture 4 that has been sensitive over the years to Pacific Northwest environmental, renewable 5 resource and low-income issues. 6 7 Potentially Unnecessary Multi-State DSM Study and the Risks to Oregon's Low 8 *Income Weatherization Programs:* In their direct testimony, MEHC committed to 9 conducting a company-defined third-party market potential study of additional DSM and 10 energy efficiency opportunities within PacifiCorp's service area. PPL/100 Abel 17, 44-11 46 and PPL/100 Abel 18, 1-21. In their supplemental direct testimony, MEHC states that 12 they intend to convene a six-state working group, including "low-income agencies" to 13 provide input into the design phase of the study. PPL/308 Gale 6, 11. In addressing the 14 costs of this proposed study, MEHC commits that their shareholders will absorb the first 15 \$1.0 million. 16 CADO-OECA share the concerns expressed by OPUC Staff in their opening 17 comments (Staff's Opening Comments, 4) about the potential duplicative and 18 unnecessary nature of this study given that the Oregon Public Purpose Funding, and the 19 Energy Trust of Oregon, may also provide such benefits. Staff also raises a valid point 20 that Oregon customers should not pay for ETO-like services in other states. These 21 concerns should be fully explored in this docket, especially in light of MEHC's 22 commitment to spend \$1.0 million in shareholder funds for the study – money that we

contend could be better used to directly help assist low-income customers.

1	If applicants succeed in pursuing this study the potential risk emerges that
2	Oregon's proven low-income weatherization programs may become degraded over time
3	through the application of a 'least common denominator' approach that attempts to
4	equilibrate regional low-income weatherization efforts at a level below Oregon's existing
5	standards and funding levels when measured on as a percentage of utility net income.
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7	In summary, CADO-OECA concludes that there are risks and harms inherent in
8	this application to Oregon customers and that MEHC's application is inadequate in
9	addressing these risks and harms, and of providing net benefits to Oregon customers.
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11	D: CADO-OECA Conditions to Address the Risks and Harms of This Transaction.
12	In light of the inadequacy of the Applicant's proposal, CADO-OECA offer four
13	conditions that we contend should be adopted as part of this application. These
14	conditions address, in turn, the need for additional benefits that mitigate the four areas of
15	risks and harms identified in the previous section. Without these conditions, CADO-
16	OECA will not be able to conclude that this application has sufficient benefits for
17	PacifiCorp's Oregon low-income customers to merit our support. The appropriate issues
18	categories identified for this Docket in Judge Smith's November 1, 2005 ruling that are
19	addressed with each of these four conditions are noted as footnotes.
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- 1. MEHC should provide \$2.0 million of shareholder funds per year for three
- 2 years to help reduce the energy burden of its low-income residential customers. 9 CADO-
- 3 OECA agrees to work directly with MEHC to develop the specific program parameters
- 4 and the manner in which the funds will be administered.
- 5 2. MEHC should make an explicit commitment to support the permanent
- 6 continuation of SB 1149 including both the public purpose charge a portion of which
- 7 funds the Energy Conservation Helping Oregonians (ECHO) fund that is used for
- 8 weatherization projects for low-income households AND the separate meter charge that
- 9 funds the Oregon Energy Assistance Program low-income bill payment assistance
- program. ¹⁰ MEHC should also make a commitment to support changes in SB 1149 that
- protect low-income Oregonians from the fluctuations in real purchasing power of these
- 12 funds caused by increases in electricity prices.
- 13 MEHC should commit to there being no net loss of jobs in Oregon as a
- 14 result of their acquisition of PacifiCorp. MEHC should also provide a strong statement
- of support for, and the continued evolution of, a corporate culture that has been sensitive
- over the years to Pacific Northwest environmental, renewable resource and low-income
- 17 issues. 11
- 18 4) The value of Applicants proposed Demand Side Management study
- 19 should be closely scrutinized, especially in light of the value that \$1.0 million in
- 20 shareholder funds could provide if applied toward helping to ease low-income customer's
- 21 energy burdens. It appears that this study may be unnecessary and duplicative. If the
- 22 applicants are determined to pursue such a study, then CADO-OECA representatives

⁹ Issue 3-c, UM 1209 Ruling, November 1, 2005

¹⁰ Issue 3-d, UM 1209 Ruling, November 1, 2005

¹¹ Issue 5-a, UM 1209 Ruling, November 1, 2005

should be directly included in the efforts as a way of incorporating "low-income

2 agencies" as suggested in MEHC's Supplemental Direct Testimony. PPL / 308 Gale 6,

11. Our representation is vital to help ensure that: a) the study correctly values the

contribution that low-income weatherization programs make toward achieving the

5 region's energy efficiency goals, b) that Oregon's excellent low income weatherization

programs are not degraded and that other PacifiCorp state's efforts are brought up to

7 Oregon's level, and c) to ensure that Oregon customers do not unfairly subsidize energy

efficiency investments in other jurisdictions. ¹² ¹³ ¹⁴ ¹⁵

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D-1: Discussion of CADO-OECA Recommendation 1

CADO-OECA is requesting that MEHC provide \$2.0 million per year for three years to help reduce the energy burden of a portion of its Oregon residential customers who qualify for low-income energy assistance. This funding can be viewed as partial bridge funding to any increases in bill payment assistance funding levels approved during the 2007 Oregon legislative session. CADO-OECA agrees to work directly with MEHC to develop the specific program parameters and the manner in which the funds will be administered. MEHC should be prepared to provide these funds in annual installments beginning at the closing of the acquisition. Any interest earned on these funds between the time they are provided by the Company and expended for program purposes will be made available for additional low-income purposes.

¹² Issue 1-a-i, UM 1209 Ruling, November 1, 2005

¹³ Issues 3-c and 3-d, UM 1209 Ruling, November 1, 2005

¹⁴ Issues 5-a, UM 1209 Ruling, November 1, 2005

¹⁵ Issue 1-b-iv., UM 1209 Ruling, November 1, 2005

The impact of this additional funding on PacifiCorp's low-income customer base would be dramatic. If these funds were used exclusively for bill payment assistance then, after allowing for expenses associated with program delivery, over 5,300 PacifiCorp customers per year could receive \$300 in payments that would go directly to pay their utility bills. These funds will help reduce PacifiCorp's costs associated with customer disconnection & reconnection, payment arrearages and bad debt write-off since nearly 70 percent of the funds will flow to PacifiCorp in the form of electricity bill payments.

D-2: Discussion of CADO-OECA Recommendation 2

As discussed previously, MEHC representatives have made numerous statements in public forums about their intention to comply with all applicable laws and regulations. As far as SB 1149 is concerned a blanket statement such as this is not sufficient protection from the risk that applicants may actively seek to alter this legislation in a manner detrimental to the broad interests of Oregonians and PacifiCorp's low-income customers in particular. We urge MEHC to make an explicit commitment to support the permanent continuation of Oregon's public purposes charge AND the customer charge that funds the low-income bill payment assistance program and to support adoption of mechanisms to protect the real purchasing power of these low-income programs from increases in electricity prices. Our current vision of the economic and energy future for Oregon unfortunately include increasing energy prices – particularly electricity. The need for weatherization, bill payment assistance, and innovative new ways to help reduce the energy burden, and promote the self-sufficiency, of low-income people will not only increase but will extend well past the current expiration date of SB 1149. The funding

1 provided by this legislation is critical and is should not only continue uninterrupted, but

mechanisms should be put into place that will protect the purchasing power of the funds.

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Discussion of CADO-OECA Recommendation 3 D-3:

5 As a condition of this application CADO-OECA ask that the applicant commit to

- 6 having no net job losses in Oregon as a result of MEHC's acquisition of PacifiCorp.
- 7 Further, we urge that MEHC formally recognize the importance of, and agree to maintain
- 8 over time, the value, that the "Northwest Culture" brings to PacifiCorp's customers.
- 9 This value can be measured in PacifiCorp's commitment to environmental protection,
- 10 renewable resource development, and a strong focus on community-level activities
- 11 including activities supported by the community action agencies and their affiliates.

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Discussion of CADO-OECA Recommendation 4 D-4:

As discussed earlier, applicants proposed DSM study could be duplicative and unnecessary and should receive close scrutiny. If, after thorough evaluation, this regionwide exploration into DSM and energy efficiency opportunities occurs then CADO-OECA representatives need to be a direct part of the process. There are two primary reasons why our participation is needed. If, as MEHC contends, the result of this study will be "used by the Company in helping to direct ongoing DSM and energy efficiency opportunities" ¹⁶ then there could be an impact on the various states' low-income weatherization efforts. CADO-OECA strongly believe in both the energy efficiency component of low-income weatherization programs and this program's effectiveness at

¹⁶ PPL/100, Abel/18

1 reducing the energy burden of low-income customers thereby making electricity more 2 affordable. CADO-OECA further believes, and is prepared to demonstrate, that the low-3 income programs that have been developed and implemented in Oregon are among the 4 best in PacifiCorp's service area. OECA, representing all local providers, partners 5 through Oregon Housing and Community Services (OHCS) to ensure that training and 6 technical assistance weatherization funding is utilized statewide for program 7 standardization and capacity performance. Oregon has received national and regional 8 recognition as a leader in setting the standards for home performance in energy 9 efficiency. The Bonneville Power Administration has teamed with the State of Oregon to 10 incorporate our standards, curriculum and specifications to train all contractors 11 participating in ENERGY STAR programs being introduced in Oregon. 12 13 Our involvement in this potential study would be: 14 to help assure that low-income weatherization remains a bone-fide energy 15 efficiency program that can deliver proven, reliable and cost effective kWh 16 savings 17 to help assure that any effort to change the way low-income weatherization is 18 delivered in other PacifiCorp jurisdictions looks toward the Oregon programs and 19 funding commitments as standards that should be adopted region-wide – thereby 20 protecting against any effort to degrade Oregon's proven programs by taking a 21 "least common denominator" approach to regional low-income weatherization 22 efforts. CADO-OECA strongly believe that any degradation to Oregon's proven

low-income weatherization programs that is based upon efforts in other state's

1	served by PacifiCorp would be a significant reduction in customer service
2	currently being provided to Oregon customers
3	• to help assure that any costs associated with improving DSM and energy
4	efficiency in other PacifiCorp states – including low-income weatherization – are
5	borne by the ratepayers in that state and are not subsidized by Oregon ratepayers
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7	E. Conclusion
8	MEHC's application currently provide insufficient benefits for customers -
9	particularly low-income customers when compared to the potential harms we have
10	identified. In the application's present form we do not find that customers are better
11	served than they would be if PacifiCorp remained as it currently exists. If tangible
12	benefits are not provided to PacifiCorp's customers, particularly low-income customers,
13	especially when overall rate reductions are either non-existent or minimal, then CADO-
14	OECA must conclude that there are not sufficient net public benefits created by this
15	acquisition and would urge the Oregon PUC to reject this application.
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17	Dated this 21 st day of November, 2005
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19	Respectfully Submitted,
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22 23 24	Oregon Energy Partnership Coordinator Community Action Directors of Oregon

CADO-OECA Exhibit 101

QUALIFICATIONS AND BACKGROUND OF

THOMAS JAMES (JIM) ABRAHAMSON

1	Q:	Please state your name and business address.
2	A.	My name is Thomas James (Jim) Abrahamson. My business address is 945 Columbia St
3		NE, Salem, Oregon 97303.
4		
5	Q.	By whom are you employed and in what capacity?
6	A.	I am the Oregon Energy Partnership Coordinator for the Community Action Directors of
7		Oregon (CADO). In this capacity I work with CADO and the Oregon Energy
8		Coordinators Association (OECA) to analyze, coordinate, communicate and implement
9		issues and projects that provide needed energy benefits to low-income Oregonians.
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11	Q.	Please describe your educational background and professional experience.
12	A.	I was awarded a Masters of Science in Economics and a Bachelor of Science in
13		Economics from Portland State University in Portland, Oregon. I have been the Oregon
14		Energy Partnership Coordinator since January of 2004. I have nearly 20 years of
15		experience in the electric utility industry in a variety of capacities. Most recently, I was
16		employed by Cinergy / PSI Energy and was based in Indianapolis, Indiana. While
17		employed at Cinergy / PSI Energy I was Manager of Strategic Planning Systems. Other
18		responsibilities included the development of long-term population, employment and
19		electric load forecasts associated with PSI's first IRP filing with the Ohio PUC, and

management of a major marketing program. Prior to that I was employed by Pacific Power and Light Company in Portland, Oregon. While employed at Pacific Power my responsibilities included long-term economic and electric load forecasting, strategic planning, public policy, and the administration of Pacific's first integrated resource planning process (RAMPP 1). While in Indiana, I also operated in the capacity as a loaned executive providing critical strategic planning and decision making services to non-profit agencies throughout central and southern Indiana. Most recently, I have served as the Chair of the Portland (Oregon) Utilities Review Board advising the Portland City Council on issues related to water, wastewater, stormwater and solid waste/recycling rates including the impact of the City's low-income utility assistance programs.

Q. Have you ever testified before this commission?

A. Among the dockets that I have provided testimony and comments, both oral and written, to this commission include UM 1121, UF 4218, UM 1206, AR 500 and UG 163.

Oregon's Community Action Network

ACCESS, Inc.

P.O. Box 4666 Medford, Oregon 97501 Patty Claeys, Executive Director

CAP of East Central Oregon (CAPECO)

721 SE 3rd Street, Suite D Pendleton, Oregon 97801 Donna Kinnaman, Executive Director

Central Oregon Community Action Agency Network (COCAAN)

2303 SW First Street Redmond, Oregon 97756 Sharon Miller, Executive Director

Clackamas County Social Services

P.O. Box 2950 Oregon City, Oregon 97045 John Mullin, Director

Community Action Organization

1001 SW Baseline Street Hillsboro, Oregon 97123 Jerralynn Ness, Executive Director

Community Action Team, Inc. (CAT)

310 Columbia Blvd. St. Helens, Oregon 97051 Rocky Johnson, Executive Director

Community Connection of NE Oregon (CCNO)

104 Elm Street LaGrande, Oregon 97850 Margaret Davidson, Executive Director

Community Services Consortium (CSC)

545 SW 2nd, Suite A Corvallis, Oregon 97333 Tom Clancey-Burns, Executive Director

Harney - Malheur Community Action Agency (HMCAA)

17 S. Alder Street Burns, Oregon 97720 Theresa Williams, Executive Director

Josephine County Community Action Programs

317 N.W. "B" Street Grants Pass, Oregon 97526 Dawn Pike, Interim CAP Manager

Klamath Lake CAA

305 Main Street Klamath Falls, Oregon 97601 Joyce Berry, Director

Lane County Human Services Commission

125 East 8th Avenue Eugene, Oregon 97401 Steve Manela, Program Manager

Mid-Columbia CAC (MCCAC)

P.O. Box 1969 The Dalles, Oregon 97058 Jim Slusher, Executive Director

Mid-Willamette Valley CAA (MWVCAA)

2475 Center Street NE Salem, Oregon 97301 Teresa Cox, Executive Director

Multnomah County Office DSCP

421 SW Oak Street, Suite 200 Portland, Oregon 97204 Mary Li, Manager

Oregon Human Development Corporation (OHDC)

Statewide Farmworker Services 9620 SW Barbur Boulevard, Suite 110 Portland, Oregon 97219 Ron Hauge, Executive Director

Southwestern Oregon Community Action Committee (SWOCAC)

2110 Newmark Avenue Coos Bay, Oregon 97420 Dave Helland, Ph.D., Interim Executive Director

Umpqua Community Action Network (UCAN)

2448 W. Harvard Boulevard Roseburg, Oregon 97470 Michael Fieldman, Executive Director

Yamhill Community Action Partnership (YCAP)

P.O. Box 621 McMinnville, Oregon 97128 Doug Bartlett, Executive Director

CERTIFICATE OF SERVICE

I hereby certify that on November 21, 2005, I delivered an original and five copies of the foregoing TESTIMONY OF THE COMMUNITY ACTION DIRECTORS OF OREGON and the OREGON ENERGY COORDINATORS ASSOCIATION to:

ADMINISTRATIVE LAW JUDGE CHRISTINA M. SMITH PUBLIC UTILITY COMMISSION OF OREGON 550 CAPITOL ST., NE., SUITE 215 PO BOX 2148 SALEM, OR 97308-2148

and on November 21, 2005, I hereby certify that the forgoing document was electronically served on all parties whom have an email address on the official service list, and by U.S. Mail, postage-prepaid, to those parties who do not have an email address on the official service list for UM 1209.

/s/ Thomas James Abrahamson

Thomas James (Jim) Abrahamson Oregon Energy Partnership Coordinator Community Action Directors of Oregon

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