

**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 )**  
**ITS SCHEDULE 21 (LOW INCOME )** **ORDER NO. 30239**  
**WEATHERIZATION PROGRAM) )**  
**)**

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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. On September 22, 2006, the Community Action Partnership Association of Idaho (CAPAI) petitioned and was granted intervenor status. Following a prehearing conference, the Commission issued Order No. 30169 setting this matter for hearing.

On January 10, 2007, the parties (Rocky Mountain, CAPAI and Commission Staff) filed a Settlement Stipulation in this matter. The parties subsequently filed a Motion to Vacate the Hearing and requested that the Commission decide the case based upon the Settlement Stipulation and the testimony filed in support of the Stipulation. After reviewing the Stipulation and the supporting testimony, the Commission approves the settlement and proposed changes to Schedule 21.

**BACKGROUND**

***A. The Petition***

The historical background of this case is set out in Order No. 30139. Briefly, Rocky Mountain has weatherized more than 600 homes since 1988 under its Low Income Weatherization Program set out in tariff Schedule 21. The Company's Weatherization Program is intended to increase conservation thereby reducing electricity consumption in the homes of low-income residential customers. Rocky Mountain's Weatherization Program is administered by two community action agencies located in Idaho Falls and Pocatello. The weatherization services are provided at no charge to eligible households.

As explained in its Petition, Rocky Mountain's total funding for its Weatherization Program in Schedule 21 is capped at \$150,000 per year. Rocky Mountain currently reimburses

its partner agencies 50% of the cost of installing approved weatherization measures when matching federal grants are available to agencies. If government funds have been exhausted, Rocky Mountain reimbursed its partner agencies up to 100% of the cost of installing weatherization measures. The previous \$1,500 “cap” on its average investment per household was removed effective August 1, 2006. The Company will continue to reimburse the partner agencies 15% of the Company’s rebates to cover the agencies’ administrative costs.

### ***B. Procedural History***

On October 3, 2006, the Commission issued its Notice of Petition regarding the Company’s request for a declaratory order. The Commission’s Notice also required that petitions to intervene be filed no later than October 24, 2006. CAPAI was the only person to intervene and its intervention was granted in Order No. 30139. On October 24, 2006, the parties convened a telephonic prehearing conference. The parties agreed on a proposed discovery schedule and proposed convening a technical hearing on February 2, 2007. *Id.*

On January 10, 2007, the parties filed a settlement Stipulation resolving all disputed issues in this matter.<sup>1</sup> The Staff and Rocky Mountain subsequently filed testimony in support of the Stipulation.

On January 25, 2007, the Staff filed a motion on behalf of the parties to vacate the hearing scheduled for February 2, 2007. Given the settlement Stipulation and the supporting prefiled testimony, the parties recommended that the Commission vacate the evidentiary hearing and decide the case based upon the Stipulation and the supporting testimony. Motion at 1. The parties asserted there is a sufficient record to decide this matter without a hearing. Moreover, vacating the hearing will conserve time and resources, and is in the public interest. *Id.* At its public decision meeting on January 30, 2007, the Commission granted the Motion to Vacate and took the case under advisement.

## **THE STIPULATION**

### ***A. The Settlement***

The parties agreed that Rocky Mountain shall amend its tariff Schedule 21 to expand the scope of allowed weatherization measures. Allowed conservation measures will include all cost-effective measures approved by the U.S. Department of Energy (DOE) with a “savings to

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<sup>1</sup> CAPAI’s counsel was unable to sign the settlement Stipulation until January 22, 2007.

investment ratio” (SIR) greater or equal to 1.0 for electrically heated homes. Stipulation at ¶ 5. The parties also agreed to increase Rocky Mountain’s weatherization sharing percentage from 50% to 75% of the total cost of the approved weatherization measures. *Id.* at ¶ 6.

The Stipulation also provides that CAPAI will not intervene or otherwise participate in any future proceeding to modify Schedule 21 or other Rocky Mountain weatherization programs from April 1, 2007 to March 31, 2009. *Id.* at ¶ 7. For its part, Rocky Mountain will conduct a study to determine the cost-effectiveness of its Weatherization Program after March 31, 2009. Rocky Mountain proposed to submit the results of this study to the Commission. The Stipulation notes that performance of the study should not be interpreted as CAPAI’s acceptance of the validity or applicability of any cost-effectiveness study. *Id.* at ¶ 9. Rocky Mountain’s overall annual spending amount for Schedule 21 will remain unchanged at \$150,000.

The parties recognize that the Stipulation represented a compromise of the positions of the parties. The parties urge the Commission to adopt the Stipulation and find that its terms and the proposed changes to Schedule 21 are fair, just and reasonable. They also assert that the settlement is in the public interest. *Id.* at ¶ 13. The parties recommend that the proposed changes to Schedule 21 become effective April 1, 2007.

### ***B. Supporting Testimony***

The Stipulation was supported by testimony from Staff and Rocky Mountain. Staff witness Wayne Hart asserted that Staff’s goal in this case was to align Rocky Mountain’s Weatherization Program closer to the programs offered by the other two electric utilities and to expand the range of allowed weatherization measures. Tr. at 3-4. He explained that Rocky Mountain’s existing Weatherization Program did not include all eligible conservation measures approved by DOE. Although the type of conservation measures will be expanded to include repairs and replacements, most of the new weatherization measures will also be subject to the cost effectiveness test (SIR) built into the program. Consequently, the improvements to each home must still be cost-effective.

Rocky Mountain’s witness Brian Dickman also supported the Stipulation. He noted that the proposed changes to tariff Schedule 21 “are intended to increase flexibility for administering agencies and to allow for additional measures to be installed for low-income customers of Rocky Mountain Power.” Tr. at 3. He urged the Commission to adopt the Stipulation in its entirety and approve the proposed tariffs effective April 1, 2007. *Id.*

## DISCUSSION AND FINDINGS

After reviewing the Stipulation, the proposed changes to tariff Schedule 21 and the supporting prefiled testimony, we approve the settlement Stipulation. Expanding the scope of DOE-approved weatherization measures will improve the overall effectiveness of Rocky Mountain's Weatherization Program for its low-income customers. Increasing the sharing percentage from 50% to 75% will increase the conservation measures provided to the electrically heated homes. We commend the parties for their time and efforts in resolving this case. The Stipulation represents positive changes to the Company's Low Income Weatherization Program.

## ORDER

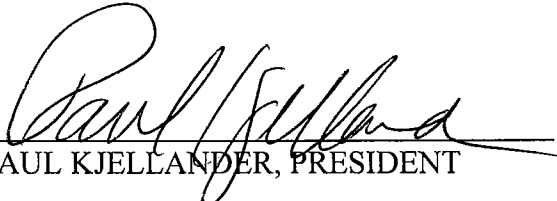
IT IS HEREBY ORDERED that the parties' Joint Motion to Vacate the Hearing and Decide the Matter on the Record is granted.

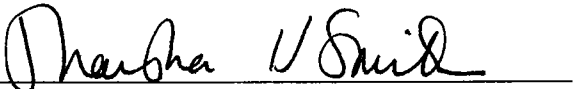
IT IS FURTHER ORDERED that the parties' settlement Stipulation is approved and adopted.

IT IS FURTHER ORDERED that the proposed changes to tariff Schedule 21 are approved. The changes will become effective on April 1, 2007.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. PAC-E-06-10 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

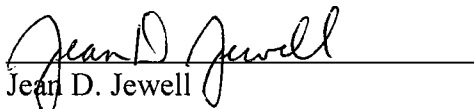
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8<sup>th</sup>  
day of February 2007.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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