

DATA RESPONSE

Request No.: BPA-CC-001

Witnesses: Faddis, Eldrige, *et al.*

Exhibit(s): SN-03-E-CC-01

Page(s): p. 3, lines 12-18 [“In the service area of Umatilla Electric, we have a broad range of customers from large food processing facilities and large-scale irrigated farming operations to mom and pop-sized businesses and residential customers, including a significant number of economically disadvantaged people. After BPA’s rate increases of the last year or so, we have seen unemployment increase, small businesses facing new costs that they cannot pass on to their customers, and extremely serious threats to irrigators and food processors, who are our bread and butter customers.”]

Request: Please provide any economic correlation analysis used to support this statement.

Response: Attached is a Power Point file including two (1979-1987 and 1979-2002) analyses prepared by PNGC Power tracking the relationship of BPA rates to load response at PNGC’s Members. These studies track the effects of BPA rate increases, corresponding retail rates, and the load response for eight of PNGC Power’s Members. The retail distribution cooperatives and their loads included reflect a sampling of the loads in three end use sectors (commercial/ industrial, irrigation, and residential) that is representative of the entire power pool. The Power Point file includes a third analysis, tracking unemployment rates in the counties associated with Umatilla Electric’s service area.

The first load response analysis, a study for the years 1979 to 1987, is comprised of six slides. The first three slides in this set are the basis comparison of rates and load response for the three economic sectors. The second three slides in this set show the percent change, in percentage and constant dollars, indexed to 1978. The load response to price increases is quite evident for the three sectors. This information was presented to BPA within the last twelve months, but prior to the inception of the SN-03 rate case. PNGC Power discussed with BPA staff and expressed concern about an erroneous assumption BPA was making in ignoring the response of rural loads to price increases.

The second load response analysis includes six additional slides extending the study through 2002. The information in this set is presented following the same approach and sequence used for the 1979-1987 analysis. Again a strong correlation of load response to price is apparent.

The third analysis tracks unemployment across rate periods for Umatilla County, Oregon.

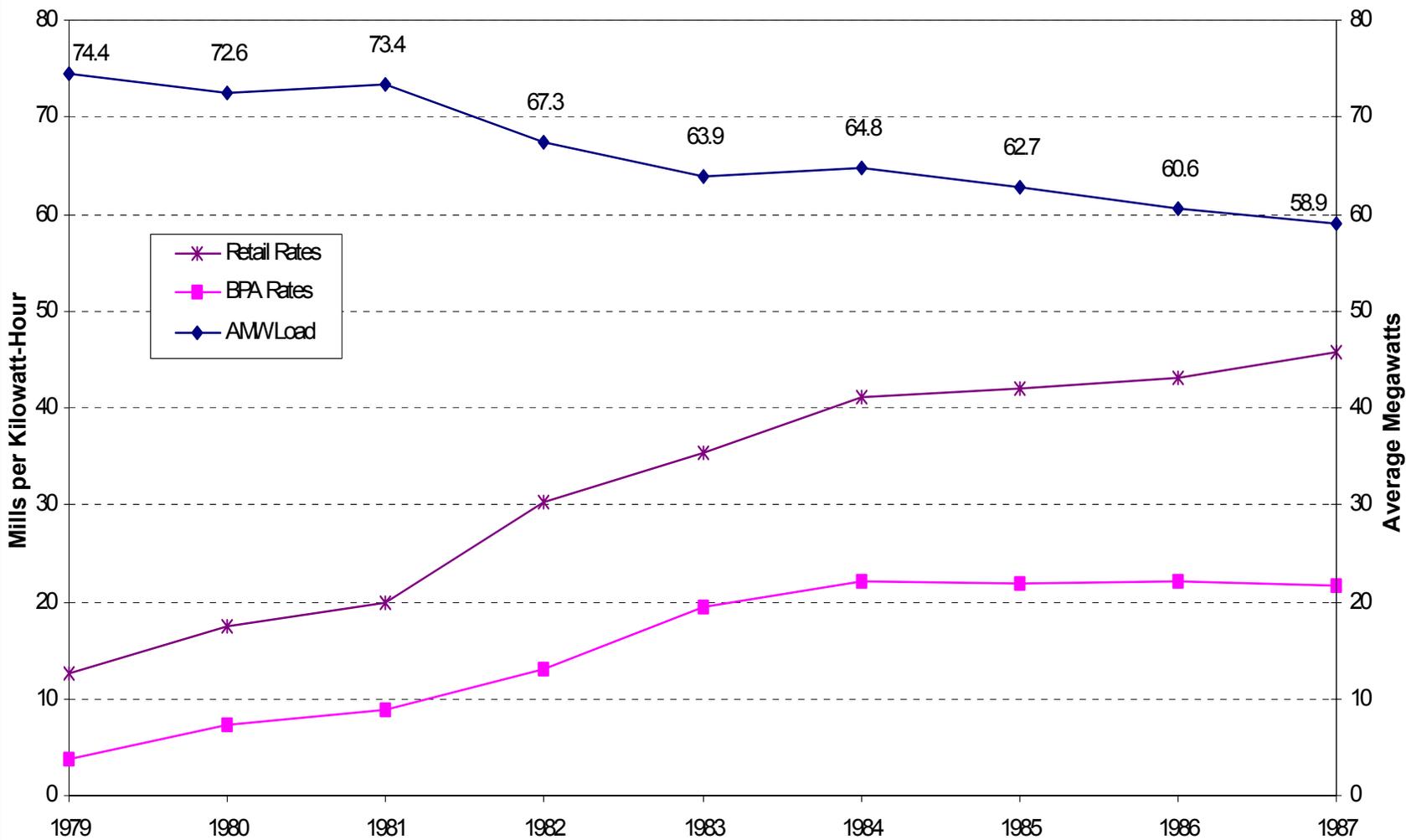
DATA RESPONSE—BPA-CC-001

PNGC Loads & Prices Analysis

1987 Study

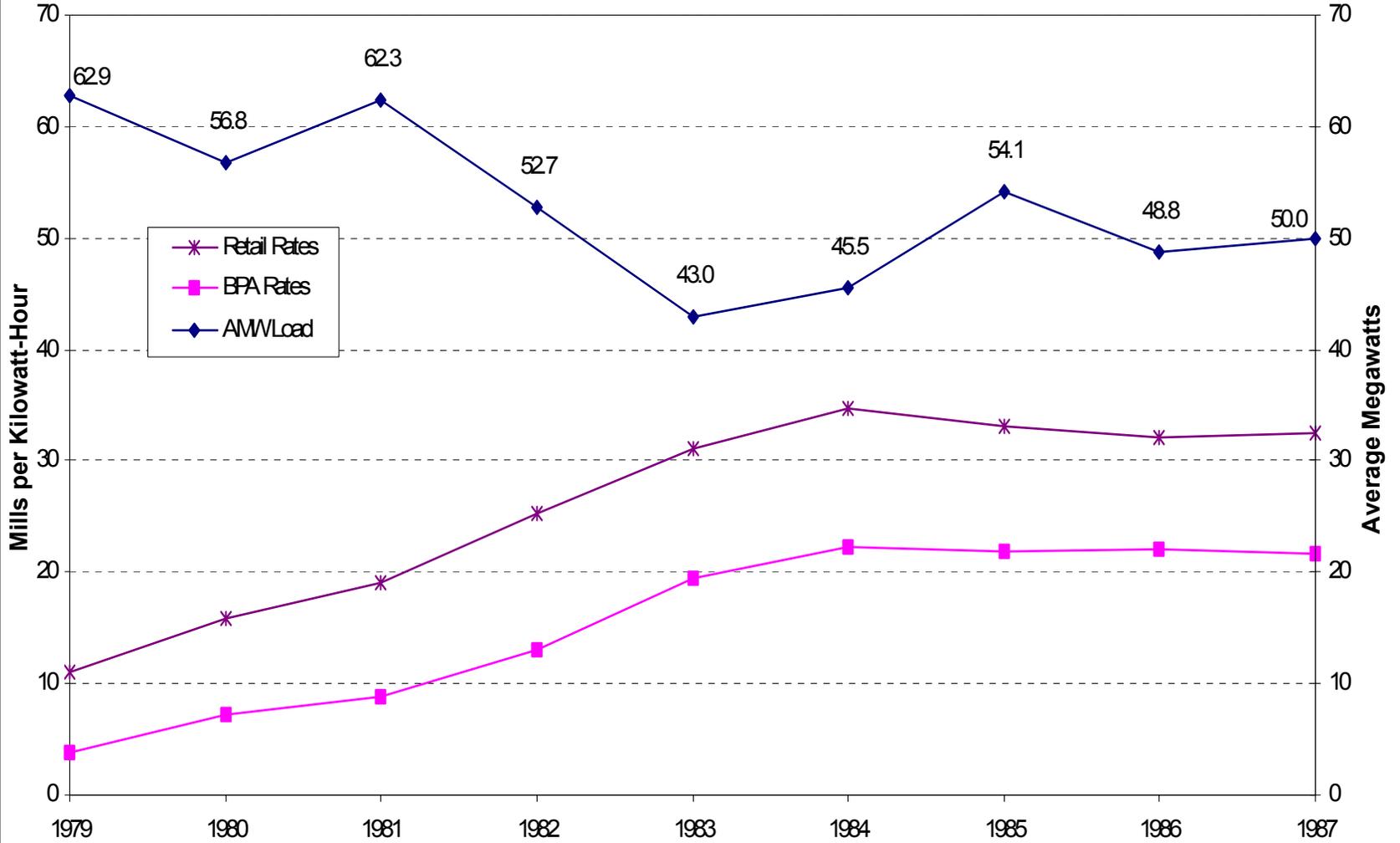
PNGC Commercial/Industrial Loads & Prices 1979 - 1987

Chart 2



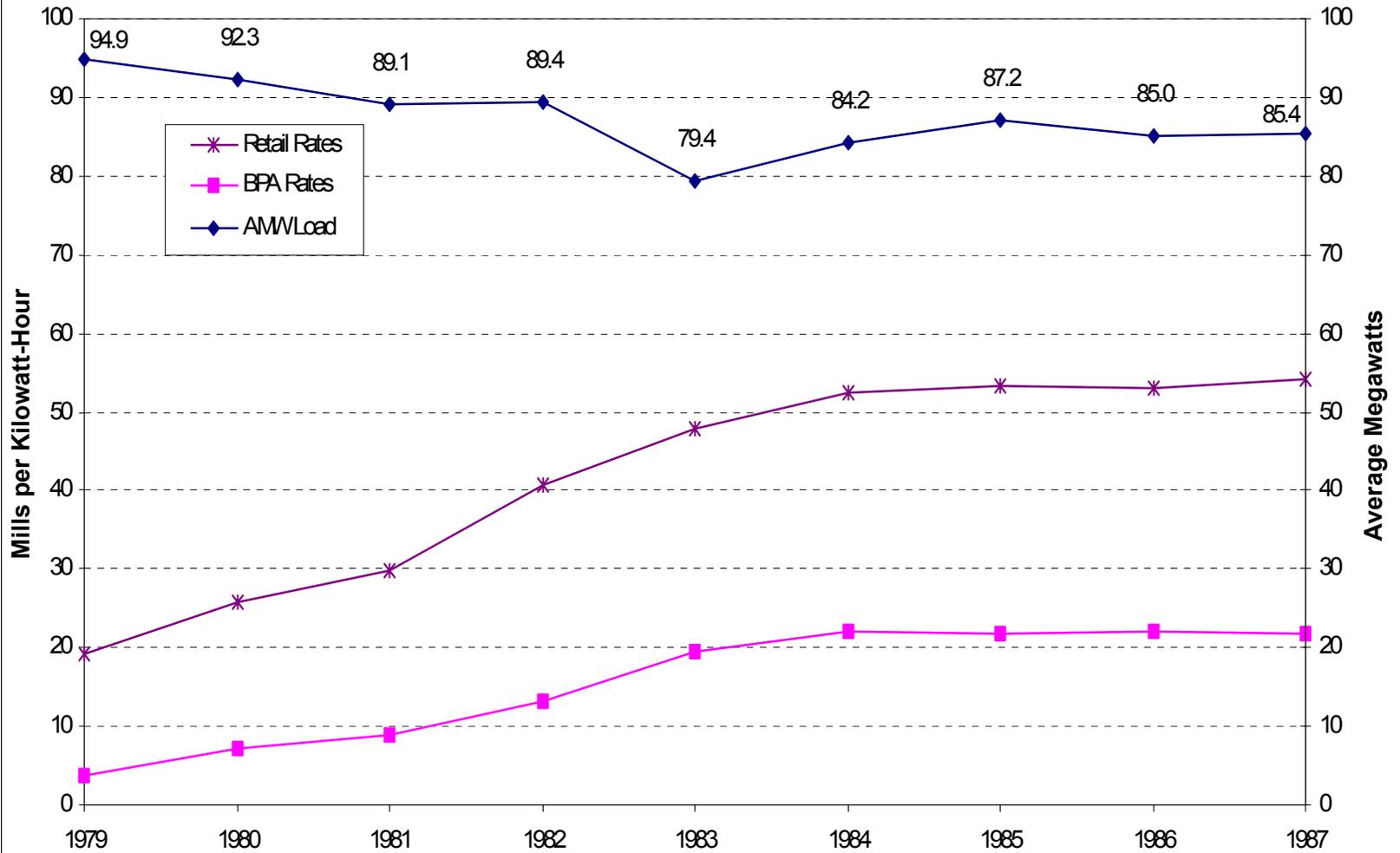
PNGC Irrigation Loads & Prices 1979 - 1987

Chart 3



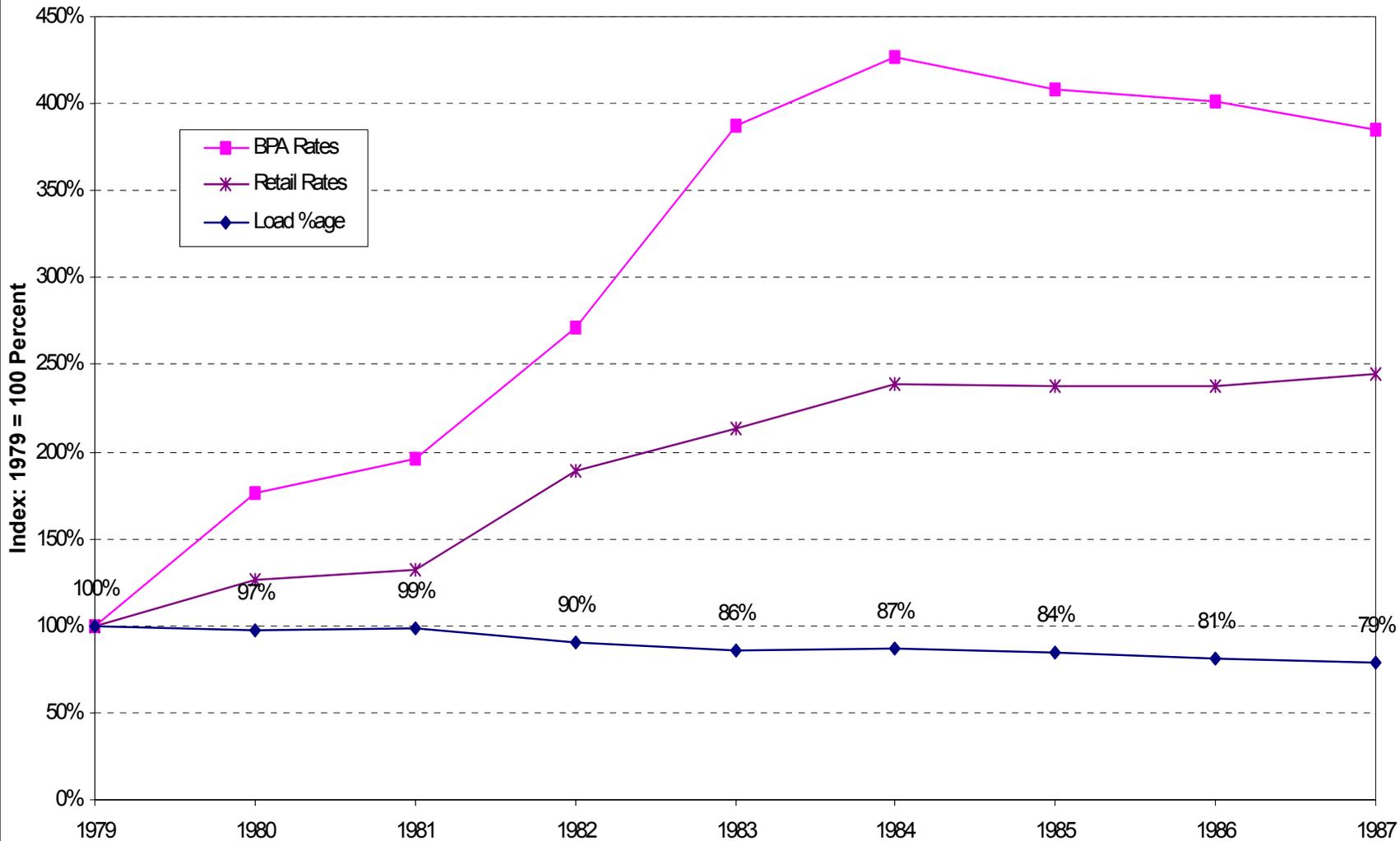
PNGC Residential Loads & Prices 1979 - 1987

Chart 4



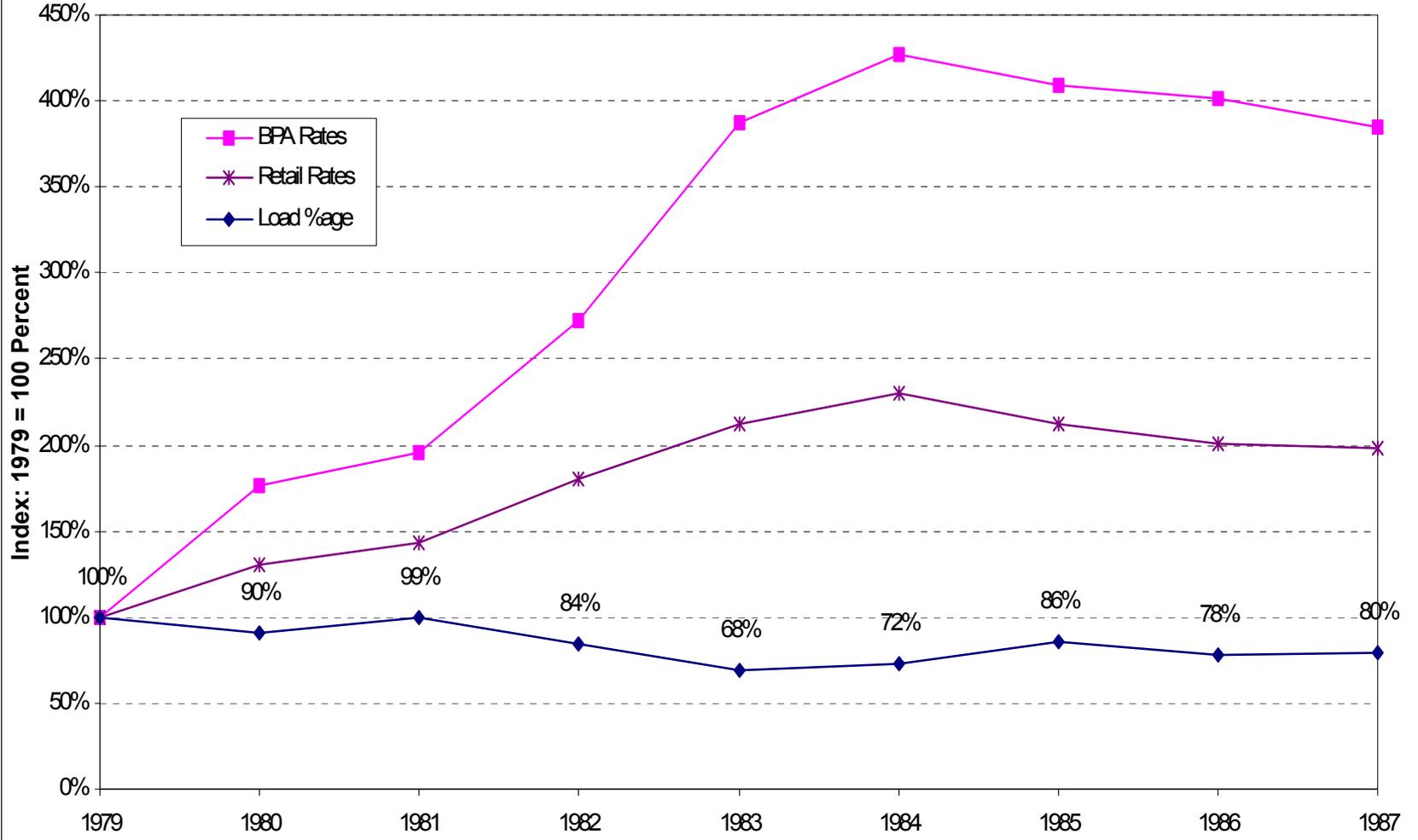
Changes in PNGC Commercial/Industrial Loads & Prices 1979 - 1987, Constant Dollars

Chart 8



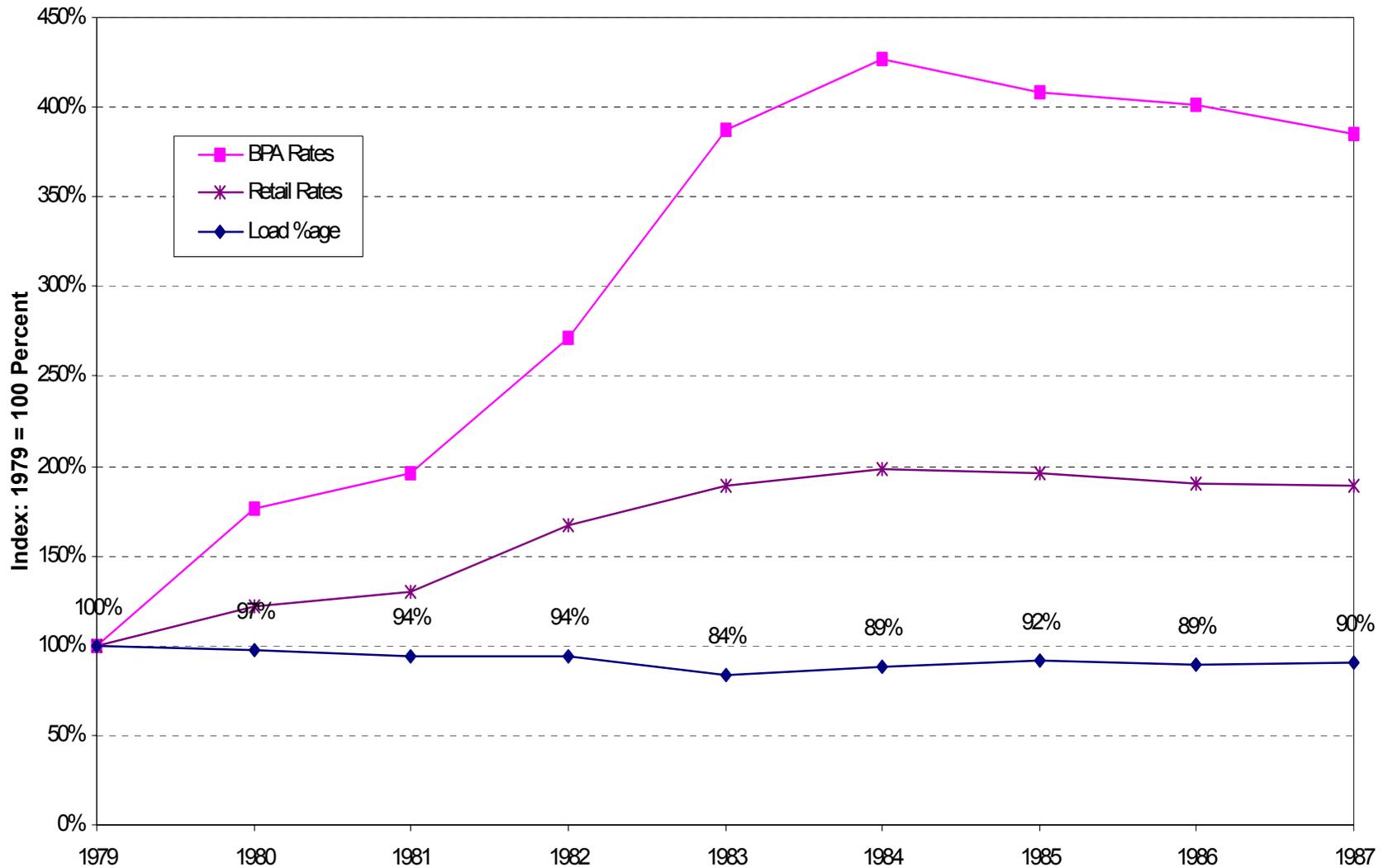
Changes in PNGC Irrigation Loads & Prices 1979 - 1987, Constant Dollars

Chart 9



Changes in PNGC Residential Loads & Prices 1979 - 1987, Constant Dollars

Chart 10

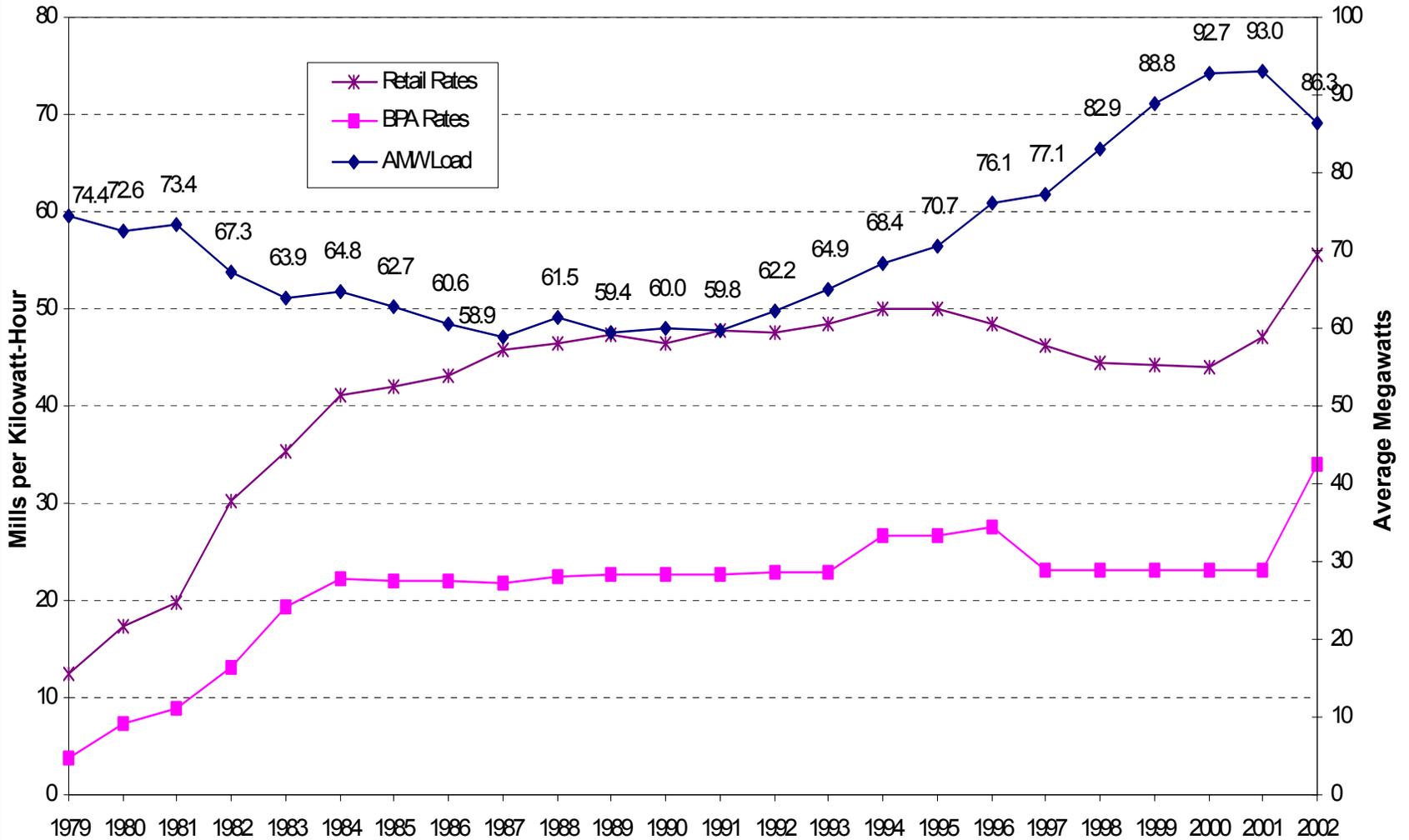


PNGC Loads & Prices Analysis

2002 Study

PNGC Commercial/Industrial Loads & Prices
1979 - 2002

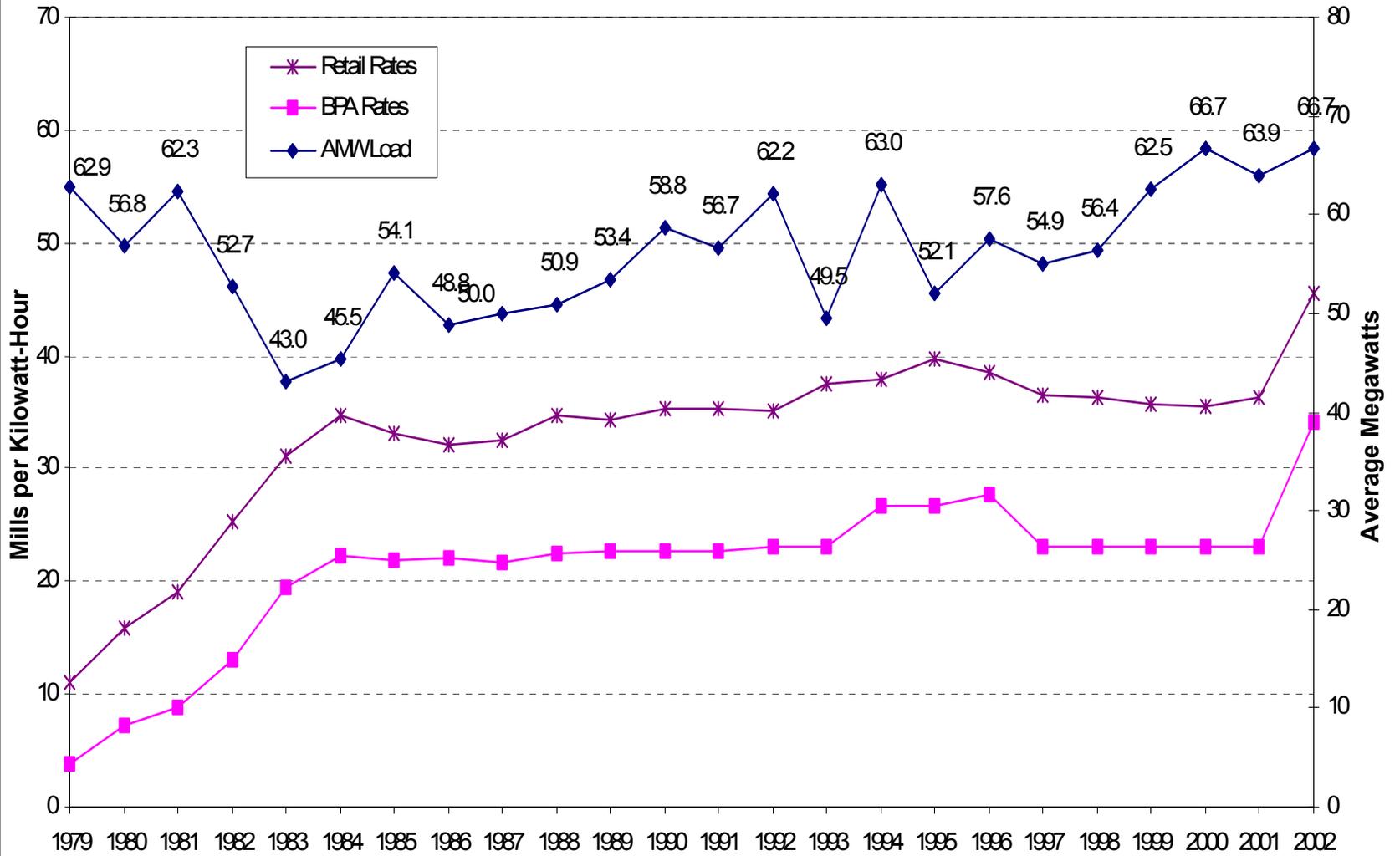
Chart 2



PNGC Irrigation Loads & Prices

1979 - 2002

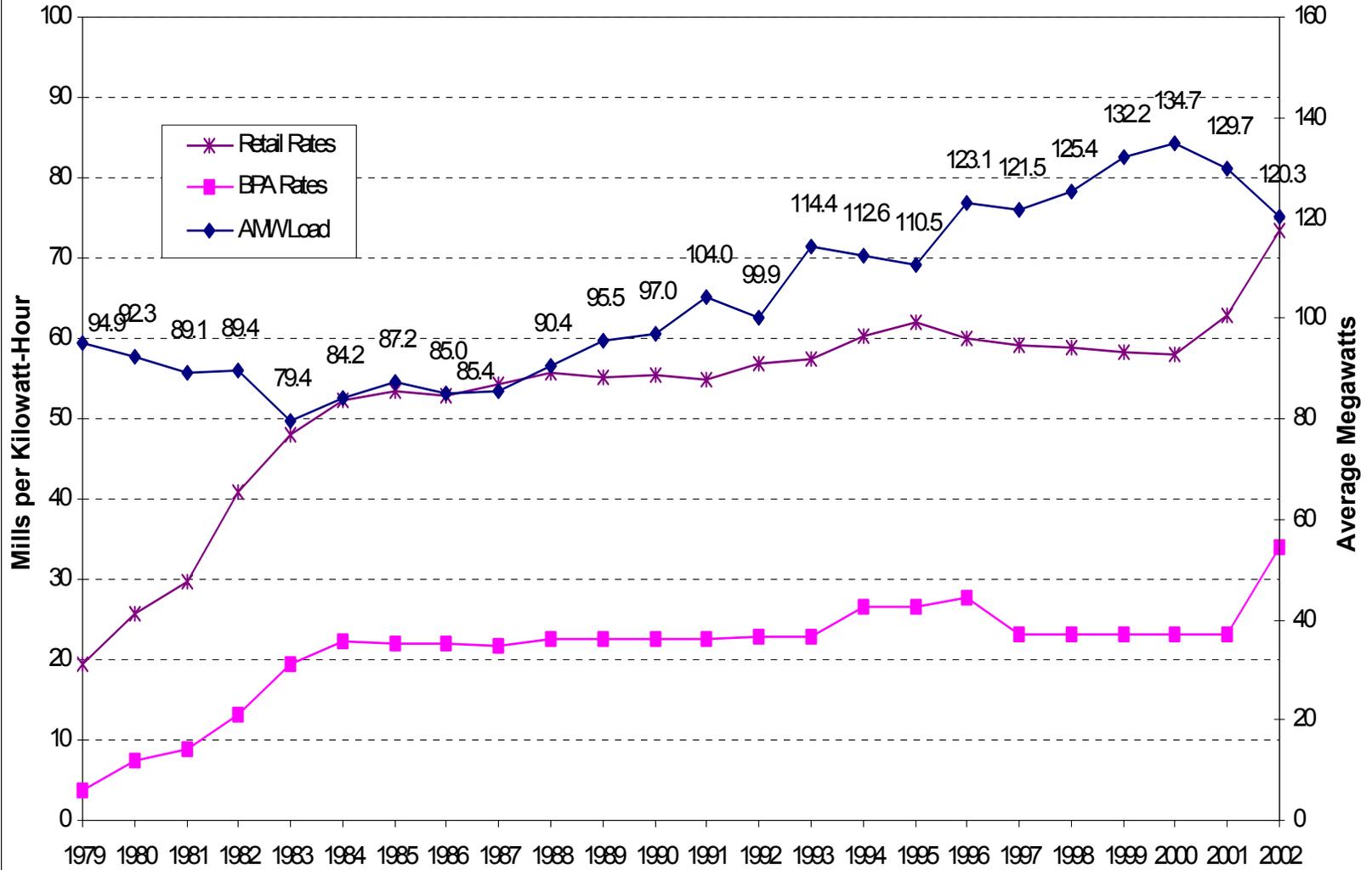
Chart 3



PNGC Residential Loads & Prices

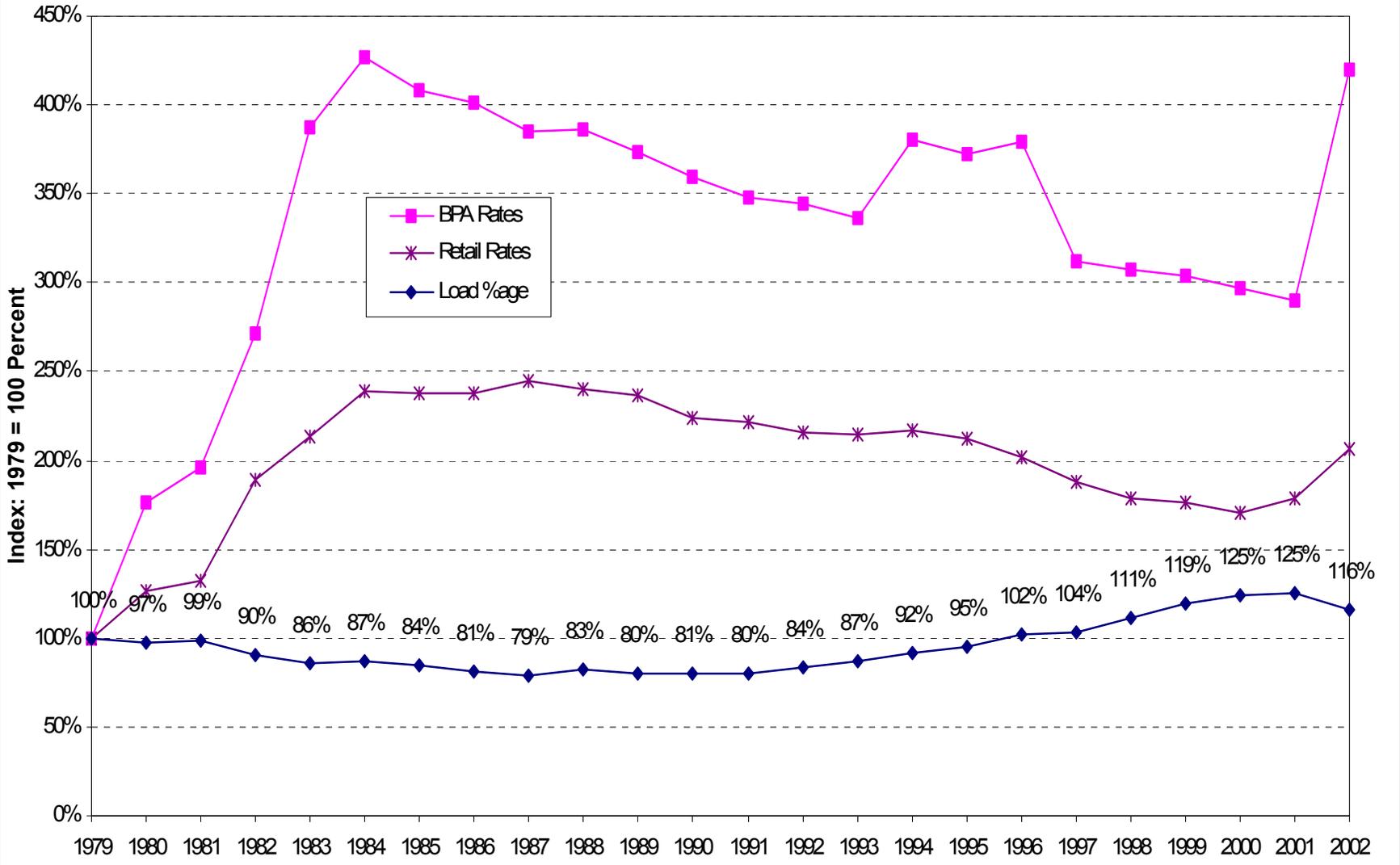
1979 - 2002

Chart 4



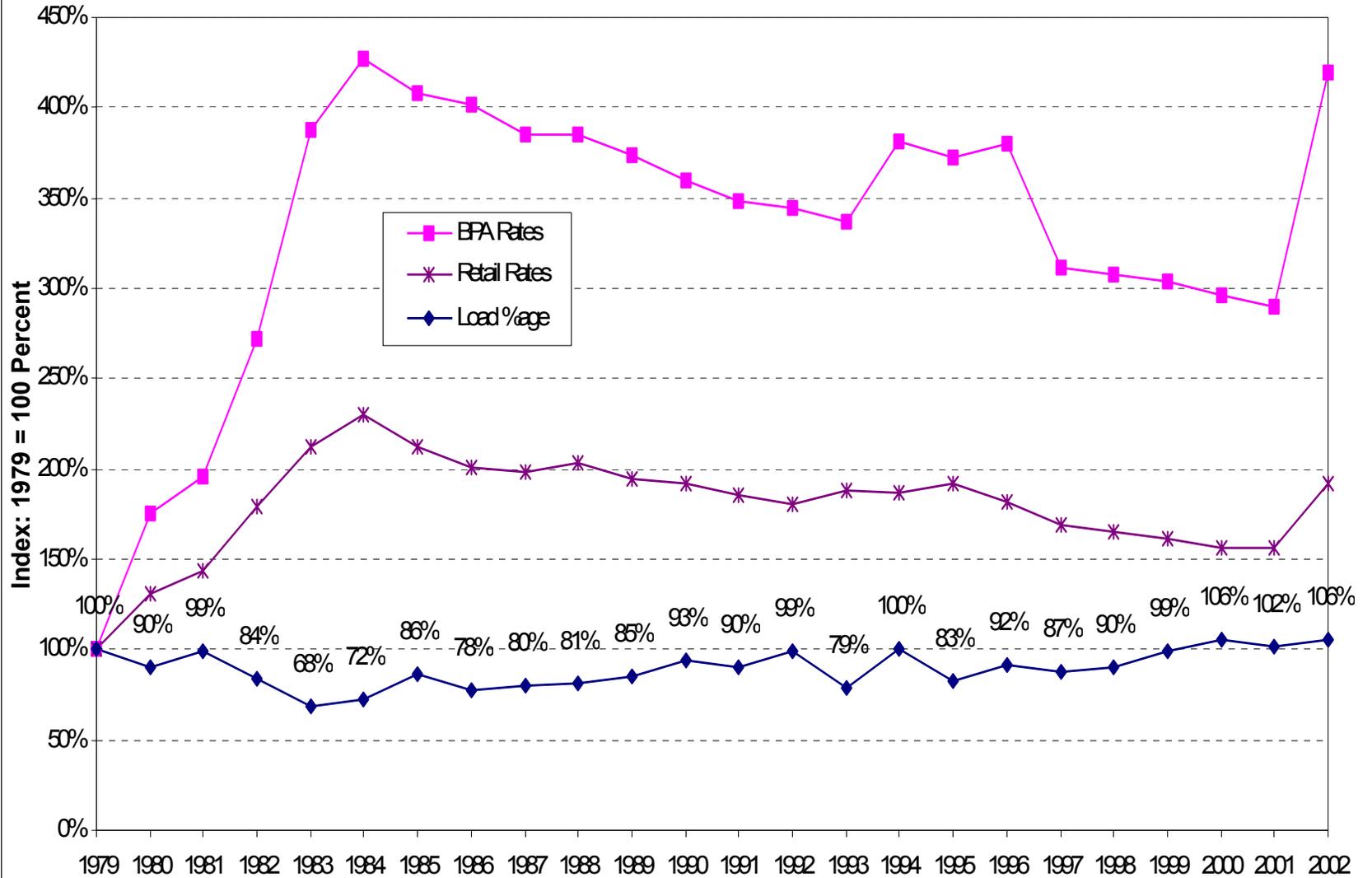
Changes in PNGC Commercial/Industrial Loads & Prices 1979 - 2002, Constant 1996 Dollars

Chart 8



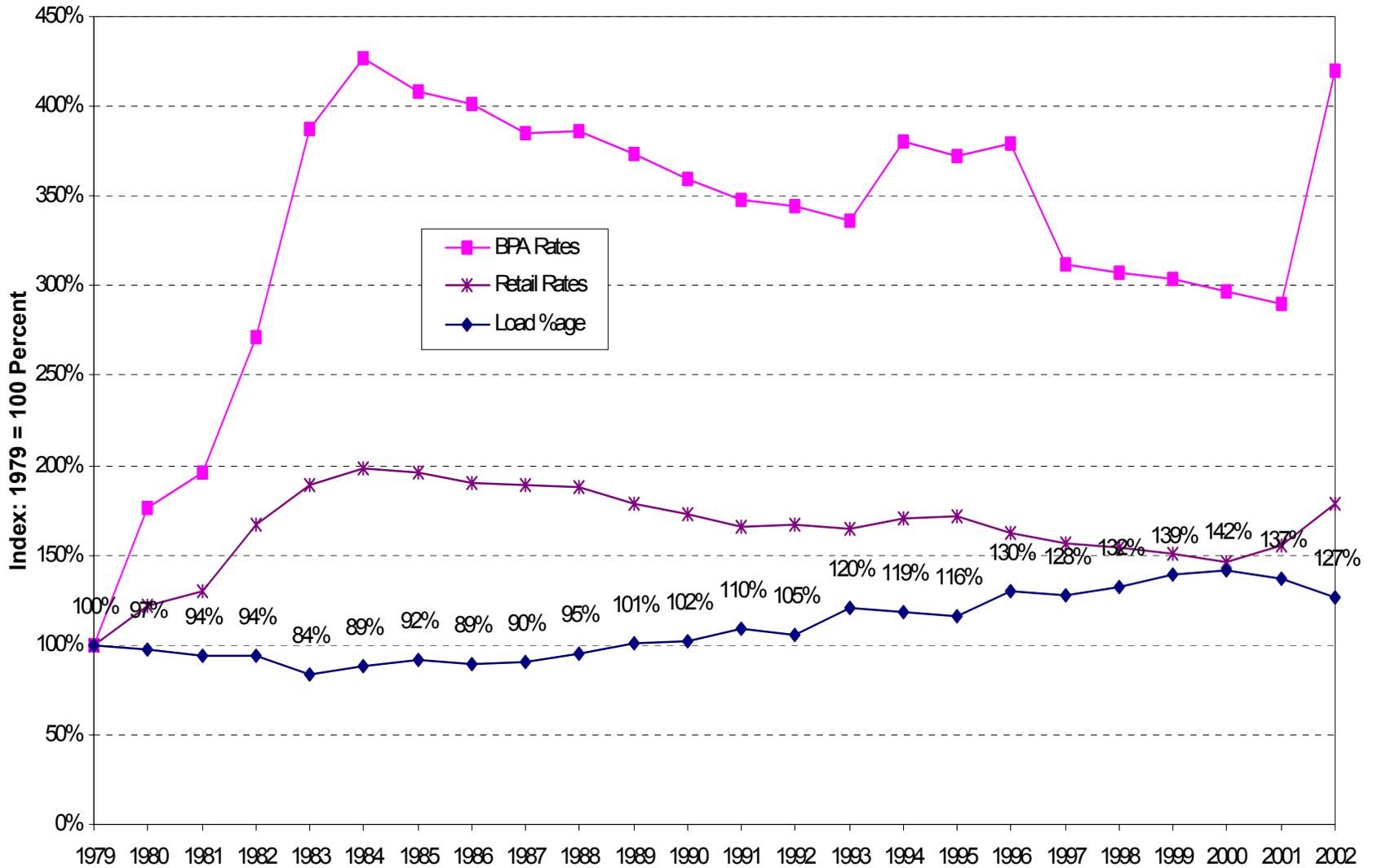
Changes in PNGC Irrigation Loads & Prices 1979 - 2002, Constant 1996 Dollars

Chart 9



Changes in PNGC Residential Loads & Prices 1979 - 2002, Constant 1996 Dollars

Chart 10

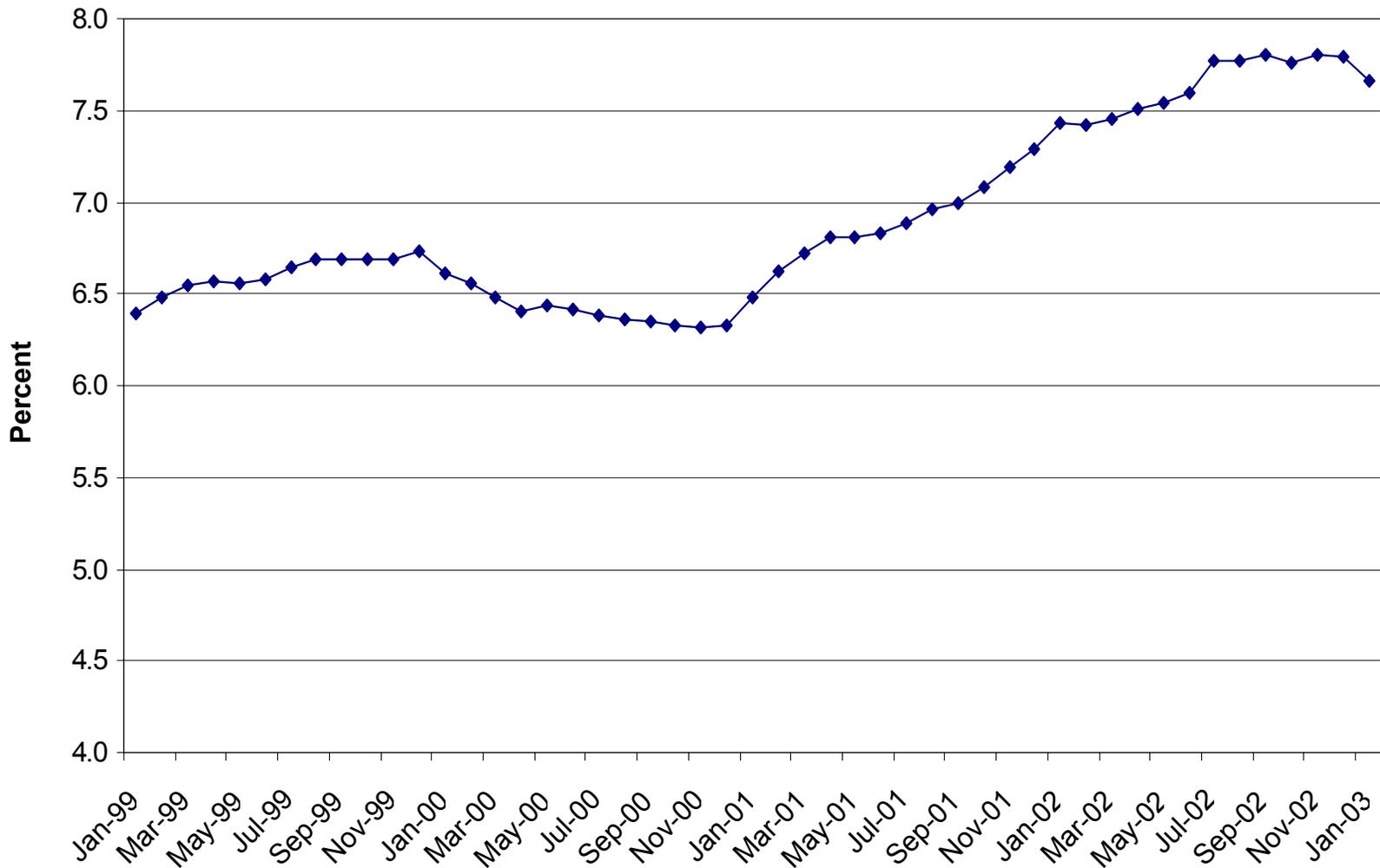


Umatilla Unemployment

2002 Study

Umatilla Oregon Unemployment Rate

Rolling 12 Month Average, Source: US BLS



End