

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF)
PACIFICORP DBA ROCKY MOUNTAIN) CASE NO. PAC-E-06-10
POWER TO DETERMINE THE)
APPROPRIATE FUNDING STRUCTURE OF) NOTICE OF PETITION
ITS SCHEDULE 21 (LOW INCOME)
WEATHERIZATION PROGRAM) NOTICE OF
) INTERVENTION DEADLINE
)
) ORDER NO. 30139

On September 1, 2006, PacifiCorp dba Rocky Mountain Power filed a petition seeking a declaratory order that the Company's current funding structure for its Low Income Weatherization Program contained in tariff Schedule 21 is just and reasonable. PacifiCorp filed this Petition in compliance with a settlement stipulation it entered into with the Community Action Partnership Association of Idaho (CAPAI) dated June 19, 2006 (subsequently referred to as the "Stipulation"). The Company filed supporting testimony on September 15, 2006. The Company requested that this matter be processed by Modified Procedure.

BACKGROUND

In the PacifiCorp-MidAmerican acquisition case No. PAC-E-05-8, Commitment I-13 required PacifiCorp to submit an analysis of the costs and benefits of its practice to match 50% of federal contributions for its Low Income Weatherization Program. This analysis was to be contained in direct testimony as part of PacifiCorp's next general rate case to be filed no later than April 29, 2006. The rate case would then provide interested parties with a forum and opportunity to comment on the Company's weatherization policies. The commitment was adopted and approved in Order No. 29998 issued March 14, 2006.

Consistent with its Commitment I-13, in April 2006 PacifiCorp filed revisions to its Low Income Weatherization Program (Schedule 21) in Tariff Advice No. 06-03. PacifiCorp proposed to reimburse the community action agencies 50% of the costs of weatherization when federal funds are available, and increase its contribution to 100% of the approved costs when federal funds are not available. The tariff advice also proposed to eliminate the \$1,500 "ceiling" for the average cost of weatherization per home. The tariff advice was suspended to obtain some

additional information from Staff, CAPAI and the Company. After reviewing the additional information and comparing the electric utilities' weatherization programs, the Commission approved Tariff Advice 06-03 at its July 19, 2006 decision meeting. The proposed changes to Schedule 21 became effective August 1, 2006.

While the tariff advice was under consideration, the Company reached settlement agreements with customers involved in its pending general rate case. In lieu of a single rate case, PacifiCorp subsequently filed three applications to increase certain rates for tariff Schedules Nos. 10 (Irrigation), 400 (Monsanto) and 401 (Nu-West) in Case Nos. PAC-E-06-4, PAC-E-06-8 and PAC-E-06-9, respectively. These applications are based upon settlement agreements reached between PacifiCorp and the representatives of the customers served under the respective schedules. Petition at 2. The Commission has solicited public comments in these three cases.

The Company also entered into a settlement stipulation with CAPAI on June 19, 2006. This Stipulation provided that PacifiCorp make a \$10,000 contribution to each community action agency (SEICAA and EICAP) to be used in the agencies' Lend-a-Hand heating assistance programs. Exh. 1, Stipulation at 2. PacifiCorp also agreed to support legislation sponsored by CAPAI to authorize discount rates for low-income residential customers. *Id.* Finally, PacifiCorp agreed to file a pleading to address "the costs and benefits" of increasing PacifiCorp's 50% match for low-income weatherization projects. This last element was to compensate for the lack of a general rate case. The present Petition is the pleading that would allow CAPAI and other interested parties to comment on the "costs and benefits" of the Company's Low Income Weatherization Program.

NOTICE OF PETITION

YOU ARE HEREBY NOTIFIED that PacifiCorp has weatherized more than 600 homes since 1988 using its Low-Income Weatherization Program in tariff Schedule 21. The Company's weatherization program is intended to increase electric conservation by reducing electricity consumption and monthly electricity bills with the installation of conservation measures in the homes of low-income residential customers. Petition at 3. PacifiCorp reimburses its partner agencies in Idaho Falls and Pocatello 50% of the cost of installing approved weatherization measures when matching federal grants are available to the agencies. The weatherization services are provided at no charge to participating households.

YOU ARE FURTHER NOTIFIED that effective August 1, 2006, PacifiCorp will reimburse the agencies up to 100% of the costs of installing weatherization measures if government funds have been effectively exhausted. The Company also removed the previous \$1,500 "ceiling" on its maximum average investment per household. The Company will continue to reimburse the partner agencies 15% of the Company's rebates to cover the agencies' administrative costs. PacifiCorp's total funding for its weatherization programs in Schedule 21 is capped at \$150,000 annually.

YOU ARE FURTHER NOTIFIED that the Company indicated in its Petition that if the reimbursement proportion is increased, fewer low-income customers will be provided weatherization services. Petition at 4. The Company claims that such a result would make the weatherization program less cost effective. *Id.* The Company prefiled the testimony of Brian Dickman, the Manager of Idaho Regulatory Affairs. He sponsors the Company's Exhibit 2 which is the cost and benefit analysis of the Company's weatherization program.

YOU ARE FURTHER NOTIFIED that the following persons are designated as PacifiCorp's representatives in this matter:

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YOU ARE FURTHER NOTIFIED that the Petition, supporting testimony and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Petition, testimony and exhibits are also available on the Commission's Website at www.puc.idaho.gov under the "File Room" icon and then "Electric Cases."

PETITION TO INTERVENE

On September 22, 2006, the Community Action Partnership Association of Idaho (CAPAI or the "Association") petitioned to intervene in this matter. CAPAI also objected to PacifiCorp's request to process this case under Modified Procedure. The Association indicated that it desired to conduct discovery and asserted there are material issues of fact in dispute. Consequently, CAPAI maintained that a technical hearing may be in order.

Based upon our review of CAPAI's Petition to Intervene and Objection, the Commission grants CAPAI's Petition to Intervene. We find that the Association has shown a direct and substantial interest in PacifiCorp's Weatherization Program. IDAPA 31.01.01.074.

CAPAI also objected to processing this case under Modified Procedure. Consequently, we shall issue a Notice of Intervention Deadline and direct the Commission Staff to conduct an informal prehearing conference. After the Commission Secretary has issued the Notice of Parties, the Commission Staff will conduct an informal prehearing conference for the purpose of establishing a schedule for discovery, testimony, and hearings in this matter as necessary. The Commission may direct that pleadings and testimony be filed electronically with the other parties.

DEADLINE FOR INTERVENTION

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examining witnesses at a hearing must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate at the hearing must file a Petition to Intervene within 14 days of the service date of this Order. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail addresses to facilitate future communications and setting a prehearing conference in this matter.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-336, 61-503 and 61-507. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*


ORDER

IT IS HEREBY ORDERED that the Petition to Intervene filed by Community Action Partnership Association of Idaho is granted.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission within 14 days of the service date of this Order.

IT IS FURTHER ORDERED that after the Commission Secretary has issued the Notice of Parties, the Commission Staff shall convene a telephonic prehearing conference for the purpose of developing a schedule to process this case.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd day of October 2006.



PAUL KJELLANDER, PRESIDENT

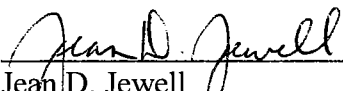


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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