

## DATA RESPONSE

Request No.: BPA/CC-009

Witnesses: Faddis, Eldrige, *et al.*

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

Page(s): p. 3, lines 15-18

Request: Please provide the information and/or analysis used to support the contention in the statement: “After BPA’s rate increases of 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 processor...”, i.e., that BPA rate increases are the only causal factor,

Response: We do not contend that BPA rate increases are the “only causal factor.” No residential customer has BPA electricity as its sole cost of living. No commercial or industrial customer has BPA electricity as its sole cost of production. However, BPA’s rate increases have, and would, exacerbate the cost of living for Northwest citizens and the production cost disadvantage to Northwest agriculture, commerce and industry.

The following are information from PNGC Power Members supporting the statement included in Mr. Eldrige’s testimony. PNGC Power states that these are representative of the overall situation in its Members’ service areas and indicative of the difficulty that the continual increases in BPA rates have caused throughout out the weak Northwest economy.

1. OKANOGAN ELECTRIC COOPERATIVE—Lou Gates, Superintendent of customer Liberty Bell School District reports that two teaching jobs were eliminated due to budget constraints from increased power costs.
2. WEST OREGON ELECTRIC COOPERATIVE—The cooperative estimates the total cost of the October 1, 2003, SN CRAC rate increase proposed by BPA will be about \$1 million to West Oregon’s ratepayers. In March 2003, the unemployment rate in Columbia County was 11.8%. This region of the State of Oregon is among the hardest hit in the current economic slowdown, so any rate increase by BPA is an unacceptable burden. Given West Oregon’s predominately residential load, and the state of the regional economy, many of our retail customers will have to cut their use of electric power or other staples of life if their electricity prices rise.

3. CONSUMERS POWER—During the first three months of 2003, Consumers has experienced that the same number of cases of tampering (stealing power) as occurred during each of the past two calendar years. Consumers had nine cases in January, February and March 2003, in comparison to eight for all of 2002 and nine for all of 2001. The number of customers disconnected for non-payment of power bills is one-third higher in 2003 than in previous years. During the first three months of 2003, Consumers has disconnected 222 customers for non-payment. This is in comparison to 634 for all of 2001 and 664 for all of 2002. Consumer's annual "write-off" losses during 2002 were almost double those for 2001. The write-off losses experienced during the first three months of 2003 indicate that total write-off losses for 2003 will be about 250% of those experienced in 2001.
4. CENTRAL ELECTRIC COOPERATIVE—Central's write-offs of uncollectible accounts has increased 15% from October 2001 through September 2002.
5. FALL RIVER RURAL ELECTRIC COOPERATIVE—Fall River has experienced nearly 200 customer service disconnects since October 1, 2001, that it attributes to rate increases over that time period. Fall River receives every day calls from its members expressing concern and considerable unhappiness about their bills from Fall River. These calls are running well above historical levels, and are taking a real toll on employee morale. Fall River's rates have been a regularly scheduled agenda item for the City Council meetings of its customer the City of West Yellowstone. Fall River has received a petition from a number of small commercial users in West Yellowstone protesting the increases in rates forced on us by BPA increases to PNGC Power. Fall River expects that BPA's proposed SN CRAC rate increase will make matters much worse.
6. DOUGLAS ELECTRIC COOPERATIVE—Following is the text of a letter received by Douglas' Manager Dave Sabala concerning the effect that rate increases are having on one of its irrigation customers:

Mr. Sabala,

This past year was spent preparing our pasture on the opposite side of our creek for irrigation. That meant repairing fences and irrigation pipes. This would enable us to increase our beef herd. But since receiving our statements from Douglas Electric and witnessing the increase in electricity rates, we find that we aren't in the position to be able to afford to irrigate that additional acreage and will possibly have to reduce the acreage we irrigate now. So, for now, the plans are put on hold.

We find this situation wrong and unacceptable. Having that available pasture would have

been a great benefit to the operation of our family farm. Possibly having to decrease the current acreage will have a damaging effect on the farm's revenue. We hope there are no more increases and can only pray that the rates will go down to an affordable rate.

It would be a great benefit to change your billing procedure where the patron would be billed at the end of irrigation season rather than having to pay a monthly charge.

Tyler Northcraft  
Northcraft Farms

7. See also Data Response—BPA-CC-001.

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