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IDAHO PUBLIC UTILITIES COMMISSION

LISA D. NORDSTROM
Lead Counsel
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November 16, 2011

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-11-08
General Rate Case – Rebuttal Testimony

Dear Ms. Jewell:

Enclosed for filing are an original and nine (9) copies each of the rebuttal testimonies of Theresa Drake, Warren Kline, and Michael J. Youngblood. One copy of each of the aforementioned testimonies has been designated as the "Reporter's Copy." In addition, a disk containing Word versions of the testimonies is enclosed for the Reporter.

Very truly yours,

Lisa D. Nordstrom

LDN:csb
Enclosures

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO INCREASE ITS RATES) CASE NO. IPC-E-11-08
AND CHARGES FOR ELECTRIC SERVICE)
IN IDAHO.)
_____)

IDAHO POWER COMPANY

REBUTTAL TESTIMONY

OF

THERESA DRAKE

1 Q. Please state your name and business address.

2 A. My name is Theresa Drake. My business address
3 is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Idaho Power Company ("Idaho
6 Power" or "Company") as Manager of Customer Relations and
7 Energy Efficiency.

8 Q. Please describe your educational background.

9 A. In May of 1990, I received a Bachelor of
10 Science Degree in Marketing with emphasis in Finance from
11 Jacksonville State University in Jacksonville, Alabama. I
12 have attended numerous seminars and conferences on pricing
13 issues, regulatory issues, marketing research, and energy
14 efficiency.

15 Q. Please describe your business experience with
16 Idaho Power.

17 A. I joined Idaho Power in January 1997 as a
18 Pricing Analyst. In July 2001, my position evolved into a
19 Senior Pricing Analyst and included preparing cost-of-
20 service studies, development of the Company's tariffs, and
21 performance of duties as a regulatory liaison for customer-
22 related issues. In February 2004, I became Manager of
23 Customer Relations and Research (now referenced as Customer
24 Relations and Energy Efficiency). In that capacity, I
25 manage staff members and activities associated with

1 customer satisfaction, process improvement, and energy
2 efficiency.

3 Q. What is the scope of your testimony in this
4 proceeding?

5 A. On September 23, 2011, Idaho Power filed a
6 settlement stipulation ("Stipulation") in this docket that
7 was signed by all parties but one. My testimony will
8 address two of the three unresolved issues identified on
9 page 7 of the Stipulation:

10 1. Low-income Weatherization Assistance
11 for Qualified Customers ("WAQC") program funding; and

12 2. The funding level for the Energy
13 Efficiency Rider.

14 **I. WAQC FUNDING**

15 Q. Please describe the WAQC program.

16 A. The WAQC program provides financial assistance
17 to regional Community Action Partnership ("CAP") agencies
18 in the Idaho Power service area. This assistance helps
19 cover weatherization costs of electrically heated homes
20 occupied by qualified customers with limited income. In an
21 effort to simplify program management for CAP
22 weatherization managers, Idaho Power mirrors the U.S.
23 Department of Energy ("DOE") requirements, which can change
24 from year to year. In 2011, an applicant's income to
25 qualify for weatherization may be up to 200 percent of the

1 national poverty level guidelines. The WAQC program also
2 provides a limited pool of funds for weatherization of
3 buildings occupied by non-profit organizations serving
4 primarily special needs populations, regardless of heating
5 source, with priority given to buildings with electric
6 heat.

7 Q. Who administers the WAQC program?

8 A. The CAP agencies administer the day-to-day
9 operations of the WAQC program with funds collected in
10 electric base rates by Idaho Power.

11 Q. How would you summarize Idaho Power's
12 commitment to the WAQC program?

13 A. Idaho Power has a long history helping to
14 provide low-income weatherization assistance. Beginning in
15 1989, Idaho Power began funding what was called the Low
16 Income Weatherization Assistance ("LIWA") program.
17 Beginning in 2004, Idaho Power changed the name of the
18 program to Weatherization Assistance for Qualified
19 Customers after IPUC Order No. 29505 significantly
20 increased the level of funding provided by Idaho Power
21 customers. Idaho Power has dedicated staff to the program
22 that has in turn developed a good working relationship with
23 the CAP agency personnel. Through this program, Idaho
24 Power and its customers have helped to weatherize over
25

1 3,000 low-income residences in the last decade and achieved
2 cost-effective energy savings in so doing.

3 Q. What is the current funding level for WAQC?

4 A. Idaho Power customers currently fund the CAP
5 agencies at \$1.2 million per year. To the extent there are
6 unspent funds at the end of the year, the balance is
7 carried forward and made available in the next year. In
8 addition, Idaho Power funds approximately \$100,000 in labor
9 and overheads and some untracked labor funding from other
10 departments in the normal course of business (such as the
11 Information Technology Department, the Legal Department,
12 Human Resources Department, and Regulatory Affairs
13 Department).

14 Q. How does the Community Action Partnership
15 Association of Idaho ("CAPAI") propose to change WAQC's
16 current funding level?

17 A. CAPAI is recommending that the Idaho Public
18 Utilities Commission ("Commission") increase customer WAQC
19 funding in base rates from \$1.2 million per year to \$2.7
20 million per year, a change of 125 percent.

21 Q. Does Idaho Power object to increasing the
22 funding for WAQC?

23 A. No, provided there is the potential for more
24 cost-effective savings. The Company has little
25 administrative control over this program, which is operated

1 on a day-to-day basis by local CAP agencies. While Idaho
2 Power can evaluate the cost-effectiveness of the WAQC
3 program after customer funds are spent by the CAP agencies,
4 the considerable concerns raised by other utilities and the
5 Commission Staff regarding the evaluation of WAQC programs'
6 cost-effectiveness and related recovery of amounts spent
7 cause Idaho Power concern. If this is judged to be an
8 appropriate time to increase WAQC funds collected from
9 Idaho Power customers despite the lack of a uniform cost-
10 effectiveness evaluation protocol recommended in comments
11 submitted in Case No. PAC-E-11-13, Idaho Power believes
12 that the relative demand for WAQC services in Idaho Power's
13 service territory should be the focus of determining a
14 proper funding level. I believe it is prudent to
15 understand the needs of Idaho Power's customers based on
16 factual information and adjust accordingly. Suggesting
17 parity between utilities' funding levels to set such an
18 increase is not a good method for determining need, given
19 that demand for WAQC services may vary significantly
20 between utilities.

21 Q. On the issue of cost-effectiveness, does Idaho
22 Power believe the WAQC program at its current funding level
23 is cost-effective?

24 A. Idaho Power's *Demand-Side Management 2010*
25 *Annual Report, Supplement 1: Cost-Effectiveness*, filed in

1 Idaho Case No. IPC-E-11-05, shows that the WAQC program is
2 cost-effective under the utility cost test, total resource
3 cost test, participant cost test, and the ratepayer impact
4 measure test. As stated in *Supplement 1*, in calculating
5 these tests, the Company relies on the savings
6 determination from the DOE-approved energy audit programs
7 (EA4 or EA5) used by the weatherization managers in the CAP
8 agencies.

9 Q. Does Idaho Power have plans to evaluate the
10 WAQC program in the near term?

11 A. Yes. Idaho Power is presently participating
12 in a national study of low-income weatherization programs
13 performed by Oakridge National Labs. Building on the
14 results of that study, to be released in first quarter
15 2012, Idaho Power plans to do a third-party impact
16 evaluation on the WAQC program in 2012.

17 Q. Earlier you stated that increased funding for
18 WAQC should be based on need. What did you mean by that
19 statement?

20 A. Idaho Power believes that if there is a need
21 for increased WAQC funding it could be shown by the waiting
22 list for WAQC. This could be determined by taking the
23 number of homes that actually qualify under the federal
24 income requirements, are electrically heated, receive an

25

1 energy audit, and, subsequently, do not get weatherized
2 under the WAQC program for a specific time period.

3 Q. Do you know the magnitude of this waiting
4 list?

5 A. No, Idaho Power does not have this data.

6 Q. Do you agree with CAPAI's claim that there is
7 a 20-year waiting list for homes to get weatherized under
8 the WAQC program?

9 A. No. The information referred to by CAPAI is
10 based on applicants who qualify for the Idaho State
11 Weatherization Assistance Program ("WAP"), not WAQC. Idaho
12 Power believes the waiting list for WAQC is a small subset
13 of applicants applying for energy assistance and qualifying
14 for WAP.

15 Q. There seems to be some confusion about waiting
16 lists and how applicants are screened and eventually
17 qualified for WAQC. Can you explain the process?

18 A. Although this is not Idaho Power's process, I
19 will describe it to the best of my knowledge. First, an
20 applicant for energy assistance (bill payment assistance)
21 is qualified for the Idaho State Energy Assistance Program
22 Low Income Home Energy Assistance Program ("LIHEAP"). This
23 includes all applicants regardless of heating fuel source
24 and includes customers of all major utilities throughout
25 the state as well as users of propane, coal, wood, and oil

1 for heat. Second, all applicants who qualify for energy
2 assistance, regardless of heat source, are placed on the
3 WAP waiting List. Third, customers qualifying for Idaho
4 Power's WAQC program are determined by starting with the
5 WAP waiting list and removing non-electrically heated homes
6 and homes that are not in the Idaho Power service area.
7 These customers are then prioritized by the CAP agencies
8 for weatherization. Applicants from this list then have an
9 energy audit conducted by a CAP agency auditor. Through
10 the audit process, it is determined if the home is actually
11 electrically heated, what weatherization measures are
12 needed, and what percentage of the weatherization project
13 will be funded by Idaho Power. At this point, only the
14 electrically heated, income-qualified customers within
15 Idaho Power's service area would comprise a WAQC waiting
16 list.

17 Q. What percent of the homes that get weatherized
18 are funded, or at least partially funded, by Idaho Power?

19 A. Idaho Power really does not know exactly.
20 However, according to the Agency Waiting List provided by
21 CAPAI through discovery and attached as Exhibit No. 49, in
22 2008, 1,129 homes were weatherized through CAP agencies in
23 Idaho Power's service area. This is before screening for
24 heating source or electricity provider.

25

1 Q. Do you believe that Exhibit No. 49
2 demonstrates that there is a significant waiting list for
3 the WAQC program?

4 A. No. To begin with, this exhibit contains a
5 CAP agency, "CAP" (Community Action Partnership located in
6 Lewiston), in row one of the exhibit that does not service
7 homes in the Idaho Power service area. The "Number on
8 Waiting List" and the "Pre ARRA Annual Production" provided
9 in column one and three of Exhibit No. 49 contain
10 applicants that are not all Idaho Power customers and may
11 not have electric heat. Consequently, the "Waiting List"
12 in column four really has no relevance to the WAQC program.

13 Q. Qualifying for WAP and other programs sounds
14 like a rather involved process. How does this all work in
15 the daily application of Idaho Power funds?

16 A. The CAP agencies determine the applicant
17 eligibility, prioritize the applicants, and oversee the
18 weatherization of homes. Idaho Power's WAQC program
19 specialist works with the CAP agency weatherization
20 managers to improve the design of the WAQC program, conduct
21 quality assurance, and administer and track distribution of
22 funds to the agencies. Through this collaboration, Idaho
23 Power and the CAP agencies have been able to improve
24 services to special needs customers in Idaho. The Idaho
25 Power and CAP agency partnership is a productive and

1 amiable relationship where program ideas are discussed
2 prior to implementation. For example, CAP agency
3 weatherization managers provide input to guidelines such as
4 determining annual average job costs, leveraging funding
5 opportunities, and proposing the inclusion of additional
6 measures into the program. Idaho Power also works with CAP
7 agency LIHEAP and energy assistance personnel to improve
8 communications and to facilitate other important
9 informational exchanges that improve processes and benefit
10 Idaho's special needs population.

11 Q. Has Idaho Power increased the level of funding
12 for WAQC or for other special needs customers since the
13 Company's 2003 rate case?

14 A. Yes. In 2008, Idaho Power began a pilot
15 program call Weatherization Solutions for Eligible
16 Customers ("Solutions").

17 Q. How did this program design come about?

18 A. Idaho Power developed this program in 2008
19 based on conversations with local CAP agency weatherization
20 managers who voiced their concern that often customers
21 applying for WAP and WAQC assistance were barely above the
22 qualifying income level. From those conversations, Idaho
23 Power and CAP agency executive directors and weatherization
24 managers worked together to develop a test pilot in one
25 region. Currently, the program has expanded to three Idaho

1 Power regions with plans to expand into a fourth region in
2 2012. For the Solutions program, Idaho Power contracts
3 with limited liability corporations developed at regional
4 CAP agencies for those same weatherization services
5 provided by WAP and WAQC.

6 Q. Could you describe this program?

7 A. Solutions is an energy efficiency program
8 funded by the Rider, designed to serve Idaho Power's
9 residential customers who are slightly above poverty level
10 and, therefore, do not financially qualify for the
11 Company's legacy weatherization program, WAQC. The program
12 measures and implementation process mirror those included
13 in the WAQC program. Homes considered for this program
14 must be electrically heated and customers eligible for this
15 program have income just above the federal poverty level,
16 which is adjusted annually. The customers typically do not
17 have discretionary income to participate in other
18 residential energy efficiency programs and live in similar
19 housing as WAQC customers. The qualifying guidelines
20 target customers whose annual income was between 175
21 percent and 250 percent of the federal poverty level.

22 Q. Was the Solutions pilot a success?

23 A. Yes. In fact, the Solutions pilot evolved
24 into a regular efficiency program in 2009. In 2010, Idaho
25 Power expended a little over \$220,000 for this program,

1 weatherizing almost 50 homes. In 2011, the forecast
2 expenditures for Solutions are nearly \$700,000. The
3 Company has budgeted \$1 million dollars for the program in
4 2012, which will weatherize approximately 139 homes.

5 Q. Has the Company funded any other program to
6 aid special needs customers?

7 A. Yes. In 2009, Idaho Power committed to fund
8 the Easy Savings® Program, which is an energy efficiency
9 education program for customers receiving energy assistance
10 but not prioritized for weatherization services through the
11 federal LIHEAP. In both 2009 and 2010, Idaho Power sent
12 payments totaling \$125,000 to regional CAP agency executive
13 directors. In 2009, 2,594 kits were distributed to
14 Idaho Power customers approved to receive energy assistance
15 benefits. In 2010, 2,127 kits were ordered.

16 Q. How would you summarize these additional
17 efforts?

18 A. In just looking at 2011, WAQC will contribute
19 \$1.2 million, Solutions is forecast to invest \$700,000, and
20 the Easy Savings® Program will contribute \$125,000. The
21 Company will directly utilize over \$2 million on special
22 needs programs, excluding the labor marketing and other
23 base rate expenses incurred by these efforts.

24 Q. Do you agree with Ms. Ottens' statement on
25 page 11 of her testimony that the WAQC program is currently

1 the only viable means for low-income customers to reduce
2 their electric bills?

3 A. No. I have just described two other programs
4 offered by the Company to help special needs customers
5 reduce their electricity usage. Additionally, Idaho Power
6 provides CAP agency weatherization and energy assistance
7 offices printed materials on saving energy for special
8 needs individuals. The Company also offers other tools at
9 no cost to all of its customers to help them manage their
10 electricity use. In addition, Idaho Power offers all
11 customers on-line hourly energy usage information and
12 access to powerful web-based Energy Tools that offer
13 individual savings recommendations using customer input.
14 Idaho Power's website contains many no- and low-cost
15 energy-saving tips as well as a robust ENERGYsmart Library
16 to address specific interests. Other printed materials
17 like Idaho Power's Energy Efficiency Field Guide go out
18 annually to thousands of customers along with their
19 newspapers (~162,500 in 2011) and thousands of copies of
20 Idaho Power's booklet "30 Simple Things You can Do to Save
21 Energy" (~37,000 to-date) have been hand delivered by its
22 employees via educational presentations and at community
23 events. Recently, Idaho Power worked with the Idaho
24 Commission for Libraries, Avista Utilities, and Rocky
25 Mountain Power to make kilowatt meters, which are easy-to-

1 use meters that allow customers to see how much electricity
2 individual appliances use, available for all Idaho
3 residents via their public libraries. Presently, all
4 libraries in Idaho Power's service territory have energy
5 efficiency kits for checkout. Idaho Power continually
6 looks for new ways to get educational energy and money-
7 saving information out to its customers.

8 Q. Are there additional means that Idaho Power
9 uses to assist special needs customers?

10 A. Yes, through Idaho Power Project Share
11 efforts. Idaho Power started Project Share in 1982. This
12 is a year-round energy assistance program administered by
13 The Salvation Army with funding provided mainly by Idaho
14 Power customers and shareholders. Project Share assistance
15 is available to supplement energy needs and can be applied
16 to electric and natural gas, as well as other heating
17 commodities like wood, propane, oil, coal, and furnace
18 repairs.

19 In program year 2010-2011, Project Share provided
20 1,708 grants, benefiting 4,955 individuals with an average
21 of \$164.51 energy assistance payment on those energy bills.

22 Q. To your knowledge, has CAPAI requested the
23 Commission increase customer funding of WAQC since Order
24 No. 29505 was issued in 2003?

25

1 A. No. In fact, in 2007, Idaho Power and CAPAI
2 filed jointly to continue the funding level for WAQC as set
3 out in Order No. 29505. The joint application in Case No.
4 IPC-E-07-09 stated, "CAPAI and Idaho Power believe
5 continuation of the increased funding for WAQC is in the
6 public interest and . . . will benefit all of Idaho Power's
7 customers. . . ."

8 Q. In summary, does Idaho Power support increased
9 funding for WAQC?

10 A. Idaho Power is willing to collect customer
11 funds for WAQC to be administered by the CAP agencies at
12 the level the Commission deems appropriate and that
13 customers are willing to support. As I indicated earlier,
14 the Company desires confidence in an appropriate method of
15 demonstrating the actual need in concert with cost-
16 effectiveness and evaluation. If funding is increased
17 prior to those issues being resolved, Idaho Power seeks
18 assurances that it will not be held to a new cost-
19 effectiveness standard retroactively. Whatever funding
20 amount is ultimately set by the Commission, Idaho Power
21 believes it should be based on each utility's need for
22 cost-effective WAQC services rather than an unrelated level
23 of "parity" across the different regions of Idaho.

24

25

1 **II. ENERGY EFFICIENCY RIDER FUNDING**

2 Q. Please describe Idaho Power's Energy
3 Efficiency Rider ("Rider").

4 A. Currently, Idaho Power is authorized by the
5 Commission to collect 4.75 percent of customers' base rates
6 and put it into a liability account. These funds are
7 intended to fund Idaho Power's energy efficiency
8 initiatives.

9 Q. What is the current balance of the Rider
10 account?

11 A. As of the end of October 2011, the balance of
12 this account was approximately a negative \$6 million
13 dollars, indicating that the Company has spent more money
14 on energy efficiency initiatives than it has recovered
15 through the Rider funding.

16 Q. Is Idaho Power allowed to collect interest on
17 this account?

18 A. Yes, the Company has been directed to collect
19 or pay interest on these funds at the customer deposit rate
20 depending on whether the account balance is positive or
21 negative. The customer deposit rate determined by the
22 Commission for 2011 in Order No. 32109 is one percent.

23 Q. Has Idaho Power forecast the Rider balance in
24 future years?

25

1 A. Yes. Exhibit No. 50 shows Idaho Power's
2 forecast of the Rider balance through 2014 under two levels
3 of funding. The top half of Exhibit No. 50, lines 1
4 through 13, shows the results of a Rider funding level of
5 4.75 percent, as is currently approved. Lines 14 through
6 26 show the same information under a 4 percent funding
7 level.

8 Q. Can you describe Exhibit No. 50 in more
9 detail?

10 A. Line 10 and line 23 show the Rider balance
11 under the two funding scenarios. Under a 4.75 percent
12 Rider, the balance is estimated to be over \$5 million
13 dollars at the end of 2012 and grows to over \$35 million in
14 2014. Under a 4 percent Rider, the balance is a negative
15 \$1 million at the end of 2012 and \$15.8 million at the end
16 of 2014. Lines 13 and 26 show the total level of funding
17 of Idaho Power demand-side management programs, including
18 Rider funding and other funding through the time period,
19 which is the same under either funding level.

20 Q. Does the level of the Rider funding determine
21 the Company's commitment to energy efficiency initiatives?

22 A. No. Idaho Power is on the record in many
23 proceedings in front of this Commission and in other public
24 forums as being committed to pursuing all cost-effective
25 energy efficiency. In the last nine years since the Rider

1 began, the Company has made tremendous strides toward
2 achieving that goal. Idaho Power has a full portfolio of
3 energy efficiency programs offered to all customer sectors.
4 The Company has developed a large network of trade allies
5 and has developed excellent working relationships with
6 organizations that help the Company promote its programs
7 and initiatives. One must remember that energy efficiency,
8 unlike supply-side resources, is dependent on customer
9 involvement and interaction. Based on customer
10 satisfaction surveys (included in Exhibit No. 51),
11 customers that participate in Idaho Power's energy programs
12 are generally more satisfied than customers who do not
13 participate in the Company's programs. Idaho Power
14 believes customers use energy more wisely and have reduced
15 their energy consumption because of the Company's programs.

16 Q. Does Idaho Power plan to conduct another
17 potential study soon?

18 A. Yes, in 2012, Idaho Power is planning on
19 contracting for a new potential study to be incorporated
20 into the 2013 Integrated Resource Plan.

21 Q. Does the level of Rider funding determine how
22 much program evaluation the Company conducts?

23 A. No. The level of Rider funding does not and
24 has not determined Idaho Power's level of spending and/or
25 evaluation of demand-side management efforts. Although

1 Idaho Power believes in timely recovery of energy
2 efficiency investment, the Company's historic level of
3 support for energy efficiency programs is evidenced by the
4 fact that, in the beginning of 2011, Idaho Power was
5 carrying an approximate \$17 million deficit in the Rider
6 balance. The Company has been carrying a negative balance
7 in the Rider account since it went contra in April 2008.

8 Q. Does Idaho Power believe the percentage level
9 of funding for the Rider needs to be changed?

10 A. That would depend on the level of change.

11 Q. Can you explain?

12 A. Yes. Exhibit No. 50, as described earlier in
13 my testimony shows the forecast results of changing the
14 Rider funding. As you can see, a modest downward change in
15 the Rider funding level seems to decrease the Rider's
16 current negative balance, adequately fund the Company's
17 current programs and initiatives, and fund increased
18 marketing, expand residential programs, increase
19 evaluations, and research. In the past when Idaho Power
20 has filed for Rider increases, it based the changes on
21 similar analysis based on forecasted need. This is
22 consistent with past filings.

23 Q. What do you mean by "modest" Rider level
24 decrease?

25

1 A. As can be seen from Exhibit No. 50 and as
2 proposed by other parties in this case, decreasing the
3 Rider to 4 percent would provide adequate funding for Idaho
4 Power's current initiatives and provide funds for expanded
5 efforts in the future.

6 Q. Does this forecast include funding for the
7 agreement with the Office of Energy Resources ("OER")
8 concerning the K-12 Energy Efficiency Project as pointed
9 out in Ms. Hirsh's direct testimony?

10 A. Yes, but there has been some confusion about
11 Idaho Power's level of funding for these projects. OER's
12 potential investment in these projects is \$9.6 million but
13 Idaho Power's incentives would be a small portion of this
14 amount. Although it is still an estimate, the Company has
15 included \$3.5 million for incentives for the OER projects
16 in 2011 and 2012.

17 Q. Why would a four percent Rider support
18 existing and new energy efficiency services?

19 A. In Case No. IPC-E-10-27, Idaho Power filed a
20 comprehensive plan to fund energy efficiency. In Order
21 Nos. 32217 and 32245, the Commission authorized the Company
22 to account for the incentives from Custom Efficiency by
23 placing them in a regulatory asset account and recover \$10
24 million of the Rider balance through a one-time adjustment
25 to the 2011 power cost adjustment. In this current rate

1 case, the Company filed to move the incentive payments for
2 the Company's demand response programs into net power
3 supply costs. These actions and favorable regulatory
4 treatment have allowed Idaho Power to decrease its negative
5 balance and remove approximately \$16 million from its
6 annual Rider expenses while maintaining its objectives of
7 pursuing cost-effective energy efficiency.

8 Q. What if over time this level of funding does
9 not adequately support energy efficiency at Idaho Power?

10 A. Idaho Power, as it has done in the past, would
11 file with the Commission to increase the funding. Based
12 upon its past experience, Idaho Power believes that
13 customers prefer this approach rather than accumulating
14 large balances in anticipation of future energy efficiency
15 expenses.

16 Q. The Kroger Co. witness, Kevin Higgins,
17 recommended that the Commission reduce the Rider from 4.75
18 to 3.48 percent. Does Idaho Power support a reduction of
19 that size?

20 A. No. Mr. Higgins' calculations neglect to take
21 into account the negative balance that currently exists in
22 the Rider. Mr. Higgins' proposed level of funding would
23 not provide adequate support for existing programs.

24 Q. Does this conclude your testimony?

25 A. Yes.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-11-08**

IDAHO POWER COMPANY

**DRAKE, REB
TESTIMONY**

EXHIBIT NO. 49

ATTACHMENT A TO CAPAI'S RESPONSE TO IDAHO POWER COMPANY'S PRODUCTION REQUESTS

Agency Waiting List Information June, 2011

	Number on Waiting List	Wx Wait for Those on List	2008 Pre ARRA Annual Production	Waiting List/2008 Ann. Prod. Years
CAP	1628	Two weeks to two years	308	5.29
CCOA	1332	Avg 3-6 months (max 2 years)	250	5.33
EICAP	827	Avg. 4 years (Lemhi 23 yr)	247	3.35
El-Ada*	6000 Annually eligible		294	20.41
SCCAP	1211	2-4 years (Cassia 6 1/2 years)	171	7.08
SEICAA	2000	up to one year	167	11.98

Waiting list time estimates are provided by the agencies, and do not mesh with annual production numbers

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-11-08**

IDAHO POWER COMPANY

**DRAKE, REB
TESTIMONY**

EXHIBIT NO. 50

IDAHO RIDER FORECAST, with a Funding Rate of 4.75%

	a	b	c	d
	2011*	2012	2013	2014
1 Beginning Balance	\$ (17,592,938)	\$ (6,228,936)	\$ 5,194,373	\$ 20,204,986
2 Move balance To PCA	\$ 10,000,000			
3 Rider Funding	\$ 37,536,678	\$ 40,089,458	\$ 40,770,978	\$ 41,464,085
4 Carrying Charges	\$ (89,823)	\$ (62,289)	\$ 51,944	\$ 202,050
5 Total Funding	\$ 37,446,855	\$ 40,027,168	\$ 40,822,922	\$ 41,666,135
6 Incentives-Demand Response	\$ (12,738,599)			
7 Incentives-Other	\$ (11,341,579)	\$ (15,155,179)	\$ (12,591,590)	\$ (13,048,793)
8 Expenses	\$ (12,002,675)	\$ (13,448,681)	\$ (13,220,719)	\$ (13,501,416)
9 Total Incentives/Expenses	\$ (36,082,853)	\$ (28,603,860)	\$ (25,812,309)	\$ (26,550,209)
10 Fund Balance	\$ (6,228,936)	\$ 5,194,373	\$ 20,204,986	\$ 35,320,911

*2011 includes Actuals from Jan-Oct

Incentives from Other Funding Sources

11 Custom Efficiency Incentives	(5,641,549)	\$ (4,794,356)	\$ (4,837,392)	\$ (4,310,617)
12 Incentives-Demand Response		\$ (15,286,000)	\$ (15,286,000)	\$ (15,286,000)
Total forecasted DSM Expenses, Idaho Rider and Other Funding	\$ (41,724,402)	\$ (48,684,216)	\$ (45,935,701)	\$ (46,146,826)

IDAHO RIDER FORECAST, with a Funding Rate of 4.00%

	2011*	2012	2013	2014
14 Beginning Balance	\$ (17,592,938)	\$ (6,228,936)	\$ (1,135,542)	\$ 7,374,249
15 Move balance To PCA	\$ 10,000,000			
16 Rider Funding*	\$ 37,536,678	\$ 33,759,543	\$ 34,333,455	\$ 34,917,124
17 Carrying Charges**	\$ (89,823)	\$ (62,289)	\$ (11,355)	\$ 73,742
18 Total Funding	\$ 37,446,855	\$ 33,697,254	\$ 34,322,100	\$ 34,990,867
19 Incentives-Demand Response	\$ (12,738,599)			
20 Incentives-Other	\$ (11,341,579)	\$ (15,155,179)	\$ (12,591,590)	\$ (13,048,793)
21 Expenses	\$ (12,002,675)	\$ (13,448,681)	\$ (13,220,719)	\$ (13,501,416)
22 Total Incentives/Expenses	\$ (36,082,853)	\$ (28,603,860)	\$ (25,812,309)	\$ (26,550,209)
23 Fund Balance	\$ (6,228,936)	\$ (1,135,542)	\$ 7,374,249	\$ 15,814,907

*2011 includes Actuals from Jan-Oct

Incentives from Other Funding Sources

24 Custom Efficiency Incentives	(5,641,549)	\$ (4,794,356)	\$ (4,837,392)	\$ (4,310,617)
25 Incentives-Demand Response		\$ (15,286,000)	\$ (15,286,000)	\$ (15,286,000)
Total forecasted DSM Expenses, Idaho Rider and Other Funding	\$ (41,724,402)	\$ (48,684,216)	\$ (45,935,701)	\$ (46,146,826)

ASSUMPTIONS

Funding
Carrying Charges
Incentives

SOURCE

Based on 2011 IRP Sales and Load Forecast, dated Sept 1, 2010.
1% of average annual balance
Based on 2011 IRP w/expansion programs beginning in 2012 Includes addition of OER incentives for 2011 (\$700k) & 2012 (\$2.8m)

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-11-08**

IDAHO POWER COMPANY

**DRAKE, REB
TESTIMONY**

EXHIBIT NO. 51

**Customer Relationship Index
Burke Survey
Participated in Programs vs. Not – Total**

12 Months Total as of Q3 2011	Participated in Energy Efficiency Program	Not Participated in Energy Efficiency Program
n= 934	n = 337	n = 584
Percent in Group	36%	62%
Average Points (Min = 0, Max = 4)		
Overall Satisfaction	3.62	3.53
Excellent Overall Quality	3.56	3.48
Excellent Overall Value	3.19	2.91
Likelihood To Recommend	3.44	3.26
Idaho Power Cares	3.24	3.01
Total Points	17.05	16.19
Possible Points	20	20
CRI (Total Divided by Possible)	85.25%	80.95%

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of November 2011 I served a true and correct copy of the within and foregoing REBUTTAL TESTIMONY OF THERESA DRAKE upon the following named parties by the method indicated below, and addressed to the following:

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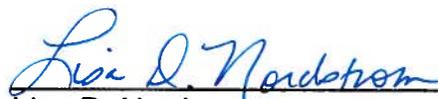
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