COMMUNITY ACTION PARTNERSHIP	ASSOCIATION OF IDAHO
COMMENTS	

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IDAHO PUBLIC UTILITIES COMMISSION

### BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE APPLICATION OF PACIFICORP DBA ROCKY MOUNTAIN ELECTRIC SERVICE SCHEDULES NOS. 10 400 AND 401 CASE NO. PAC-E-06-04

COMMUNITY ACTION PARTNERSHIP ASSOCIA-TION OF IDAHO'S COMMENTS

COMES NOW, Community Action Partnership Association of Idaho (CAPAI) and pursuant to Commission Notice issued August 21, 2006, submits the following

comments.

CAPAI supports the use of modified procedure in this proceeding. Further, on June 19, 2006, CAPAI and PacifiCorp executed a settlement agreement (copy attached hereto as Exhibit "A"). Portions of that settlement agreement are relevant to this proceeding. In any event, the key elements of the agreement include the following:

 PacifiCorp shall make a one-time cash contribution of shareholder money of ten-thousand dollars (\$10,000) to each of Southeastern Idaho Community Action Agency ("SEICAA") and Eastern Idaho Community Action Partnership

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("EICAP") to be used as funding assistance for the Lend-A-Hand program for the 2006-2007 heating season.

2) PacifiCorp agreed to (and did) make a formal filing before the Commission (Case No. PAC-E-06-10) to address the Company's limitation of only funding 50% (a percentage that CAPAI disputes reflects the actual level of funding) of low-income weatherization costs.

3) PacifiCorp agreed to provide support for legislation sponsored by CAPAI during the 2007 general Idaho legislative session that would give the Commission authority to approve utility-proposed low-income assistance programs, the costs of which would be included in the utilities' cost of service.

4) CAPAI agreed to waive PacifiCorp's commitment to file a general rate case made in Case No. PAC-E-05-1 and makes no objection to the Company's application in the present case seeking rate increases for Monsanto Corp., Nu-West Industries, Inc. and PacifiCorp's irrigation customers.

CAPAI submits that the foregoing settlement is in the best interests of the general body of PacifiCorp's ratepayers. CAPAI also believes that under the conditions outlined in the settlement, and given the nature of the Company's Application in this case, the use of modified procedure is appropriate and a general rate case is not necessary at this point in time.

DATED, this  $\underline{\beta}^{\prime}$  day of November, 2006.

M. Coco



June 19, 2006

Brad M. Purdy Attorney at Law 2019 N. 17<sup>th</sup> St. Boise, ID 83702

Re: Stipulation and Agreement Between PacifiCorp and the Community Action Partnership Association of Idaho ("CAPAI")

Dear Mr. Purdy:

Please find enclosed an original copy of the agreement reached between PacifiCorp and CAPAI regarding PacifiCorp's upcoming filings in Idaho. Also enclosed is a second original copy of the signature page to the agreement. Upon receipt, please sign the signature pages and return one original copy to PacifiCorp.

Thank you for working with PacifiCorp to reach this agreement.

Sincerely,

Sn TVC

Brian Dickman Manager, Idaho Regulatory Affairs

Enclosures



## STIPULATION AND AGREEMENT

This Stipulation and Agreement ("Stipulation") is entered into by and between PacifiCorp, doing business as Rocky Mountain Power ("PacifiCorp" or the "Company") and the Community Action Partnership Association of Idaho ("CAPAI") (collectively referred to as the "Parties") as of June 19, 2006.

#### I. INTRODUCTION

1. The terms and conditions of this Stipulation are set forth herein. The Parties agree that this Stipulation represents a fair, just and reasonable compromise of the issues raised between the Parties.

#### **II. BACKGROUND**

2. In the Stipulation settling the general rate case filed by the Company in Docket No. PAC-E-05-1, PacifiCorp proposed that certain cost of service issues would be addressed in a general rate case that was anticipated to be filed no later than April 29, 2006. PacifiCorp desires to not file a general rate case in Idaho in 2006 and anticipates making a filing to address certain price changes on a limited basis rather than through a general rate case. If the Idaho Public Utilities Commission (the "Commission") approves a limited issue application, then the Company will not have the need to file a general rate case in 2006. CAPAI is willing to support PacifiCorp in its approach to avoid the need for a general rate case in 2006. This Stipulation sets forth the terms and conditions under which the Parties agree to be bound with respect to PacifiCorp's approach to a limited issue filing and avoidance of the need to file a general rate case in 2006.

3. In anticipation of executing this Stipulation, representatives of PacifiCorp and CAPAI have held discussions several times pursuant to IDAPA 31.01.01.271 and engaged in settlement discussions with a view toward resolving the issues raised herein. Based upon the settlement discussions between the Parties, as a compromise of the Parties' positions on the

### STIPULATION – Page 1 CONFIDENTIAL SUBJECT TO SETTLEMENT PRIVILEGE

subjects discussed herein, and for other consideration as set forth below, the Parties agree to the following terms:

#### **III. TERMS OF THE STIPULATION**

4. No later than August 31, 2006, PacifiCorp shall make a one-time cash contribution of shareholder money of ten-thousand dollars (\$10,000) to each of SouthEastern Idaho Community Action Agency ("SEICAA") and Eastern Idaho Community Action
Partnership ("EICAP") (for a total aggregate contribution of twenty-thousand dollars (\$20,000)) to be used as funding assistance for the Lend-A-Hand program for the 2006-2007 heating season.

5. No later than September 1, 2006, PacifiCorp shall make a formal filing before the Commission to address those issues that PacifiCorp and the MidAmerican Energy Holdings Company agreed to address pursuant to Commitment No. I 13(b) in Docket No. PAC-E-05-8.

6. PacifiCorp agrees to provide support for legislation sponsored by CAPAI during the 2007 general Idaho legislative session that would give the Commission authority to approve discount rates for low income customers that are requested by utilities. The Company's support is limited to legislation allowing: 1) a utility to propose bill discounts on a strictly voluntary basis and subject to Commission approval, and 2) the costs and lost revenue from such discounts to be included in the utility's cost of service to be recovered in rates from other customers. An example of such legislation is attached as Exhibit A to this Stipulation and is subject to modification and approval by the Idaho legislature. The terms of this Stipulation shall not bind the Company to request or agree to establish such a bill discount in Idaho.

7. CAPAI agrees to waive the Company's commitment to file a general rate case per the Stipulation in Case No. PAC-E-05-1 and will not make any objection to the Company's applications seeking rate increases for Monsanto Corp., Nu-West Industries, Inc. and PacifiCorp's irrigation customers. In addition, CAPAI agrees that Commitment No. I 13(b) in

## STIPULATION – Page 2 CONFIDENTIAL SUBJECT TO SETTLEMENT PRIVILEGE

Docket No. PAC-E-05-8 will be addressed in the filing referenced in paragraph 5 of this stipulation rather than in a general rate case.

8. The Parties agree that this Stipulation represents a compromise of the positions of the Parties on the issues addressed herein. Other than the above referenced positions and any testimony filed in support of PacifiCorp's Application and except to the extent necessary for a Party to explain before the Commission, if necessary, its own statements and positions with respect to the Stipulation, all negotiations relating to this Stipulation shall not be admissible as evidence in any legal or regulatory proceedings regarding this subject matter.

9. No Party shall be bound, benefited or prejudiced by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Party unless such rights are expressly waived herein. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation. This Stipulation shall be governed in accordance with the laws of the State of Idaho.

DATED this 19<sup>th</sup> day of June, 2006.

**PacifiCorp** 

Βv Mark Moench

Sr. Vice President and General Counsel PacifiCorp, dba Rocky Mountain Power

Community Action Partnership Association of Idaho

By

Brad Purdy Attorney for CAPAI

STIPULATION – Page 3 CONFIDENTIAL SUBJECT TO SETTLEMENT PRIVILEGE Docket No. PAC-E-05-8 will be addressed in the filing referenced in paragraph 5 of this stipulation rather than in a general rate case.

8. The Parties agree that this Stipulation represents a compromise of the positions of the Parties on the issues addressed herein. Other than the above referenced positions and any testimony filed in support of PacifiCorp's Application and except to the extent necessary for a Party to explain before the Commission, if necessary, its own statements and positions with respect to the Stipulation, all negotiations relating to this Stipulation shall not be admissible as evidence in any legal or regulatory proceedings regarding this subject matter.

9. No Party shall be bound, benefited or prejudiced by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Party unless such rights are expressly waived herein. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation. This Stipulation shall be governed in accordance with the laws of the State of Idaho.

DATED this 19<sup>th</sup> day of June, 2006.

PacifiCorp

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Sr. Vice President and General Counsel PacifiCorp, dba Rocky Mountain Power

Community Action Partnership Association of Idaho

By

Brad Purdy Attorney for CAPAI

STIPULATION – Page 3 CONFIDENTIAL SUBJECT TO SETTLEMENT PRIVILEGE

### TITLE 61 PUBLIC UTILITY REGULATION CHAPTER 5 POWERS AND DUTIES OF PUBLIC UTILITIES COMMISSION

<u>61-502C. RATES – LOW-INCOME CUSTOMERS. Upon request by a water,</u> gas or electric public utility, the Commission may approve rates, charges, services and/or facilities at a discount for the utility's low-income residential customers. Any expenses and lost revenues as a result of these bill discounts shall be included in the utility's cost of service and recovered in rates to other customers. For purposes of this provision, the term "low-income" is defined as follows: one hundred-fifth percent (150%) of the Poverty Guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(s).

No other statute contained within Title 61 shall be construed to prohibit the Commission from approving programs as set forth herein.

## TITLE 61 PUBLIC UTILITY REGULATION CHAPTER 3 DUTIES OF PUBLIC UTILITIES

#### 61-315- DISCRIMINATION AND PREFERENCE PROHIBITED -

<u>EXCEPTION</u>. No public utility shall, as to rates, charges, service, facilities or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates, charges, service, facilities or in any other respect, either as between localities or as between classes of service. The commission shall have the power to determine any question of fact arising under this section.

Nothing in this provision shall act to prohibit a public utility from seeking approval for, and operating, low-income residential bill discounts pursuant to Idaho Code Section 61-502C.

## TITLE 61 PUBLIC UTILITY REGULATION CHAPTER 5 POWERS AND DUTIES OF PUBLIC UTILITIES COMMISSION

61-502. DETERMINATION OF RATES. Whenever the commission, after a hearing had upon its own motion or upon complaint, shall find that the rates, fares, tolls, rentals, charges or classifications, or any of them, demanded, observed, charged or collected by any public utility for any service or product or commodity, or in connection therewith, including the rates or fares for excursions or commutation tickets, or that the rules, regulations, practices, or contracts or any of them, affecting such rates, fares, tolls, rentals, charges or classifications, or any of them, are unjust, unreasonable, discriminatory or preferential, or in any wise in violation of any provision of law, or that such rates, fares, tolls, rentals, charges or classifications are insufficient, the commission shall determine the just, reasonable or sufficient rates, fares, tolls, rentals, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force and shall fix the same by order as hereinafter provided, and shall, under such rules and regulations as the commission may prescribe, fix the reasonable maximum rates to be charged for water by any public utility coming within the provisions of this act relating to the sale of water.

Nothing in this provision shall prohibit the Commission from approving lowincome residential bill discounts pursuant to Idaho Code Section 61-502C.

# TITLE 61 PUBLIC UTILITY REGULATION CHAPTER 3 DUTIES OF PUBLIC UTILITIES

61-301. CHARGES JUST AND REASONABLE. All charges made, demanded or received by any public utility, or by any two (2) or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge made, demanded or received for such product or commodity or service is hereby prohibited and declared unlawful.

Nothing in this provision shall prohibit a public utility from seeking approval for, and operating, low-income residential bill discounts pursuant to Idaho Code Section 61-502C.