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IDAHO PUBLIC  
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

9 IN THE MATTER OF THE APPLICATION )  
10 OF PACIFICORP DBA ROCKY MOUNTAIN ) CASE NO. PAC-E-08-07  
11 POWER FOR APPROVAL OF CHANGES TO )  
12 ITS ELECTRIC SERVICE SCHEDULES )  
13 )  
14 )

15 **COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO**  
16 **DIRECT TESTIMONY OF**  
17 **TERI OTTENS**

1 **I. INTRODUCTION**

2 Q: Please state your name and business address.

3 A: My name is Teri Ottens. I am the Policy Director of the Community Action Partnership  
4 Association of Idaho headquartered at 5400 W. Franklin, Suite G, Boise, Idaho, 83705.

5 Q: On whose behalf are you testifying in this proceeding?

6 A: The Community Action Partnership Association of Idaho ("CAPAI") Board of Directors  
7 asked me to present the views of an expert on, and advocate for, low income customers of  
8 Rocky Mountain Power. CAPAI's participation in this proceeding reflects our  
9 organization's view that low income people are an important part of Rocky Mountain  
10 Power's customer base, and that these customers will be adversely impacted by the  
11 proposed changes to the Company's electric service schedules.

12 Q: Please describe CAPAI's organization and the functions it performs, relevant to its  
13 involvement in this case.

14 A: CAPAI is an association of Idaho's six Community Action Partnerships, the Community  
15 Council of Idaho and the Canyon County Organization on Aging, Weatherization and  
16 Human Services, all dedicated to promoting self-sufficiency through removing the causes  
17 and conditions of poverty in Idaho's communities.

18 Q: What are the Community Action Partnerships?

19 A: Community Action Partnerships ("CAPs") are private, nonprofit organizations that fight  
20 poverty. Each CAP has a designated service area. Combining all CAPS, every county in  
21 Idaho is served. CAPS design their various programs to meet the unique needs of  
22 communities located within their respective service areas. Not every CAP provides all of  
23 the following services, but all work with people to promote and support increased self-  
24 sufficiency. Programs provided by CAPS include: employment preparation and dispatch,  
25 education assistance child care, emergency food, senior independence and support,

1 clothing, home weatherization, energy assistance, affordable housing, health care access,  
2 and much more.

3 Q: Have you testified before this Commission in other proceedings?

4 A: Yes, I have testified on behalf of CAPAI in numerous cases involving PacifiCorp, Idaho  
5 Power Company, AVISTA, and United Water.

## 6 II. SUMMARY

7 Q: Please summarize your testimony in this case?

8 A: The purpose of CAPAI's testimony in this case is to support the negotiated settlement  
9 stipulation previously filed with the Commission and to which each party is either a  
10 signatory or has no objection. The details of CAPAI's recommendations which were  
11 accepted by all parties are set forth in the following section..

## 12 III. RECOMMENDATIONS

13 Q: By way of background, why has CAPAI intervened in this particular proceeding?

14 A: CAPAI is concerned that the combined proposed increases in fees and rates will add to  
15 the already unwieldy energy cost burden that low income families in Idaho face,  
16 particularly in these uncertain economic times. This is of significant importance to low-  
17 income Idaho customers and those who must provide services to them.

18 Q: Can you provide poverty statistics for Idaho?

19 A: According to the Idaho Department of Commerce, 12.6% of the State's population, when  
20 using the 2006 Census data, falls within federal poverty guidelines and an additional  
21 12.4% fall within the state guidelines set at 150% of poverty levels. The 2006 Census  
22 reveals that those living in poverty are categorized as 8.7% elderly, 15.1% children, 9.8%  
23 all other families, 28.5% single mothers and 26.4% all others.

24 Q: How does this translate to energy "affordability?"

1 A: According to the U.S. Department of Energy, the "affordability burden" for total home  
2 energy is set nationwide at 6% of gross household income and the burden for home  
3 heating is set at 2% of gross household income. In Idaho, there was a gap in the  
4 2006/2007 heating season of over \$123 million between what Idahoans can afford to pay  
5 (based on federal standards) for energy and what they actually paid. While this gap  
6 increased by \$26.7 million from the previous year, the LIHEAP funding only increased  
7 by \$1.8 million. Currently, the LIHEAP program sends approximately \$12.2 million  
8 (for energy assistance, weatherization and administration) to Idaho.

9 Q. Would you please provide an overall summary of the settlement reached by the parties in  
10 this case?

11 A. The settlement is known as a "black box" settlement in which not every party necessarily  
12 agreed to each component of the agreement, but that all parties support the proposed  
13 overall increase to the Company's revenue requirement of \$4,382,632, with an increase  
14 to the residential class of 3.53%, and that the Stipulation is in the public interest.

15 Q. Did CAPAI actively participate in this proceeding?

16 A. Yes, beginning with a thorough review of the lengthy filing itself to becoming a formal  
17 party and, ultimately, to filing this testimony and participating in the technical hearing to  
18 be conducted in this case, CAPAI exercised all of its rights and responsibilities as a full  
19 and formal party.

20 Q. Will you please identify those components of the settlement that were of particular  
21 concern and relevance to CAPAI?

22 A. Yes. First, CAPAI noted that unlike AVISTA and Idaho Power, Rocky Mountain does  
23 not have tiered rates. CAPAI strenuously argued for an enhancement or enlargement of  
24 tiered rates in the recently concluded Idaho Power general rate case hearing. As the  
25 Commission is aware, Idaho Power was ultimately ordered to increase its tiered rates

1 from a part-year basis to a full year three-tier rate. Given the lack of time for Rocky  
2 Mountain Power to revise its application to propose tiered rates in advance of Staff and  
3 Intervenor prefile deadlines, the parties agreed that it would be reasonable for the  
4 Company to commit to "include an inverted tier rate design proposal or option for  
5 residential customers in its next filed general rate case for the Commission's  
6 consideration." Stipulation, par.10, p.4.

7 Q. Has Rocky Mountain committed to a specific filing date for its next general rate case?

8 A. No, but the Company has clearly indicated that it will not be in the not-too-distant-future.

9 Q. What else did Rocky Mountain Power agree to in its Stipulation of particular interest to  
10 CAPAI and the Company's general body of ratepayers?

11 A. Following in the wake of AVISTA's proposal to fund a low-income specific conservation  
12 education program, and subsequently ordered by the Commission in Idaho Power's  
13 recent rate case (IPC-E-08-10), Rocky Mountain Power agreed to fund a total of  
14 \$50,000.00 for the two CAP agencies operating in Rocky Mountain's certificated area.  
15 This is relatively equivalent to the funding levels of AVISTA and Idaho Power.

16 A. The Stipulation provides that it shall be the responsibility of CAPAI to propose the  
17 specifics of the conservation program to all the Company, and all parties, as well as how  
18 the funding will be distributed between the two CAP agencies, the Southeastern Idaho  
19 Community Action Agency and the Eastern Idaho Community Action Partnership.

20 Q. Does CAPAI intend to simply split equally the \$25,000.00 allocated for each CAP  
21 agency or is there some other allocation method CAPAI has in mind?

22 A. Based on discussions with the utilities, the preference seems to be to allocate the total  
23 amount of funding given by each utility to the CAP agencies operating in the utility's  
24 area based on the relative customer population of the CAP agency in question. This  
25 would avoid the inequity of allocating the same amount of funding to two literally

1 adjacent CAP agencies even though their customer populations might be significantly  
2 different.

3 Q. Are there any other requirements imposed on CAPAI regarding low-income energy  
4 efficiency education?

5 A. All of the conditions described herein on the part of CAPAI shall be concluded no later  
6 than May 1, 2009. In addition, CAPAI will explain in detail the objectives of the energy  
7 efficiency programs and will endeavor to provide savings estimates to assist the  
8 Company in program evaluation and reporting requirements. It is understood, however,  
9 that by virtue of its very nature, estimating the savings resulting from an educational  
10 program is not amenable to a high degree of precision. In light of this, all parties agree  
11 that the low-income energy efficiency education program is "in the public interest and is  
12 determined to be cost effective even though the explicit quantification of benefits may  
13 not be possible." Stip. Par.8, p.4. All parties further support the justification and recovery  
14 of these costs.

15 Q. Do you believe that this low-income energy efficiency education program is in the public  
16 interest and, if so, why?

17 A. Energy efficiency is one of the most cost effective and long term methods to reduce  
18 overall energy costs for both individual households and nationally. The effort can be  
19 stymied, however, by a lack of knowledge, especially among a segment of population  
20 that often can only concentrate on basic survival needs. An education program provided  
21 by counselors that the low-income are already reaching out to through the LIHEAP  
22 program can provide essential education on effective, low cost ways to achieve a  
23 reduction in their energy bill when it is needed most.

## 24 V. CONCLUSION

25 Q: Does that conclude your testimony?

1 A: Yes it does.

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 24th day of February, 2009, I caused to be served on the individuals listed below, the foregoing document via electronic transmission and U.S. Postage.

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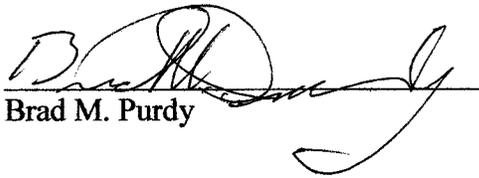
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