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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

10 IN THE MATTER OF THE APPLICATION OF) CASE NO. IPC-E-03-13
11 IDAHO POWER COMPANY FOR AUTHORITY)
12 TO INCREASE ITS INTERIM AND BASE)
13 RATES AND CHARGES FOR ELECTRIC)
14 SERVICE)
15)
16)
17)

**AARP
DIRECT TESTIMONY OF
CLYDE DAILEY**

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1 Q. Please identify yourself for the record.

2 A. My name is Clyde Dailey and I am the Director of AARP's Idaho state office.

3 Q. Who is AARP representing in this proceeding?

4 A. AARP Idaho represents more than 153,000 Idaho residents age 50 and over.

5 AARP's membership has a vested interest in ensuring that energy services are readily available
6 for consumption and at prices that are just, reasonable and affordable. Our participation in this
7 proceeding is extremely important considering, among other things, the ongoing effects of high
8 and rising costs of electrical service.

9 Q. Why has AARP intervened in this proceeding?

10 A. Older Americans are particularly susceptible to extremes in temperature.

11 Research shows that seniors are more susceptible to health problems in extremes of heat and
12 cold. Adequate heating and cooling are essential, since older Americans rely on the ability to
13 heat and cool homes for both comfort and well-being. Any degradation in utility services can
14 pose serious health concerns. Likewise, increases in energy rates can be especially devastating
15 for those living on fixed and low-incomes.

16 According to research performed by AARP's Public Policy Institute, for an average
17 household, telephone, energy, water, and sewer services can account for more than 6 percent of
18 the monthly household income. For some older Americans, this share can be as much as 23
19 percent of monthly income. Incredibly, some low-income households often spend a greater
20 share of their income on utilities than on certain other necessities such as health care or property
21 taxes. This is the case for an increasing number of older persons, as the average expenditures for
22 telephone, energy, water, and sewer services for households headed by persons age 65 and older
23 increase at a faster rate than both the level of income in the households and inflation.

24 Thus, when we were notified that Idaho Power had filed an application to increase rates
25 by \$86 million, we decided to intervene through our counsel and expert witness on behalf of our

1 members specifically and residential consumers in general. We urge the Commission to take a
2 hard look at the company's filing.

3 AARP strongly urges the Commission to use its statutory discretion to render a decision
4 in the best interest of residential consumers. The Commission must thoroughly review and
5 evaluate all information and data offered to justify the company's proposals. Only prudent costs
6 should be allowed recovery, and alternative methods of recovery must be explored. Moreover,
7 residential customers should only be required to pay their fair share of any increase approved by
8 this commission.

9 Q. What are AARP's specific recommendations in this case?

10 A. As stated, AARP requests that the Commission take into consideration the effect
11 that Idaho Power's requested rate increase will have on seniors, many of who live on a fixed
12 income and who cannot significantly reduce or alter their energy use to avoid the financial effect
13 that the rate increase will have on them. It is fair to state that AARP's interests are coincidental
14 with the residential class of customers. In this regard, AARP is concerned with the not only the
15 overall amount of the requested rate increase, but also Idaho Power's proposed allocation of its
16 revenue requirement to the residential class. Finally, AARP is proposing a block rate structure
17 for the first 600 kWh of usage for residential customers.

18 AARP's specific recommendations and supporting rationale are set forth in the testimony
19 of our expert witness, Mr. Thomas Power.

20 Q. Does that conclude your testimony?

21 A. Yes, it does. I thank the Commission for the opportunity to submit this testimony.
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