

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

2012 DEC 21 AM 9:48

IN THE MATTER OF THE COMMISSION'S )  
INQUIRY INTO THE COST-EFFECTIVENESS )  
AND FUNDING OF LOW INCOME )  
WEATHERIZATION AND ENERGY )  
CONSERVATION PROGRAMS FOR )  
ELECTRIC UTILITIES )

CASE NOS. GNR-E-12-01 )  
COMMUNITY ACTION )  
PARTNERSHIP ASSOC- )  
IATION OF IDAHO'S )  
APPLICATION FOR )  
INTERVENOR FUNDING )

I. INTRODUCTION

COMES NOW, the Community Action Partnership Association of Idaho (CAPAI) and, pursuant to Idaho Code § 61-617A and Rules 161-165 of the Commission's Rules of Procedure, IDAPA 31.01.01, as well as Order No. 32673 issued in this proceeding (the "workshop case") on November 2, 2012, and Order No. 32440 issued on January 18, 2012 in Case No. PAC-E-11-13 (the "11-13 case"), petitions this Commission for an award of intervenor funding in the above-captioned proceeding.

Because this application is based in part on CAPAI's application for intervenor funding in the 11-13 case, which is now closed, CAPAI hereby incorporates by reference its application for funding in the 11-13 case, a copy of which is attached hereto as Exhibit "A."

II. BACKGROUND

As the commission is well aware, LIWA programs are the most significant utility-funded, low-income programs that exist. They have, therefore, been the main focus of CAPAI's involvement in proceedings before this commission, now extending well in excess of a decade. In that time, the Commission has consistently noted the value of LIWA programs, not just to low-income customers, but as a legitimate conservation resource with benefits that inure to all ratepayers. Although there has never been a precise mechanism specified by the Commission for

valuing these benefits in the context of a strict cost-effectiveness test, the Commission itself has long recognized the inherent added value of assisting those customers at the economic margin of being able to avoid disconnection due to inability to pay their bills (e.g., the avoided costs of disconnections, reconnections, etc.).

The CAP agencies have done a commendable job of providing weatherization services to low-income customers and to maximize the energy savings resulting from those services and measures. CAPAI has never disputed that LIWA programs must meet some reasonable manner of cost-effectiveness test, and until last year, that test was effectively the savings-to-investment ratio (S.I.R.) required by the US Department of Energy (DOE). This ratio requires that each measure installed in a home must save \$1.00 of energy for each \$1.00 of funding spent to install the measure. The only exception are measures that address health and safety issues within a weatherized home. This cost-effectiveness measure has, until fairly recently, has been accepted, without objection, by the Commission Staff, the utilities involved, the Commission, and every other entity that the CAPs answer to in terms of the LIWA measures they install using utility funds.

Thus, although they have come under unpredicted and somewhat unwarranted criticism since early 2011, the CAPs and CAPAI have always operated and evaluated the LIWA programs in a good faith manner and under the belief that the measures installed by them were cost-effective and that they had fulfilled all obligations they had and met expectations of them by any entity with such authority. As Staff itself phrased it in its Report: "[t]he last year was challenging for Idaho's low income weatherization programs." *Report at p. 1.*

**A. Case No. PAC-E-11-13**

On April 29, 2011, Rocky Mountain filed an application seeking authority to suspend future cost-effectiveness evaluations for its LIWA program based on the asserted claim that the program was not cost-effective and the added cost of evaluations only exacerbated the problem. Rocky Mountain supported its application with what has come to be known as the "CADMUS study." Two months later, on June 30, 2011, the Commission issued Order No. 32284, a Notice establishing an intervention deadline and a Notice of Modified Procedure seeking comments in response to Rocky Mountain's application no later than September 28, 2011. On September 27, 2011, the Commission issued Order No. 32623 and a Notice extending the comment deadline to October 28, 2011. The Notice did not provide the opportunity for Staff and CAPAI to respond to each other's comments, or even for Rocky Mountain to reply to any comments filed. CAPAI timely intervened.

As CAPAI analyzed the CADMUS study, it became increasingly apparent that the study was fatally flawed and led to conclusions and inferences not legally or factually justifiable. Nonetheless, CAPAI believed that, based on legal and factual reasons, the Rocky Mountain filing had thrown a long-lived conservation program with a history of providing value to all ratepayers into doubt creating the very real possibility that such programs would be terminated.<sup>1</sup> Because more than a decade of hard work and investment of resources by CAPAI and, more importantly, the continued existence of Idaho's three LIWA programs now seemed to hang in the balance, CAPAI retained the services of an esteemed expert in the field of LIWA cost-effectiveness evaluations, Mr. Roger Colton.

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<sup>1</sup> CAPAI's concerns were not unfounded as evidenced by Staff's reaction to the 11-13 filing, which included the objection by Staff to any funding increases for all three LIWA programs<sup>1</sup> pending the completion of a "workshop" process at some point in the future, as well as the Commission's rulings adopting Staff's position in last year's three pending general rate cases.

Following extensive discovery between the parties, as well as a webinar involving CADMUS, Rocky Mountain, Staff, CAPAI, and others, Mr. Colton prepared a very detailed study of his own showing that the CADMUS study had serious flaws and produced significantly inaccurate results and conclusions. Mr. Colton provided a thorough explanation of how the unique benefits of Rocky Mountain's LIWA program should be valued in order to fairly and properly calculate its overall cost-effectiveness. By its nature, Mr. Colton's study was applicable to all three of Idaho's LIWA programs. That study, consisting of 28 pages, was filed as an exhibit to CAPAI's 18 pages of comments addressing the legal and practical implications of Rocky Mountain's application.

Although Rocky Mountain's application also proposed that its LIWA program simply be accepted as part of its overall DSM portfolio, CAPAI strenuously opposed the application. The reasons are simple. First, if the Commission approved Rocky Mountain's assertions that LIWA was not cost-effective yet granted Rocky Mountain's proposal to include LIWA into its overall DSM portfolio, this placed the Commission in the legally indefensible position of approving a DSM program aimed at a select group of customers that was not cost-effective. This, arguably, would result in imposing costs onto other ratepayers that were not fair, just and reasonable and, therefore, in violation of Idaho law.

Second, CAPAI objected to the whole premise for Rocky Mountain's filing (i.e., that its LIWA program was not cost-effective). CAPAI was understandably concerned that the Commission might react to the application by not only terminating Rocky Mountain's LIWA program, but those of Idaho Power and AVISTA. The Commission had just approved a larger LIWA funding increase for Rocky Mountain than even CAPAI proposed just a month or two

prior to the filing of the 11-13 case. Thus, from CAPAI's perspective, Rocky Mountain's filing had quite suddenly and unexpectedly put everything in serious peril as of April 29, 2011.

As the case schedule was being discussed by the parties in the late summer/early fall of 2011, CAPAI obviously had no idea how or when the Commission might ultimately rule on Rocky Mountain's 11-13 application. Further, because Staff and CAPAI had not yet been granted an opportunity to respond to each other's comments, and because Rocky Mountain's Reply Comments were, technically, filed without any permission set forth in the Commission's Orders, Notices or Procedural Rules, it was not clear to CAPAI whether there existed any particular deadline for intervenor funding and whether that deadline might be extended by virtue of additional filings as proposed by CAPAI. CAPAI communicated with Staff informally requesting that the Commission be queried regarding its preference as to possible scheduling changes, but no definitive response was provided.

In addition to the foregoing, CAPAI proposed in its comments that the schedule in the 11-13 case be modified. Specifically, in Section V of its comments from pages 14-16, CAPAI discussed how the unique and complex nature of the case warranted an extension of the scheduling as set forth in the Commission's Notice of Modified Procedure and Orders Nos. 32284 and 32363.

When it became apparent to CAPAI that no guidance regarding the Commission's intentions would be forthcoming, CAPAI filed its application for intervenor funding in the 11-13 case on December 14, 2011, more than a month prior to the Commission's final Order No. 32440 on January 18, 2012. CAPAI makes this point to emphasize that while it, of course, accepts the Commission's finding that its petition for intervenor funding was untimely, CAPAI did not willfully or negligently ignore any specific deadline of which it was unequivocally aware.

On January 18, 2012, the Commission issued Order No. 32440 deferring any final decision regarding Rocky Mountain's application, declined to increase LIWA funding for Rocky Mountain and Idaho Power as being proposed by CAPAI in those utilities' general rate cases, and ordered public workshops to examine the issues thoroughly analyzed and addressed by CAPAI in its comments. *See, Order 32440 at p. 9.*

Regarding CAPAI's application for intervenor funding, the Commission ruled that it "was not timely." *Id. at p. 10.* The Commission ruled, however, that CAPAI would have the opportunity to seek recovery of its 11-13 expenses in the future. Noting the interplay between numerous proceedings and the fact that the 11-13 case was effectively a "precursor" to the workshop case, the Commission explained its decision as follows:

"The Commission notes that it will entertain a timely petition for intervenor funding filed by CAPAI following the conclusion of the public workshops ordered in this case. Because the Commission views this case as a precursor to the generic investigation and public workshops ordered in this case, PAC-E-11-13, and the Company's last general rate case, PAC-E-11-12, CAPAI may submit a request that includes any fees and/or costs incurred by the organization associated with this case."

*Id.*

Though it was not specifically stated, CAPAI assumed that it would be given the opportunity to file an application for intervenor funding in the new workshop case once it was initiated.

Though severely limited in resources, CAPAI moved forward and fully and meaningfully participated in the workshop proceeding initiated by the Commission as discussed below.

**B. Case No. GNR-E-12-01**

This proceeding was initiated on February 15, 2012 with the issuance of a Notice of Public Workshops. The Notice identified a substantial list of issues, without limitation, that the

parties were expected to address. The Notice did not include any discussion of intervention and no deadline for intervention was ever established by the Commission in this case. Thus, there are technically no "intervenors" and, arguably, no "parties" to the workshop case but, rather, a number of "participants," and those who filed comments with the Commission. Workshops were conducted over two days in March, 2012 and were well-attended, including by CAPAI who participated fully in the workshops and engaged in considerable discussion and interaction with Staff and other participants outside the scope and both prior and subsequent to the workshops.

The participants agreed to a scheduling outline which started with the dissemination by Staff, following the workshops, of an informal "draft" report. The other participants were given the opportunity to file responsive, informal comments to Staff's report. Because there were no formal parties to the case and, therefore, no List of Parties typically as issued by the Commission in more formal proceedings, those responsive comments to the draft report were, apparently, not circulated to other participants but only received and reviewed by Staff.

On October 23, 2012, Staff filed its final Report. On November 2, 2012, the Commission issued a Notice of Modified Procedure and Order No. 32673 establishing deadlines for formal, responsive comments by all interested persons and a deadline of December 7, 2012 for Reply Comments by Staff. Formal comments in response to Staff's Report were filed by CAPAI, Idaho Power, Rocky Mountain, AVISTA, Idaho Conservation League, and Snake River Alliance. Finally, the Commission's associated Order No. 32673 established a deadline of December 21, 2012 for the filing of applications for intervenor funding stating that: "Intervenor funding requests, if any, must be filed within fourteen (14) days after the reply deadline." [Staff's reply to comments in response to Report; i.e., December 21, 2012]. *Order No. 32673 at p.4.*

Central to the workshop were the comments filed by CAPAI in the 11-13 case, the study prepared by Mr. Colton, and the issues raised therein. As the Commission predicted, the 11-13 case certainly proved a "precursor" and virtually all of the effort expended and, therefore, costs and fees incurred, by CAPAI in that case were relevant to and formed much of the basis of the workshop case. A good example is the issue of precisely how, and when, to properly value "non-energy benefits," and which non-energy benefits to include in a LIWA cost-effectiveness evaluation, which were an integral part of Mr. Colton's study and CAPAI's position in both the 11-13 case and the workshop proceeding.

Other participants to the workshop case took positions on this and other issues raised by CAPAI. Certainly, there was considerable value brought to the case by Staff and all participants as well. As Staff phrased it in its Reply Comments: "[a]lthough differences remain on some issues, many long-standing questions have been answered and resolved." *Reply at p. 2.* CAPAI does not wish to veil the fact that there remains significant disagreement between Staff and the participants regarding issues of considerable importance, but does note that concessions seem to have been made on all sides.

### **III. THRESHOLD ISSUES**

Rule 161 of the Commission's Rules of Procedure, IDAPA 31.01.01.161 provides that "intervenor" may apply for funding in "any case" involving utilities with gross Idaho revenues exceeding \$3,500,000. Although Commission Order No. 32673 sets a deadline for intervenor funding, there are no intervenors in the workshop case. Therefore, it is unclear to CAPAI if intervenor funding is even obtainable for expenses incurred in this proceeding and, if so, from which utility and in what percentage. CAPAI is hesitant to presume that the intervenor funding language contained in Order No. 32673 in the workshop case was put there solely for CAPAI's

benefit (related to the 11-13 case), or was put there for all workshop participants, whether they commented or not, for costs incurred in this proceeding.

Second, although the Commission specifically provided CAPAI with the opportunity to seek recovery of its expenses incurred in the 11-13 case following the conclusion of the workshops, that case is closed. CAPAI simply notes the uncertainty it has regarding how to structure this application or whether it has even chosen the appropriate docket in which to file this application. CAPAI stands ready to amend or supplement its filing should the Commission desire.

Finally, though CAPAI has incurred considerable expenses in the workshop proceeding, the CADMUS study has been largely discredited as CAPAI argued in the 11-13 case it should be, Staff still seeks literally additional years of time to continue studying the underlying issues before altering LIWA funding, though CAPAI has been carrying related expenses for the better part of two years, and though CAPAI feels that the costs incurred in this proceeding were unnecessarily duplicative, CAPAI continues to take what it believes a very conservative approach to funding requests and only seeks those expenses incurred and identified in the 11-13 case and Exhibit A hereto. CAPAI has tracked its expenses in this workshop proceeding should the Commission, for some reason, desire that information.

#### **IV. PROCEDURAL REQUIREMENTS**

##### **Rule 161 Requirements:**

There are three electric utilities who participated in this proceeding including Rocky Mountain Power Company ("RMP" or "Rocky Mountain"), Idaho Power Company and Avista Corporation, all of which are regulated public utilities with gross Idaho intrastate annual revenues exceeding three million, five hundred thousand dollars (\$3,500,000.00). As discussed

herein, CAPAI is uncertain how any intervenor funding award potentially issued by the Commission as a result of this application would be paid, by whom, and in what relative proportion.

**Rule 162 Requirements:**

The information required by Procedural Rule 162 for the 11-13 case is already contained in the attached Exhibit A and will not be repeated. The following information applies solely to the workshop case.

**(01) Itemized list of Expenses**

As set forth above, CAPAI seeks only those expenses incurred in the 11-13 case and those expenses, as stated in the attached Exhibit A, total \$16,845.00.

**(02) Statement of Proposed Findings**

The workshop proceeding naturally involved give and take and to the extent that there exist any substantive differences in CAPAI's proposed findings and recommendations between the two cases, those put forth in CAPAI's the workshop case comments supersede.

CAPAI submitted extensive comments in response to Staff's report in this case and its proposed findings and recommendations are stated therein. CAPAI attempted to structure its workshop Comments in such a way as to reveal where it differed from the position taken by Staff in its Report, and to show where it agreed.

In summary, CAPAI proposes that the Commission reject Staff's proposal to essentially freeze any and all LIWA funding increases for a period which, depending on the utility in question, ranges from at least a year to several years. CAPAI submits that there is no legitimate reason that the agreed upon revisions needed to the CADMUS study, including the valuation of non-energy benefits, and the data needed to evaluate each utility's LIWA programs, should take

so long. CAPAI urges the Commission to not continue pushing the resolution of issues debated over nearly two years now for even more years into the future before even allowing intervenor funding changes to be proposed by the parties.

The issues addressed in this case have now been exhaustively addressed by CAPAI twice. Staff's Report seems to propose that one or more additional proceedings to revisit these issues be conducted at some unspecified point, years into the future. As noted in this application, CAPAI simply cannot afford to continue litigating the issues addressed in the 11-13 and this workshop case any longer. CAPAI's financial resources for addressing the specifics in the workshop issues have long been exhausted. Though Rocky Mountain's 11-13 application and Staff's response thereto have raised complex issues, the low-income ratepayers, and the general body of ratepayers, should not suffer through a failure to make difficult decisions. At no point in time will there ever exist a perfect body of information to resolve the issues presented by this proceeding.

In summary, CAPAI seeks a ruling from the Commission that the combination of the numerous filings in this case, including the Staff Report, responsive participant Comments, and Staff's reply comments, constitute sufficient information for the Commission to identify a clear and consistent standard or metric for establishing LIWA funding levels and specific guidance regarding how to calculate the cost-effectiveness of those programs. Resolving the existing ambiguity will reduce the inherent contentious nature of these proceedings and require less intervention and associated expenses by all involved participants.

**(03) Statement Showing Costs**

CAPAI submits that its requested costs are more than reasonable in amount. CAPAI has thoroughly articulated its position regarding the reasonableness of its requested expenses above.

Specifically, CAPAI is proposing that it simply be granted only a portion of total expenses incurred since it began addressing relevant issues in late spring, 2011. Were CAPAI to include expenses incurred in the workshop proceeding, the total funding request would be unprecedented in size, for CAPAI. CAPAI respectfully submits that there can be no question as to the value it has brought to the issues addressed in this proceeding.

**(04) Explanation of Cost Statement**

CAPAI has already addressed the requirements of this rule subpart earlier in this application. The fact that CAPAI has incurred duplicative expenses over nearly two years exceeding its budgetary constraints demonstrates that the costs incurred constitute a "significant financial hardship" for CAPAI.

CAPAI is a non-profit corporation overseeing a number of agencies who fight the causes and conditions of poverty throughout Idaho. CAPAI's funding for any given effort might come from a different variety of sources, including governmental. CAPAI does not have "memberships" and, therefore, does not receive member contributions of any kind. Many of CAPAI's funding sources are unpredictable and impose conditions or limitations on the scope and nature of work eligible for funding. CAPAI, therefore, has relatively little "discretionary" funds available for all projects. Some matters before this Commission, furthermore, do not qualify for intervenor funding by virtue of their nature.

Thus, were it not for the availability of intervenor funds and past awards by this Commission, CAPAI would not be able to participate in cases before this Commission representing an important and otherwise unrepresented segment of regulated public utility customers. Even with intervenor funding, participation in Commission cases constitutes a

significant financial hardship because CAPAI must pay its expenses as they are incurred, not if and when intervenor funding becomes available.

**(05) Statement of Difference**

As with the 11-13 case, there continue to be areas of both agreement and disagreement with Staff regarding the cost-effectiveness of LIWA programs and the appropriate method of evaluating said programs. Those areas of disagreement or "difference" have already been outlined above. Several of the more significant areas of disagreement include: CAPAI believes that sufficient data has been collected over the course of more than a year and a half enabling the Commission to resolve LIWA funding and cost-effectiveness issues without deferring the matter for several more years, as proposed by Staff; sufficient data and proposals by the parties exist to evaluate the cost-effectiveness of LIWA such that an indefinite freeze on future LIWA funding increases is unnecessary and unwarranted, especially during times of nearly annual general rate increases for electric public utilities; and CAPAI and other participants assert that Staff's proposed list of non-energy benefits is far too restrictive and that Staff's valuation of those benefits too low.

To this extent, there are material differences between CAPAI and Staff.

**(06) Statement of Recommendation**

CAPAI submits that even accepting many of the criticisms asserted by some during this proceeding, that there seems universal agreement that properly run and properly evaluated LIWA programs are cost-effective conservation programs are in the best interests of the general body of any regulated public utility. Staff itself recognizes the system-wide, or "non-energy," benefits of LIWA programs which inure to the general body of ratepayers.

**(07) Statement Showing Class of Customer**

To the extent that CAPAI represents a specific customer class of Idaho Power, Rocky Mountain and AVISTA, it is the residential class.

RESPECTFULLY SUBMITTED, this 21<sup>st</sup> day of December, 2012.

  
Brad M. Purdy

## CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 21<sup>st</sup> day of December, 2012, served a copy of the foregoing document on the following by email and U.S. mail, first class postage.

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DATED, this 21<sup>st</sup> day of December, 2012

  
Brad M. Purdy

**EXHIBIT "A"**  
**ITEMIZED EXPENSES**

**Case No. PAC-E-11-13:<sup>2</sup>**

**Costs:**

Photocopies/postage \$175.00

**Total Costs \$175.00**

**Fees:**

Legal (Brad M. Purdy –63.00 hours @ \$130.00/hr.) \$8,190.00

Expert Witness (Teri Ottens – 20.0 hours @ \$50.00/hr.) \$1,000.00

Roger Colton (44.0 hrs @ \$170/hr.) \$7,480.00

Total Fees \$16,670.00

**Total Expenses \$16,845.00**

**Case No. GNR-E-12-01:**

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<sup>2</sup> The Itemized Expenses for Case No. PAC-E-11-13 are simply a replication of the fees and costs requested by CAPAI in that case on December 14, 2011.

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UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION OF )  
ROCKY MOUNTAIN POWER SEEKING ) CASE NO. PAC-E-11-13  
AUTHORIZATION TO SUSPEND FUTURE )  
PROGRAM EVALUATIONS OF SCHEDULE 21, ) COMMUNITY ACTION  
LOW INCOME WEATHERIZATION SERVICES ) PARTNERSHIP ASSOCIA-  
FOR INCOME QUALIFYING CUSTOMERS ) TION OF IDAHO'S  
) COMMENTS  
)  
)  
)

COMES NOW, the Community Action Partnership Association of Idaho (CAPAI) and, pursuant to Idaho Code § 61-617A and Rules 161-165 of the Commission's Rules of Procedure, IDAPA 31.01.01, petitions this Commission for an award of intervenor funding in the above-captioned proceeding.

**Rule 161 Requirements:**

Rocky Mountain Power Company (RMP or Company) is a regulated electric public utility with gross Idaho intrastate annual revenues exceeding three million, five hundred thousand dollars (\$3,500,000.00).

**Rule 162 Requirements:**

**(01) Itemized list of Expenses**

Consistent with Rule 162(01) of the Commission's Rules of Procedure, an itemized list of all expenses incurred by CAPAI in this proceeding is attached hereto as Exhibit "A." CAPAI seeks total funding of \$16,845.00.

**(02) Statement of Proposed Findings**

The proposed findings and recommendations of CAPAI are set forth in CAPAI's detailed comments, including a lengthy legal analysis, supported by the exhaustive 28 page analysis performed by CAPAI's expert retained for this case, Mr. Roger Colton.

CAPAI recommends that the Commission accept the Company's application that its low-income weatherization program continue to be included in its overall DSM portfolio, but recommends that the Commission reject the application's request that the Company be relieved from further cost-effectiveness evaluations. Most of all, CAPAI recommends that the Commission reject RMP's contention that its LIWA program is not cost-effective and that the Commission provide guidance to the parties in terms of how to properly evaluate LIWA in the future, including how to value the social benefits derived from the program as well as the "non-energy" benefits of LIWA such as reduced arrearages, reduced debt collection costs, improved cash flow, etc.

Finally, CAPAI recommends that if the Commission believes that the information already provided by the parties does not fully provide the Commission with sufficient ability to provide a definitive cost-effectiveness evaluation technique, that LIWA continue to be considered cost-effective and that no "hold" be placed on future funding increases until this issue is fully resolved.

### **(03) Statement Showing Costs**

CAPAI submits that its requested costs are reasonable in amount. CAPAI intervened in this proceeding shortly after it was filed and prior to a Notice of Application being issued. Because of the landmark nature of this case, the legal and pragmatic predicament is created, the consequences it threatened to have on all LIWA programs in Idaho, and CAPAI's wish to satisfy Staff's desire for guidance from the Commission in evaluating LIWA programs, CAPAI participated in this case on a level equal to or greater than a general rate case. Because RMP's application was facially supported by a type of analysis that CAPAI's staff and representatives were not capable of responding to in full, and because of the potential for this case to undermine nearly a decade of a substantial investment of time and money by CAPAI in advocating for low-income interests and, finally, the because of the uncertainty whether this proceeding might ultimately be converted into a formal case or result in a generic proceeding requiring an expert witness in the field, CAPAI believed it essential to retain the services of an expert, Mr. Roger Colton, who is a nationally renowned expert in the field of evaluating low-income programs.

The effort put into this case by CAPAI and its representatives is substantial and included the normal time and effort expended to become a formal party to this case as well as engaging in substantial discovery, participating in a webinar with RMP, Staff, and CADMUS, extensive analysis of data and the compilation of comments and Mr. Colton's analysis.

Several primary points were raised and addressed by CAPAI in the combined 45 pages of comments/analysis it filed in this case. The application effectively seeks a ruling from the Commission that LIWA is not cost-effective, but that it should, nonetheless, be included as part of the Company's overall DSM portfolio and that RMP be relieved of any future obligation to evaluate the cost-effectiveness of LIWA.

To the extent not obvious, the manner in which RMP framed and phrased its application, if accepted as proposed, could well result in a Commission Order that would likely be unlawful and not withstand potential legal challenge; i.e., the Commission would find a DSM program to not be cost-effective and, therefore, not prudent, but allow indefinite continuation of that program by simply including it in RMP's overall DSM portfolio requiring ratepayers to pay for it. In calling into question the wisdom of RMP's application, CAPAI was clearly not merely serving its own interests, but seeking to avoid a situation that would place the Commission and its Staff in an awkward position.

Thus, although CAPAI firmly believes that LIWA is a cost-effective program when properly evaluated, it avoided the arguable convenience of allowing RMP to seek a formal ruling that would effectively immunize LIWA from attack. This might have been the expedient thing for CAPAI to do, but not a fair-minded position to take. CAPAI was well aware of Staff's concerns about this, was deeply concerned over the legality of the application as just discussed, and legitimately believes that LIWA should be subject to some manner of evaluation, so long as it is reasonable and takes into account the unique characteristics and benefits of LIWA to not just low-income, but all RMP customers.

Though it is unfortunate that CAPAI was effectively obligated to incur costs that pushed it so far financially, CAPAI is confident that the efforts made by its representatives, including Mr. Colton, will ultimately aid Staff and the Commission considerably in determining how to evaluate a uniquely desirable program such as LIWA. The analysis offered by Mr. Colton is such that so long as RMP does a proper job of collecting the needed information in type and magnitude, it should not be difficult to more accurately assess LIWA from a cost-effectiveness standpoint using and valuing both non-energy and societal benefits.

In addition to the foregoing, CAPAI had even greater involvement in this case because of the ripple effect it has had on other pending cases, including the RMP, Idaho Power and AVISTA general rate cases either recently completed or still pending. Because RMP's application in this case was filed first, CAPAI correctly predicted that RMP's filing, flawed as it is, would result in a hesitation on the part of Staff and perhaps other parties to not object to an increase in LIWA funding for the three utilities. CAPAI was most concerned about Idaho Power and the fact that, as CAPAI determines it, that utility is funding its WAQC program at a fraction of the other two companies. CAPAI's predictions have proven accurate and the Commission is now being presented with widely disparate points of view on LIWA funding, all as a direct result of this case.

It is unfortunate enough that a single filing by one utility (who was obligated to file this case roughly a year ago) can cause such widespread disruption for the only low-income advocate that regularly appears before this Commission and, more importantly, for the segment of customers it represents, but the half-hearted nature in which RMP went about providing its contractor CADMUS with what Staff considers insufficient detailed data, makes it worse. As noted by both CAPAI's expert Roger Colton and Staff expert Stacey Donohue, the techniques employed by CADMUS were not necessarily inappropriate, as far as they went. The problem lies in what clearly was a minimalist effort by the Company to provide CADMUS with sufficient information to legitimately render a meaningful conclusion about the cost-effectiveness of LIWA. The financial and practical consequences to CAPAI, Staff and the Commission of this are considerable. Because of the ripple effect caused by RMP's filing and supporting report, CAPAI's required efforts in the pending three electric rate cases was also increased, causing a commensurate increase to costs in those cases as well.

In its comments, CAPAI notes that this case is unique not only in substance, but procedure as well. CAPAI assumed that Staff and RMP would desire time to review Mr. Colton's analysis, considering that both Staff and CAPAI filed their comments by the same deadline. CAPAI is uncertain whether any further procedural steps might be deemed necessary by the Commission. When CAPAI filed its comments, it recommended that additional time be provided for the other parties to respond to CAPAI's comments and Mr. Colton's analysis and that a deadline be set for that response. CAPAI recommended that the Commission then base its final determination on that record. CAPAI prepared this petition as soon as possible after learning that some manner of ruling might be imminent. CAPAI does not know if that determination will order additional action taken by the parties, possibly defer ruling pending additional action or make this a generic proceeding, or completely and finally resolve all of the issues raised during this case in the near future.

Regarding the costs set forth in Exhibit A, CAPAI notes that it normally relies upon the expertise of Ms. Teri Ottens who typically testifies on behalf of CAPAI. Ms. Ottens's expertise in low-income issues was relied upon to a lesser degree in this case, but still necessary to a certain extent. Mr. Colton's fees are relatively modest given his vast knowledge, experience and expertise in the precise field of evaluating the costs and benefits of low-income programs as evidenced by his resume filed with CAPAI's comments. CAPAI's legal representative charges a reduced fee in light of CAPAI's limited budget. That fee has increased only modestly since 2003.

CAPAI respectfully submits, therefore, that the costs and fees incurred in this case, and set forth in Exhibit "A," are reasonable in amount.

**(04) Explanation of Cost Statement**

CAPAI is a non-profit corporation overseeing a number of agencies who fight the causes and conditions of poverty throughout Idaho. CAPAI's funding for any given effort might come from a different variety of sources, including governmental. CAPAI does not have "memberships" and, therefore, does not receive member contributions of any kind. Many of CAPAI's funding sources are unpredictable and impose conditions or limitations on the scope and nature of work eligible for funding. CAPAI, therefore, has relatively little "discretionary" funds available for all projects. Some matters before this Commission, furthermore, do not qualify for intervenor funding by virtue of their nature.

Thus, were it not for the availability of intervenor funds and past awards by this Commission, CAPAI would not be able to participate in cases before this Commission representing an important and otherwise unrepresented segment of regulated public utility customers. Even with intervenor funding, participation in Commission cases constitutes a significant financial hardship because CAPAI must pay its expenses as they are incurred, not if and when intervenor funding becomes available.

**(05) Statement of Difference**

There appears to be some degree of agreement between CAPAI and the Commission Staff in this case, but there are also material differences. Staff recommends that workshops be conducted at some future date in order to fill in the holes in RMP's evaluation in this case. CAPAI recommends that LIWA not be affected by what CAPAI perceives as a flawed evaluation and though CAPAI will willingly participate in any workshops conducted that involve low-income programs, it does not agree that this proceeding should cast into doubt the efficacy and cost-effectiveness of RMP's LIWA or other low-income weatherization programs and should

not be relied upon as a basis to not increase funding for those programs where otherwise justified. To this extent, there are material differences between CAPAI and Staff.

**(06) Statement of Recommendation**

CAPAI asserts that all cost-effective DSM programs are in the best interests of the general body of any regulated public utility. RMP's LIWA program is no different in that respect. While RMP's filing might have temporarily cast doubt, in the minds of some, as to LIWA's cost-effectiveness, the Commission doubled funding to LIWA this very year. CAPAI is confident that LIWA is and will continue to prove to be a cost-effective DSM program benefitting all RMP ratepayers. Low-income DSM provides an additional benefit to all customers because of the many non-energy benefits thoroughly analyzed in Mr. Colton's analysis.

**(07) Statement Showing Class of Customer**

To the extent that CAPAI represents a specific RMP Power customer class, it is the residential class.

RESPECTFULLY SUBMITTED, this 14th day of December, 2011.

  
Brad M. Purdy

**CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that on the 14th day of December, 2011, served a copy of the foregoing document on the following by email and U.S. mail, first class postage.

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DATED, this 14th day of December, 2011

  
Brad M. Purdy

**EXHIBIT "A"**  
**ITEMIZED EXPENSES**

<b>Costs:</b>		
	Photocopies/postage	\$175.00
	<b>Total Costs</b>	<b>\$175.00</b>
<b>Fees:</b>		
	Legal (Brad M. Purdy -63.00 hours @ \$130.00/hr.)	\$8,190.00
	Expert Witness (Teri Ottens - 20.0 hours @ \$50.00/hr.)	\$1,000.00
	Roger Colton (44.0 hrs @ \$170/hr.)	\$7,480.00
	<b>Total Fees</b>	<b>\$16,670.00</b>
	<b>Total Expenses</b>	<b>\$16,845.00</b>