

BEFORE THE

RECEIVED

2010 OCT 14 PM 1:31

IDAHO PUBLIC UTILITIES COMMISSION ID PUBLIC UTILITIES COMMISSION

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

DIRECT TESTIMONY OF CURTIS THADEN
 IDAHO PUBLIC UTILITIES COMMISSION
 OCTOBER 14, 2010

1 Q. Please state your name and business address
2 for the record.

3 A. My name is Curtis Thaden. My business address
4 is 472 West Washington Street, Boise, Idaho.

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

6 A. I am employed by the Idaho Public Utilities
7 Commission as a Utilities Compliance Investigator. I
8 accepted that position with the Consumer Assistance Staff
9 in July 2007.

10 Q. What is your professional and educational
11 background?

12 A. Prior to my employment with the Idaho Public
13 Utilities Commission, I had eighteen years experience
14 working in private industry for Hewlett Packard in a
15 variety of manufacturing positions. I received an
16 Associate of Science Degree in Electronic Engineering
17 Technology from Links School of Business (now known as ITT
18 Technical Institute) in Boise, Idaho, in September of 1983.
19 Additionally, I am a licensed real estate agent in the
20 State of Idaho.

21 Q. Have you previously testified before the
22 Commission?

23 A. Yes, I have.

24 Q. What is the purpose of your testimony in this
25 proceeding?

1 A. I will be addressing the following:
2 (1) demographics of the 13 Idaho counties in Rocky Mountain
3 Power's (RMP) service territory; (2) factors affecting
4 customers' ability to pay their bills; (3) programs
5 offering financial assistance to RMP's Idaho customers;
6 (4) programs, payment plans and payment arrangements
7 offered by RMP to its customers; (5) energy conservation
8 education for low income customers; and (6) Low-Income
9 Weatherization and other Energy Efficiency Programs.

10 Q. Please summarize your recommendations to the
11 Commission as discussed in your testimony.

12 A. Staff recommends that the Commission:
13 (1) direct Rocky Mountain Power to ensure that the Company
14 more effectively communicates information regarding the
15 Idaho Moratorium and the Winter Payment Plan to its
16 customers by revising its annual Customer Information
17 brochure and providing bill inserts with disconnect
18 notices; 2) encourage the Company to increase funding for
19 the Lend-A-Hand program by making changes to the way
20 customers can contribute; 3) direct Staff to convene a
21 workshop to examine how best to provide energy conservation
22 education to low income customers; and 4) provide no
23 additional funding for low income energy conservation
24 education at this time.

25

1 **Demographics and Factors Affecting Bill Payment**

2 Q. Has the Staff prepared a demographic profile
3 of Rocky Mountain Power's service territory in Idaho?

4 A. Yes. Exhibit No. 115 includes both
5 demographics obtained from the most recent Census Bureau
6 data and unemployment data obtained from the Idaho
7 Department of Labor for each of the counties served by
8 Rocky Mountain Power. For comparison, this Exhibit also
9 includes statistics for the State of Idaho and the United
10 States. Exhibit No. 116 shows the 2010 Federal Poverty
11 Level (FPL) Guidelines. For purposes of Staff's analysis,
12 income at or below 100% of poverty was used. A map of the
13 13 counties served by Rocky Mountain Power can be found in
14 Exhibit No. 117.

15 Q. In reviewing the data, what stands out as
16 particularly noteworthy?

17 A. The 13 counties that comprise the area that
18 Rocky Mountain Power serves have the state's lowest average
19 unemployment rate (7.3%)¹. Seven counties have poverty
20 rates exceeding the statewide average (12.5%). The low
21 unemployment rate coupled with high poverty rates suggest
22 that these counties have a large percentage of "working
23 poor", individuals who are employed but unable to meet
24 life's basic needs (food, clothing, shelter...) due to low

25 ¹Though RMP's region has the lowest average unemployment rate in the
state, the region's unemployment has doubled during the past two years.

1 wages, inadequate benefits, and little opportunity of
2 economic advancement. Relatively low paying jobs in these
3 largely rural and agricultural communities help explain the
4 situation.

5 Twelve out of the 13 counties within the
6 service territory are below the July 2010 seasonally
7 adjusted state average unemployment rate of 8.8%.² Five of
8 these 12 counties (Bear Lake, Butte, Franklin, Oneida and
9 Teton) have unemployment rates less than 6.8%, ranking
10 among the lowest unemployment rates in the state.

11 Regarding the region's average poverty rate,
12 seven of the 13 counties exceed the state average of 12.5%.
13 Five counties (Bannock, Butte, Clark, Lemhi, and Madison)
14 have poverty rates in excess of 14%, ranking them in the
15 state's top twenty counties with the highest poverty rates.
16 Three of these counties (Clark, Lemhi, and Madison) rank in
17 the top ten. Madison County has the highest poverty rate
18 in the state, a staggering 25.1%, although that may be
19 affected by the BYU Idaho student population. The poverty
20 data used in this demographic profile dates back to 2008.
21 Current poverty rates are likely to be much higher due to
22 the sharp rise in unemployment that has occurred in the
23 region and across the state during the last two years.
24 Those who fall below the Federal Poverty Levels are now

25 ² At the time this testimony was written, the most recent unemployment
data available was from July 2010.

1 likely to be full-time workers who are unable to earn
2 enough to meet life's basic needs or are middle class wage
3 earners who have either lost their job or had diminished
4 incomes.³ These individuals face high energy burdens.⁴

5 Q. Do the Federal Poverty Level Guidelines
6 reflect an accurate gauge of poverty in the United States
7 and Idaho?

8 A. Not necessarily. The 100% of poverty level is
9 regarded by social service organizations as underestimating
10 what it costs to maintain a basic standard of living.
11 Realizing this, federal and state agencies charged with the
12 responsibility to protect human health and welfare set
13 household income eligibility limits for social service
14 programs at levels that exceed the Federal Poverty
15 Guideline's benchmark of 100% of poverty.

16 As previously stated in my testimony, seven of
17 the 13 counties in Rocky Mountain's service territory
18 exceed the state average poverty rate of 12.5%. However,
19 since the Federal Poverty Guideline is regarded as an
20 underestimation, the actual number of those who live in
21 poverty in Rocky Mountain Power's service territory is even
22 greater.

23
24 ³ Source: Idaho Statesman (9/17/10), article titled, "Census: 1 in 7
Americans lives in poverty."

25 ⁴ Energy Burden is the percentage of a household's income that is spent
on all home energy expenses, which includes all energy used for space
heating and cooling, lighting, and water heating.

1 An example of the underestimation of those
2 living in poverty can be seen by comparing the Federal
3 Poverty Level Guideline's (FPL) estimation of Idaho
4 households living in poverty to the state's LIHEAP (Low
5 Income Home Energy Assistance Program) estimation of those
6 living in poverty and eligible for financial assistance.
7 Under the FPL, 54,829 households in Idaho are below 100% of
8 poverty.⁵ Under Idaho's LIHEAP Program calculations (which
9 were based upon 150% of poverty), 106,481 households
10 qualify for benefits⁶. The difference between these two
11 estimates is 51,562 households statewide.

12 Q. What conclusion can be drawn from these
13 demographics?

14 A. Customers who are living in poverty and/or are
15 unemployed have limited or diminished financial resources
16 with which to pay utility bills. Given the ongoing
17 economic turmoil, Staff believes that the Census data,
18 although somewhat lagging, provides a fairly good picture
19 of RMP's customers today. In fact, there is reason to
20 believe that customers may be worse off in the future.
21 Staff is concerned that a significant number of RMP's
22 customers will have problems paying their electric bills,
23

24 ⁵ Source: LIHEAP Home Energy Notebook for FY 2007: Appendix B: Income
Eligible Household Estimates. Average of 2006, 2007, 2008 State-level
estimates for Idaho.

25 ⁶ Source: On the Brink 2009; The Home Energy Affordability GAP April
2009; published 2010 Fisher, Sheehan & Coltron.

1 especially when faced with increasing rates.

2 Q. What do you see as the greatest threat that
3 could impact the ability of customers to pay their utility
4 bills?

5 A. Unemployment continues to be a great concern.
6 Current Idaho Department of Labor data as of July 2010
7 shows a continued and sustained high unemployment rate,
8 which now stands near the highest levels in 27 years
9 (8.8%).

10 An increase in the unemployment rate can lead
11 to an increase in the percentage of RMP customers who fall
12 below the Federal Poverty Level. As a result, more strain
13 will be placed upon agencies that provide financial
14 assistance for payment of utility bills. The number of
15 disconnections has the potential to increase as people
16 experience difficulty paying their bills. Even people who
17 were high wage earners can find themselves in a tight
18 financial situation following a layoff. Higher
19 unemployment, rising fuel costs and increasing food costs
20 are additional stresses that will have an impact on
21 people's finances.

22 Q. Has the number of Past Due and Final Notices
23 sent to customers increased or decreased?

24 A. The total number of Past Due and Final Notices
25 sent to Idaho residential customers has fluctuated over the

1 past 3 calendar years (2007-2009), with the net result
 2 being an overall increase. Past Due notices sent to
 3 customers increased by 8.5% and Final Notices sent to
 4 customers increased by 11%. In comparison, Past Due
 5 notices sent to low income customers (defined here as
 6 customers who have received energy assistance benefits
 7 within the past 12 months) increased by 49% and Final
 8 Notices sent to customers receiving energy assistance
 9 increased by 50%. The two tables below reflect the amount
 10 of Past Due and Final Notices sent to customers.

11 **Past Due Notices Sent to Residential Customers**

12 Year	Non Low Income	Low Income	Total
2007	56,141	2,427	58,568
2008	61,927	3,229	65,156
2009	59,961	3,615	63,576

14 **Final Notices Sent to Residential Customers**

15 Year	Non Low Income	Low Income	Total
2007	46,389	2,069	48,458
2008	51,501	2,771	54,272
2009	50,529	3,118	53,647

17 The increase in notifications is indicative of customers
 18 struggling to make their payments in a timely manner or to
 19 even be able to make their payments at all.

20 Q. Has the number of customers who have been
 21 disconnected for non-payment increased or decreased?

22 A. The total number of Idaho Rocky Mountain Power
 23 residential customers disconnected for non-payment has
 24 steadily increased over the past three calendar years
 25 (2007-2009) from 2,021 to 2,490. This represents a 23%

1 increase in the number of disconnections. During the same
2 time period, the number of customers receiving energy
3 assistance who were disconnected for non-payment increased
4 from 160 to 245, a 53% increase. Customers who received
5 energy assistance comprise a small percentage of the total
6 number of disconnections in each calendar year. This
7 suggests that disconnection of service due to non-payment
8 is not an issue for low income customers only. The table
9 below reflects the number of customers who were
10 disconnected during the last three years.

11 **Disconnections for Residential Customers**

12 Year	Non Low Income	Low Income	Total
2007	1,861 (92%)	160 (8%)	2,021
2008	1,992 (91%)	196 (9%)	2,188
2009	2,245 (88%)	296 (12%)	2,490

14 As the economic downturn continues and more customers
15 struggle financially, it is apparent that there is a
16 greater need to provide help for those seeking financial
17 assistance within the community. This also presents an
18 opportunity for RMP to address the issue of disconnects due
19 to non-payment. As discussed later in this testimony, RMP
20 has taken a first step to address the issue of disconnects
21 resulting from non-payment. Staff encourages RMP to
22 continue its efforts.

23 **Programs Offering Financial Assistance**

24 Q. What resources are available to help customers
25 pay their energy bills?

1 A. The Low Income Home Energy Assistance Program
2 (LIHEAP) is funded by the federal government through a
3 grant to the State of Idaho. Unlike the situation in other
4 states, state government funding is not available in Idaho
5 to help customers pay energy bills at any time of year.

6 For the 2009/2010 heating season, Staff
7 anticipated a decrease in federal funding for LIHEAP.
8 During the previous heating season (2008/2009), what was
9 thought to be a one-time funding increase to the yearly
10 LIHEAP grant occurred⁷, allowing for larger benefit amounts
11 to be given to each participant. In addition, eligibility
12 guidelines changed to allow for more households to
13 participate in the LIHEAP program. The level at which a
14 household was eligible to receive assistance changed from a
15 maximum of 150% to 160% of the Federal Poverty Level
16 Guidelines.

17 Instead of returning to the normal historical
18 funding level, federal funding for LIHEAP for the 2009/2010
19 winter heating season remained the same as that of the
20 2008/2009 heating season⁸. Due to the ongoing economic
21 downturn in the economy, eligibility guidelines were
22

23 ⁷ An increase in LIHEAP Funding for 2008/2009 heating was authorized on
24 September 30, 2008, by HR 2638, The Consolidated Security, Disaster
25 Assistance, and Continuing Appropriations Act, 2009. As a result, funds
available to state of Idaho for the winter heating season increased
from \$12,376,499 to \$29,939,480.

⁸ Funding for the 2009/2010 heating season continued to fund at a
record level of \$26,939,480 which was authorized on December 19, 2009
by HR 3288, The Consolidated Appropriations Act of 2010.

1 changed to be in alignment with the Weatherization
2 Assistance Program eligibility guidelines. The level at
3 which a household is eligible to receive assistance changed
4 from a maximum of 160% of the Federal Poverty Level
5 Guidelines to 60% of the estimated state medium income⁹.
6 (Estimated state income is close to 175% of the Federal
7 Poverty Guidelines). The higher funding level and change
8 in the eligibility guidelines allowed for more households
9 to participate in the LIHEAP program.

10 At this time, Staff is uncertain whether
11 future LIHEAP funding will increase, decrease or stay at
12 current funding levels.

13 For the 2009/2010 winter heating season,
14 \$1,058,386 in LIHEAP funding was distributed to 1,474 Rocky
15 Mountain Power customers in Idaho to help pay home heating
16 bills. The average amount paid to each participant was
17 \$598. Both the benefit amount given to each participant
18 and the number of participants were at an all time high.
19 The table below reflects the number of Rocky Mountain Power
20 customers in Idaho who received LIHEAP benefits and the
21 average dollar amount allocated during the last three
22 heating seasons.

23
24
25 ⁹ 60% of estimated state medium income: 1 person family \$19,985, 2
person family \$24,708, 3 person family \$30,522, 4 person family
\$36,366, 5 person family \$42,150, 6 person family \$47,964.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

LIHEAP Funding

Program Year	Funding	Participants	Avg. Benefit
2007/2008	\$374,385	1,178	\$318
2008/2009	\$661,265	1,474	\$449
2009/2010 ¹⁰	\$1,058,386	1,769	\$598

LIHEAP does not sufficiently meet the energy needs of low income customers. Therefore, Crisis Funding benefits are available to customers whose circumstances qualify them for additional financial assistance under LIHEAP. Money is not always available for Crisis Funding. Even when funds are available, the number of people who can be helped is quite small. For the 2009/2010 winter heating season, \$5,643 in Crisis Funding benefits was distributed to 16 Rocky Mountain Power customers in Idaho. The average amount paid to each participating customer in 2009/2010 was \$353.

Q. Are there other programs in place that can help Idaho customers?

A. Yes. In Rocky Mountain Power's service territory, two CAP Agencies-Southeastern Idaho Community Action Agency (SEICA) and Eastern Idaho Community Action Partnership (EICAP)-administer both the LIHEAP and Lend-A-Hand Programs. The Lend-A-Hand Program provides financial

¹⁰ First year of new Pilot Project that has allowed customers to apply for LIHEAP benefits throughout the year or until funds run out. Each year the heating season ends on March 31st which is reflected in the LIHEAP Chart above. As of 7/30/10, LIHEAP funding is \$1,185,395, the number of participants is 1,960, and the average benefit amount is \$605.

1 assistance to RMP customers who use electric space heat as
2 their primary heat source. To be eligible, recipients must
3 be at or below 150% of the Federal Poverty Level
4 Guidelines. Recipients can receive an annual household
5 benefit of up to \$600. All money collected, with the
6 exception of administration costs, goes back to the
7 community.

8 In the past three program years (2007-2009),
9 RMP shareholders donated \$97,269 to Lend-A-Hand for Idaho;
10 RMP customers in Idaho donated \$22,112 and "other sources"
11 donated \$907.¹¹ Of the total amount collected (\$120,000),
12 \$3,000 was paid to the two CAP agencies for administering
13 the program (\$500 each annually). The table below reflects
14 total dollar amounts donated by RMP customers and its
15 shareholders in the past three program years (July 1 -
16 June 30).

17

Lend-A-Hand Donations				
Fiscal Year	Customer	Other Shareholders	Total Grants	
18 2007/2008	\$6,413	\$33,587	\$40,000	140
19 2008/2009	\$9,283	\$30,717	\$40,000	173
20 2009/2010	\$7,035	\$32,965	\$40,000	188

21 Q. What efforts does Rocky Mountain Power put
22 forth to make its customers and the community aware of
23 Lend-A-Hand?

24 A. Rocky Mountain Power publicizes Lend-A-Hand

25 ¹¹ "Other Sources" consist of employee donations through the Company's
annual giving campaign and the associated Pacific Corp Foundation
match. Donations: 2007/2008-\$82, 2008/2009-\$207, 2009/2010-\$618.

1 through its home webpage, on-line payment webpage, customer
2 newsletters, press releases, and monthly customer billings,
3 which include donation envelopes for the months of
4 November, February and June. The program is also part of
5 the Company's annual Employee Giving Campaign. In
6 addition, the Company's call center staff directs customers
7 in need of assistance to SEICA and EICAP.

8 RMP is doing a good job in marketing Lend-A-
9 Hand. Staff encourages the Company to continue promoting
10 the program. Examples of the Company's marketing efforts
11 can be found in Exhibit Nos. 118 and 119. Staff encourages
12 the Company to investigate additional ways to increase the
13 total funding amount, which would also include an increase
14 in shareholder donations, especially in these challenging
15 economic times when more of the Company customers are in
16 greater need of financial assistance and are struggling to
17 pay their utility bills.

18 Q. Does Staff have any suggestions as to how RMP
19 can increase customer donations for the Lend-A-Hand
20 program?

21 A. The donation envelopes that RMP includes with
22 the bills during the months of November, February and June
23 have an Oregon mailing address (Exhibit No. 120). An out
24 of state address might be perceived by Idaho customers as
25 meaning that donations are not necessarily helping Idaho

1 RMP customers, thus potentially decreasing the number of
2 contributions. RMP should consider changing the donation
3 envelope mailing address to an Idaho mailing address.

4 The Company currently provides customers with
5 the option of adding monthly donations in a fixed dollar
6 amount (\$1, \$2, \$5, \$10) to each of their electric bills.
7 To do so, the customers must first take the initiative to
8 contact the Company before the next billing cycle to ensure
9 the donation amount is added to the monthly billing
10 statement. To make a one-time donation, the customer has
11 the option of simply increasing their payment amount by a
12 fixed dollar amount when paying their bill. There is a
13 sentence in small print on the billing statement that
14 informs customers of this option. To better bring
15 attention to the opportunity to donate on the monthly
16 billing and to make it easier for customers to make
17 donations, RMP should consider adding a separate Lend-A-
18 Hand section on the monthly billing statement with a
19 donation check off box. A good example of this can be
20 found in Exhibit No. 121.

21 **Programs, Payment Plans and Payment Arrangements**

22 Q. What utility programs are in place to help
23 customers avoid being disconnected during the winter
24 months?

25 A. Besides LIHEAP and Lend-A-Hand, the Idaho

1 Moratorium and Winter Payment Plan also address this issue.

2 Idaho's Moratorium allows residential
3 customers whose household includes children, elderly or the
4 infirm to be protected from disconnection during the months
5 of December through February if they declare that they are
6 unable to pay their utility bill in full. However,
7 customers are not absolved of paying their utility debt.

8 The Winter Payment Plan allows customers who
9 have declared eligibility for the Moratorium an additional
10 two months of protection (November and March) if they agree
11 to accept and follow through on monthly payments that are
12 equal to half of the normal level pay mount (monthly
13 average of the previous 12 months' billings).

14 A brochure entitled "Consumer Information",
15 with information on both the Idaho Moratorium Program and
16 Winter Payment Plan, is sent to all residential customers
17 annually. All customers that receive a Final Disconnection
18 Notice during the months of November through February are
19 made aware of the Idaho Moratorium Program via a small
20 printed statement located on the second page of the bill.
21 Staff believes that both the annual brochure and billing
22 statement do not sufficiently focus customers' attention on
23 the critical information being provided.

24 Staff recommends that all residential
25 customers who receive a Final Disconnection Notice during

1 the months of November through February be made aware of
2 the Idaho Moratorium and the Winter Payment Plan through a
3 bill insert with the notice. For those customers who have
4 declared eligibility for the Moratorium, Staff recommends
5 that an insert on the Winter Payment Plan be provided with
6 the December, January and February billings. A good
7 example of a bill insert can be found in Exhibit No. 122.
8 Lastly, concerning the RMP's Consumer Information brochure,
9 the current format contains Idaho Moratorium information in
10 the Disconnection Section. Staff recommends that the
11 Company revise its brochure so that the Idaho Moratorium
12 information is a separate section, similar to the stand
13 alone section for the Winter Payment Plan, thereby
14 decreasing the possibility that this information will be
15 overlooked by customers.

16 Q. Has the number of customers who have declared
17 eligibility for the Moratorium increased or decreased?

18 A. The number of RMP customers in Idaho who
19 declared eligibility for the Moratorium during the
20 2009/2010 winter heating season totaled 929. This
21 represents an 11% increase in comparison to the previous
22 winter heating season (2008/2009) and a 63% increase in
23 comparison to the 2007/2008 winter heating season. The
24 increase in the number of those requesting winter
25 protection could be attributed to more people struggling

1 financially, as was previously discussed in this testimony.

2 Staff anticipates that the number of
3 individuals who declare eligibility for the Moratorium will
4 increase next winter heating season if LIHEAP funding
5 levels are reduced or economic conditions do not improve.
6 Exhibit No. 123 reflects the total number of Moratorium
7 participants in the past three winter heating seasons.

8 Q. Has the number of customers participating in
9 the Winter Payment Plan increased or decreased?

10 A. Of the 929 participants who declared
11 eligibility for the Moratorium in the 2009/2010 winter
12 heating season, only 9% elected to be placed on the Winter
13 Payment Plan. This is significantly lower than the
14 previous winter heating season when 20% of Moratorium
15 participants had a Winter Payment Plan. The number of
16 participants in the Winter Payment Plan over the past three
17 winter heating seasons has averaged only 14%. The most
18 recent decrease in participation could be attributed to
19 more participants receiving LIHEAP benefits and larger
20 grants, customer inability to make a payment, or a lack of
21 effort by the Company to promote and get customers signed
22 up on the Winter Payment Plan when a customer declares the
23 need for winter protection. Exhibit No. 123 reflects the
24 total number of plan participants and the percentage of
25 customers who signed up for the plan after declaring

1 eligibility for the Moratorium in the past three winter
2 heating seasons.

3 Q. Have customers on the Winter Payment Plan been
4 able to successfully pay down their outstanding account
5 balances before the end of the winter protection period on
6 March 31?

7 A. Of the 81 participants who elected to be
8 placed on the Winter Payment Plan during the 2009/2010
9 winter heating season, 100% were not able to meet their
10 monthly payment. In the previous winter heating season, of
11 the 167 participants who elected to be placed on the Winter
12 Payment Plan, 100% were unable to meet their monthly
13 payment. Such high default percentages cause concern about
14 the effectiveness and success of the Winter Payment Plan.

15 Q. Have the number of residential payment
16 arrangement agreements and defaulted payment arrangements
17 increased?

18 A. Yes. Although the number of Idaho RMP
19 residential customers increased by over 10% over the past
20 three calendar years (2006-2009), the number of payment
21 arrangements agreements and defaulted payment arrangements
22 increased by much higher percentages. The number of
23 payment arrangement agreements increased by 31% and the
24 number of defaulted payment arrangements increased by 44%.

25 A customer can have more than one payment

1 arrangement in a given month for an account and customers
2 can have more than one account. Because of this, the
3 number of payment arrangement agreements and payment
4 arrangement defaults do not correlate to the actual number
5 of customers. The table below reflects the number of
6 customers, payment arrangements, and payment arrangement
7 defaults.

8 Year	Arrangements	Defaults	Percentage of Defaults
9 2007	6,131	4,605	75%
2008	7,999	6,298	79%
10 2009	8,032	6,650	83%

11 Q. What can be done to help reduce the number of
12 customers who default on their payment arrangement
13 agreements?

14 A. At this time, Staff is not sure why customers
15 are not meeting the terms of payment arrangements. It may
16 be that a more diligent effort by RMP to provide monthly
17 customer reminder calls would be beneficial, allowing the
18 Company to assess each customer's situation and reinforce
19 to each customer the importance of making the agreed upon
20 payment. However, it may be that customers do not have the
21 money to make payments and have found that agreeing to a
22 payment arrangement is simply a way to delay a pending
23 disconnection. Whether customers are doing so because they
24 feel they have no choice but to agree to terms suggested by
25 the Company, are using payment arrangements as a means to

1 defer disconnection, or some other reason, more study is
2 required to determine why so many arrangements result in
3 default. During the last three years, the percentage of
4 payment arrangement defaults has remained relatively high,
5 ranging between 75% and 83%. Unless an effort is put forth
6 by the Company to address the reason as to why so many
7 payment arrangements end in default, the number will remain
8 high.

9 Q. What payment options are in place to assist
10 customers who have fallen behind on their monthly payments
11 and are struggling to pay down their arrearages?

12 A. In addition to the Winter Payment Plan, RMP
13 offers the Time Payment Program and the Equal Time Payment
14 Program to customers with arrearages. Both payment plans
15 allow customers up to 12 months to pay off a past due
16 balance. The Time Payment Plan, which is used most often,
17 allows customers the flexibility to pay a past due balance
18 over a 12-month period in addition to their current monthly
19 bills which are based on actual usage. This option differs
20 from the Equal Time Payment Program in that monthly bills
21 are based on arrearage and estimated annual usage with the
22 monthly payment being the same amount each month. Just as
23 with the Time Payment Plan Program, the Equal Time Payment
24 Program allows customers the flexibility to pay a past due
25 balance over a 12-month period.

1 RMP has shown great flexibility in allowing
2 its customers to take up to twelve months to pay off
3 arrearages. For example, of the 5,314 accounts that were
4 signed up for the Time Payment Program in 2009, 73% (3,894)
5 had arrangements greater than six months. Exhibit No. 123
6 shows the number and percentage of accounts on the Time
7 Payment Program with payment arrangements under six months
8 and at six months or greater.

9 Staff believes that by providing customers
10 with greater flexibility, especially in these challenging
11 economic times, customers who are financially stressed are
12 benefited by being offered a better opportunity to pay off
13 past due balances. As previously stated, more study by RMP
14 is required to determine why so many arrangements result in
15 default. A brief summary of each payment plan offered by
16 RMP can also be found in Exhibit No. 124.

17 Q. What new effort has Rocky Mountain Power taken
18 to educate its customers about the available programs
19 intended to help both lower and pay energy bills?

20 A. In 2009, due to the ongoing recession, RMP
21 stepped up its educational efforts to assist customers.
22 The Company focused on 3 key areas: 1) bill reduction;
23 2) bill management; and 3) financial assistance.

24 The Company's website as well as customer
25 service representatives provide customers with additional

1 energy efficiency tips to help reduce usage, explanations
2 of payment plan options, financial assistance information,
3 and referrals to local agencies.

4 The Company also further publicized its Gift
5 Giving Program by providing information more frequently in
6 the Company's newsletters and monthly bills. The program
7 allows an individual to donate by making a payment on
8 another customer's RMP account. Exhibit No. 125 contains a
9 copy of RMP's "Voices" newsletter that contains a brief
10 summary detailing the program.

11 In February 2009 and February 2010, RMP
12 President Rich Walje wrote a letter to the Editor, which
13 was published by the Post Register in Idaho Falls, Idaho,
14 to encourage customers to contact the Company at the first
15 sign that the customer was having difficulty in paying
16 their bills. Both letters outlined the Company's concern
17 and effort in providing assistance to its customers during
18 the economic downturn. The letters were also sent to local
19 television and radio stations in Idaho. A copy of the
20 February 2010 letter to the Editor can be found in
21 Exhibit No. 126.

22 Q. What other steps has the Company taken to
23 further assist its customers?

24 A. In an effort to help prevent customers from
25 being disconnected, RMP modified its disconnect

1 notification process. In addition to the required process
2 that a utility must follow prior to disconnecting a
3 customer¹², RMP added 2 additional notification steps to
4 the process. An outbound call is made to the customer 96
5 hours prior to the disconnect date and a 48-hour notice is
6 hand-delivered to the customer's residence.

7 **Energy Conservation Education**

8 Q. What is the status of the Energy Conservation
9 Education program that was approved by Commission Order
10 No. 30783 in RMP's previous rate case (PAC-E-08-01)?

11 A. As part of the rate case settlement
12 (PAC-E-08-01), RMP agreed to support an Energy Conservation
13 Education program in Idaho by providing \$50,000 in annual
14 funding through its DSM tariff rider to SEICA and EICAP.
15 As of October 1, 2010, the program has not yet been
16 implemented.

17 The purpose of the program is to provide
18 conservation education to LIHEAP participants who have not
19 yet received weatherization services. Though RMP is not
20 responsible for the implementation of the program, the
21 Company has attempted to work with Community Action
22 Partnership of Idaho (CAPAI) in developing the program
23

24 ¹² Rule 309 states that an initial written notice must be mailed to a
25 customer 7 days prior to disconnection and a final notice must be
mailed 3 day's before the proposed date of termination. 24 hours
before the proposed date of termination, the utility shall attempt to
contact the customer either in person for by phone.

1 design, goals, and evaluation criteria. According to RMP,
2 SEICA and EICAP were participating in the development and
3 implementation of both energy conservation education and
4 energy conservation kit distribution for Idaho Power
5 customers, and CAPAI wanted to ensure that the 2 CAP
6 agencies were not overwhelmed by instituting two separate
7 programs. For that reason, CAPAI decided to delay
8 implementation for RMP customers.

9 Staff is concerned that CAPAI, SEICA and EICAP
10 are looking at energy conservation education for RMP and
11 Idaho Power customers as two different and distinct
12 programs. Approaching the program as two separate programs
13 rather than one has the potential to increase the overall
14 cost while reducing the effectiveness of the program. This
15 situation raises the question of whether low income energy
16 conservation education should be provided on a localized
17 utility by utility, CAP by CAP basis. Staff recommends
18 that the Commission direct Staff to hold a workshop with
19 utilities and other interested parties to determine how
20 best to provide energy conservation education targeted to
21 low income customers throughout the state.

22 Q. Of the \$50,000 in Energy Conservation
23 Education Funding that was allocated in 2009 and again in
24 2010, how much money has been utilized for the program?

25 A. To date, RMP has been billed for and paid

1 \$7,500 to be used for the purchase of 500 energy
2 conservation kits that will be distributed by the two
3 agencies to qualifying RMP customers at some future date.

4 Staff is concerned that the money that has
5 been allocated for Energy Conservation Education for 2009
6 and 2010 (\$100,000 total) has not been utilized in a timely
7 manner. Staff recommends that while the annual funding
8 amount should be maintained at its current level of
9 \$50,000, the funding level should not be increased at this
10 time. Furthermore, Staff recommends that RMP include this
11 funding amount in its budget but that no further
12 expenditures be made until a workshop is held and a
13 decision made on how to best provide energy conservation
14 education statewide.

15 **Low Income Weatherization and Energy Efficiency**

16 Q. What other RMP programs are available to
17 assist low income customers?

18 A. Energy efficiency programs can make bills more
19 affordable by decreasing usage, thereby lowering energy
20 costs. The Low Income Weatherization Program offers
21 financial assistance to qualifying low income customers
22 with both natural gas and electrically-heated homes for
23 weatherization of their homes. A household whose income is
24 60% of the estimated state medium income or less qualifies
25 to receive weatherization services. This program is

1 administered by SEICA and EICAP in RMP's service territory.
2 In Case No. PAC-E-05-01, the Commission approved annual
3 funding for low income weatherization of \$150,000. Funding
4 for the low income weatherization program comes from the
5 Company's existing DSM tariff rider (Schedule 21). The
6 total number of dwellings weatherized in Idaho from 2007-
7 2009 was 257; the amount billed by the CAP agencies totaled
8 \$434,061¹³. This amount includes CAP administration costs
9 but does not include RMP's administrative costs. A
10 breakdown of the totals for each of the three years can be
11 found in Exhibit No. 127.

12 Funding for the Federal Weatherization
13 Assistance Program (WAP) that came from the American
14 Recovery and Reinvestment Act (ARRA) will be expiring on
15 March 31, 2011. Although Staff anticipates a return to
16 normal funding levels for WAP after ARRA funds are
17 exhausted, the enhanced service delivery capacity that was
18 made possible by ARRA will enable CAPs throughout the state
19 to readily expand their utility-funded weatherization
20 programs if additional funds are made available.

21 RMP offers its Idaho customers additional
22 energy efficiency programs that are available to households
23 of all income levels. Such programs include: 1) Home
24

25 ¹³The CAP agencies are allowed to bill RMP up to \$150,000 for each program year which runs from April 1 through March 31. On a calendar year basis, the payments may be greater than the \$150,000.

1 Energy Savings; 2) Refrigerator/Freezer Recycling; 3) Idaho
2 Time-of-Day Metering; and 4) On-line and Mail-in Energy
3 Analysis. More detailed summaries of the programs can be
4 found in Exhibit No. 128.

5 Q. Does Rocky Mountain Power adequately address
6 the needs of its customers through its various programs?

7 A. Although there is always more that can be
8 done, RMP's programs do help customers in a variety of
9 different ways.

10 Q. Will an increase in Rocky Mountain Power's
11 rates affect customers' ability to pay their bills?

12 A. Yes. There are many factors affecting
13 customers' ability to pay, and a rate increase will add to
14 the financial difficulties faced by customers. The Company
15 will need to continue to be flexible in making payment
16 arrangements. It will need to work with the customers to
17 ensure that payments can be made based upon schedules that
18 fit the customers' individual circumstances and needs.

19 Staff recommends that the Company be
20 encouraged to look for new and creative ways to increase
21 energy efficiency and provide assistance to customers,
22 particularly those customers who are economically
23 disadvantaged.

24 Q. Does this conclude your testimony?

25 A. Yes, it does.

2010 DEMOGRAPHICS - RMP SERVICE TERRITORY

County & County Seat	Location	Population (a)	Population Change 00-09 (a)	Median Income (c)	Average Income (d)	Percentage below Poverty (c)	Unemployed (b)	Persons under 18 yrs (e)	Persons over 65+ yrs (e)	Non-English Spoken at Home (f)
Bannock	SE	85,539	9.2%	\$47,819	\$28,902	14.1%	8.2%	28.6%	10.3%	6.3%
Pocatello										
Bear Lake	SE	5,774	-9.9%	\$40,589	\$28,114	11.7%	6.6%	26.0%	16.6%	3.7%
Paris										
Bingham	SE	44,668	7.0%	\$45,890	\$26,178	13.0%	7.7%	31.3%	11.0%	13.6%
Blackfoot										
Bonneville	SE	101,329	22.8%	\$52,254	\$35,345	10.9%	7.2%	30.3%	10.6%	7.9%
Idaho Falls										
Butte	SC	2,764	-4.7%	\$39,882	\$34,474	14.9%	6.7%	25.8%	16.5%	6.3%
Arco										
Caribou	SE	6,914	-5.3%	\$50,040	\$31,697	10.9%	7.7%	26.4%	15.1%	5.0%
Soda Springs										
Clark	SE	952	-6.8%	\$40,608	\$43,579	16.5%	8.3%	28.7%	13.5%	37.4%
Dubois										
Franklin	SE	12,676	11.9%	\$48,315	\$26,634	9.3%	5.2%	32.6%	11.9%	7.1%
Preston										
Fremont	SE	12,691	7.4%	\$41,295	\$24,105	13.6%	9.6%	30.6%	12.3%	10.7%
St. Anthony										
Lemhi	SE	7,908	1.3%	\$36,423	\$28,889	15.4%	8.7%	20.3%	18.7%	3.4%
Salmon										
Madison	SE	38,440	39.9%	\$42,160	\$17,010	25.1%	8.2%	29.5%	5.7%	8.5%
Rexburg										
Oneida	SE	4,221	2.3%	\$44,846	\$24,181	11.7%	5.8%	26.2%	15.1%	3.9%
Malad										
Teton	SE	9,337	55.7%	\$56,228	\$25,697	7.9%	4.7%	30.5%	47.3%	12.6%
Driggs										
Area Total		333,213	10.06%	\$45,104	\$28,831	13.5%	7.3%	28.2%	15.7%	9.7%
Area Average										
Ada		384,656	26.6%	\$57,159	\$42,273	9.0%	9.4%	26.5%	9.7%	7.8%
Idaho		1,545,801	19.5%	\$47,561	\$32,994	12.5%	9.0%	27.1%	12.0%	9.3%
U.S.		307,006,550	9.1%	\$52,029	\$39,392	13.2%	8.9%	24.3%	12.8%	17.9%

2010 DEMOGRAPHICS - RMP SERVICE TERRITORY

Source Key:

- (a) - 2009 U.S. Census Bureau (Estimate)
- (b) - 2010 July Idaho Department of Labor
- (c) - 2008 U.S. Census Bureau
- (d) - 2008 Idaho Department of Labor
- (e) - 2008 U.S. Census Bureau
- (f) - 2000 U.S. Census Bureau

- <http://quickfacts.census.gov/qfd/states/16000.html>
- <http://imi.idaho.gov>
- <http://quickfacts.census.gov/qfd/states/16000.html>
- <http://imi.idaho.gov>
- <http://quickfacts.census.gov/qfd/states/16000.html>
- <http://quickfacts.census.gov/qfd/states/16000.html>

Definitions:

- Median Income** = the middle point of all wages above and below
- Average Income** = total of all wages divided by number of wage earners
- Poverty Level** = minimal level of income for adequate standard of living
- Unemployed** = # of individuals registered w/ Dept. Labor seeking employment

2010 FEDERAL POVERTY LEVEL GUIDELINES

Annual Income Guidelines (\$)

Family Size	100%		125%		135%		150%		175%		185%	
	Poverty	Hr. Wage										
1	10,830	5.21	13,538	6.51	14,621	7.03	16,245	7.81	18,953	9.11	20,036	9.63
2	14,570	7.00	18,213	8.76	19,670	9.46	21,855	10.51	25,498	12.26	26,955	12.96
3	18,310	8.80	22,888	11.00	24,719	11.88	27,465	13.20	32,043	15.41	33,874	16.29
4	22,050	10.60	27,563	13.25	29,768	14.31	33,075	15.90	38,588	18.55	40,793	19.61
5	25,790	12.40	32,238	15.50	34,817	16.74	38,685	18.60	45,133	21.70	47,712	22.94
6	29,530	14.20	36,913	17.75	39,866	19.17	44,295	21.30	51,678	24.84	54,631	26.26
7	33,270	16.00	41,588	19.99	44,915	21.59	49,905	23.99	58,223	27.99	61,550	29.59
8	37,010	17.79	46,263	22.24	49,964	24.02	55,515	26.69	64,768	31.14	68,469	32.92

For Family units of more than 8 members, add \$3,740 per person

Minimum Wage - Idaho & Federal = \$6.55 per hour

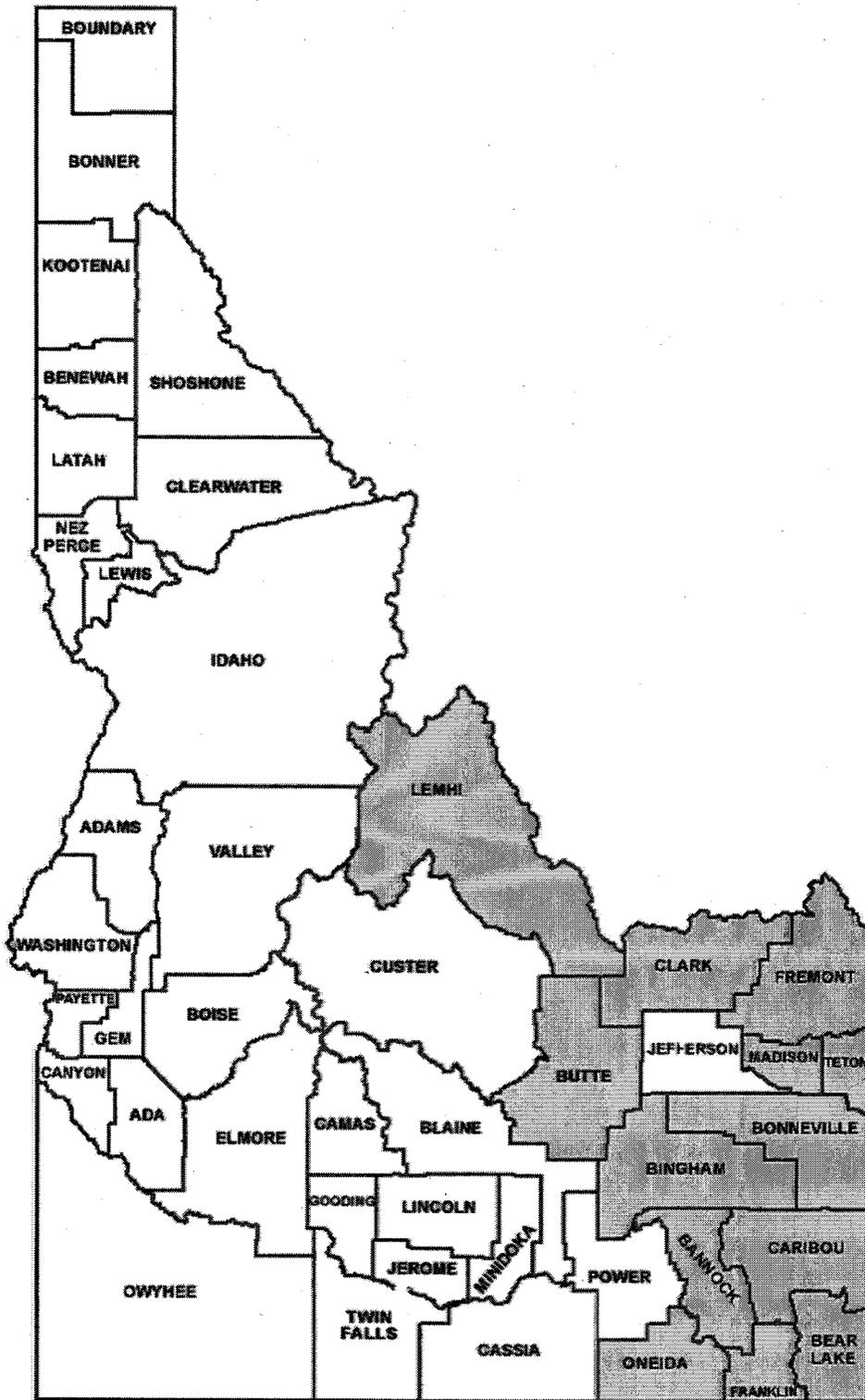
Monthly Income Guidelines (\$)

Family Size	100%		125%		135%		150%		175%		185%	
	Poverty	Hr. Wage										
1	903	5.21	1,128	6.51	1,218	7.03	1,354	7.81	1,579	9.11	1,670	9.63
2	1,214	7.00	1,518	8.76	1,639	9.46	1,821	10.51	2,125	12.26	2,246	12.96
3	1,526	8.80	1,907	11.00	2,060	11.88	2,289	13.20	2,670	15.41	2,823	16.29
4	1,838	10.60	2,297	13.25	2,481	14.31	2,756	15.90	3,216	18.55	3,399	19.61
5	2,149	12.40	2,686	15.50	2,901	16.74	3,224	18.60	3,761	21.70	3,976	22.94
6	2,461	14.20	3,076	17.75	3,322	19.17	3,691	21.30	4,306	24.85	4,553	26.27
7	2,773	16.00	3,466	19.99	3,743	21.59	4,159	23.99	4,852	27.99	5,129	29.59
8	3,084	17.79	3,855	22.24	4,164	24.02	4,626	26.69	5,397	31.14	5,706	32.92

Exhibit No. 116
Case No. PAC-E-10-7
Thaden, C., Staff
10/14/10

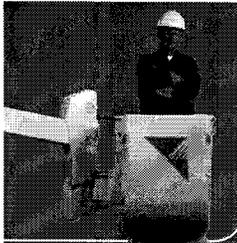
Source: United States Department of Health & Human Services - <http://aspe.hhs.gov>
Covers all States and DC except Alaska and Hawaii.
Income Guidelines as Published in the Federal Register on January 23, 2009. Rolled over for 2010.

**RMP Service Area
(13 Counties)**



Counties Served (shaded): Bannock, Bear Lake, Bingham, Bonneville, Butte, Caribou, Clark, Franklin, Fremont, Lemhi, Madison, Oneida, Teton.

Exhibit No. 117
Case No. PAC-E-10-7
Thaden, C., Staff
10/14/10



Idaho customers
voices

THE RIGHT ANSWER WINS

Through October, all customers with a bill that grows to this size will be asked to pay the bill by drawing from their accounts. This is a power saver for the bill to decrease.

Q To save energy, what temperature should a home water heater be set?

A Check for two ways to reduce your energy use: reduce your water heater temperature.

Right Answer: Rocky Mountain Power 201 S. Main, Suite 1400 Salt Lake City, UT 84111

Winners will be notified by mail, limit one entry per household.

THE LATEST WORD

Supporting communities

Rocky Mountain Power employees have a history of helping out in our communities whenever they can. It may be participating in a career fair or hosting a food drive for a local food bank. Recently a Lava Hot Springs, Idaho crew installed a used utility pole for lighting at the Caribou County Fair and Rodeo grounds in Grace, Idaho. "It's just a normal kind of thing we do in taking care of our communities," said Jeff Bowen, general foreman. "We try to help when we can because it's our community too."

Take charge of your energy use

Looking to cut your energy use to save money and help the environment? Here are some easy things to do.

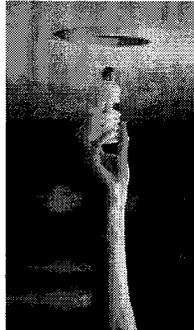
Lighting

With shorter days ahead, it will pay to switch to compact fluorescent light bulbs. They use one-quarter the amount of electricity as incandescent bulbs.

Also, turn off lights in empty rooms and use task lighting at a desk or workbench.

Water heating

Water heating uses a significant amount of energy in the home. Water heaters typically last about



10 to 15 years, so consider replacing older, inefficient units. Set the water heater temperature to 120°F to save energy. Take showers instead of baths. The average bath uses twice as much hot water as a five-minute shower.

Appliances

Set the temperature of your refrigerator

between 37°F and 40°F and your freezer at 0°F for efficiency and food safety. Wash only full loads in the dishwasher on the shortest wash cycle. Use the microwave when possible rather than the oven. Wash clothes in warm or cold water and rinse them in cold water. Clean the dryer lint filter after each use. Turn off computers, printers, DVD players and other electronics when not in use.

Our Web site at rockymountainpower.net/save has more tips on saving energy and information on cash incentives to make your home more energy efficient. Or just call us toll free at 1-888-221-7070.



Lend a helping hand to **neighbors**

Life's circumstances can sometimes play havoc with the family budget and create financial hardships. That's why we partner with nonprofit energy assistance programs, such as Lend A Hand, to help those facing economic emergencies pay their electric bills. Our customers, shareholders and employees donate to Lend A Hand throughout the year.

It's simple to provide year-round help to those less fortunate by adding a monthly donation to your electric bill. When you pay your bill, you'll be helping your neighbors too. Just tell us the amount you want to contribute monthly (\$1, \$2, \$5 or \$10) and it will be added to your bill. Your donation will be forwarded to the Lend A Hand local agency nearest you (Eastern Idaho Community Action Partnership in Idaho Falls



or SouthEastern Idaho Community Action Agency in Pocatello), which determines eligibility and allocates funds to those needing help.

To enroll in the fixed donation program, call us toll free at 1-888-221-7070 and tell us the amount you want added to your bill each month.

We also have information on programs and tips to help you cut your energy use on our Web site at rockymountainpower.net/save. Or call us toll free at 1-888-221-7070.

Exhibit No. 118
Case No. PAC-E-10-7
Thaden, C., Staff
10/14/10

Your generosity can help Idahoans in need.

Many people in Idaho are finding it difficult to cover the cost of necessities such as medicine, food and electricity. Factors related to the economy and unemployment hit many households that have never before struggled financially.

Our customers, along with Rocky Mountain Power and our employees, have a history of reaching out and helping those in need by giving to Lend A Hand. This nonprofit program, administered by the SouthEastern Idaho Community Action Agency helps at-risk people keep their power on. Please enclose your tax-deductible donation payable to Lend A Hand. Your donation will lend a helping hand to a neighbor in need.

You may also donate a fixed amount each month through your monthly bill. To learn more and to enroll, call us toll free at **1-888-221-7070**. Your generosity is appreciated.



Please do not send cash.

♻️ Recyclable and made from recycled material. 9/09



Let's turn the answers on.

Place stamp
here. The post
office will not
deliver without
postage.

Name _____
Address _____
City _____ State _____ Zip _____

**Important: Please use this envelope
for Lend A Hand contributions only.**

Lend A Hand
P.O. Box 5504
Portland, OR 97208-5504

Exhibit No. 120
Case No. PAC-E-10-7
Thaden, C., Staff
10/14/10



An IDACORP Company

Questions? Contact us at:
PO BOX 70, Boise, ID 83707.
Or call (208) 388-2323 (Treasure Valley).
Se habla español.
For faster service please call
Tuesday - Friday, 7:30 a.m. to 6:30 p.m.

Customer Name:
Account Number:
Billing Date: 09/28/2010
Print Date: 09/28/2010

www.idahopower.com

Service Agreement No:

Next Read Date: 10/26/2010

Service Location:

Table with 7 columns: Meter Number, Service Period (From, To), Number of Days, Reading Type, Meter Readings (Previous, Current), Meter Constant, kWh Used. Row 1: 502A77030551, 08/25/10, 09/24/10, 30, Regular, 4701, 5014, 1, 313

Table with 2 columns: Billing kW, BLC. Row 1: 6, 0

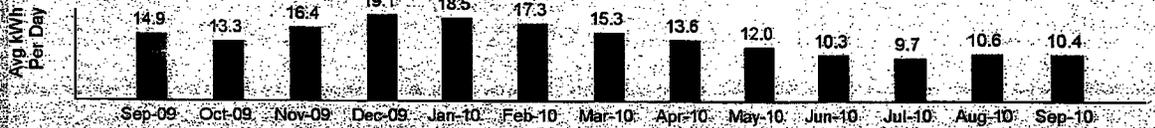
Residential Rate Schedule 101

08/25/2010 - 09/24/2010 30 days

Table of charges: Service Charge \$4.00, Non-Summer Energy Charge \$16.34, Summer Energy Charge \$4.38, PCA \$0.97, Franchise Fee \$0.26, Energy Efficiency Services \$1.55. Total Current Charges - Electric Service: \$27.50

CR = Credit kWh = Kilowatt-hour PCA = Power Cost Adjustment kW = Kilowatt BLC = Basic Load Capacity G = Generation

Your Electric Use Pattern



An IDACORP Company

If writing information below, please check the appropriate box on the reverse side.

NEW CONTACT INFORMATION:

Does Idaho Power have your correct mailing address and phone number?
If not, please write any changes below:

Account Number:

PROJECT SHARE PLEDGE

Please add the amount indicated to my monthly bill.

Form with radio buttons for \$2, \$5, \$10 and a blank line for other amounts.

I would like to make a one-time contribution in the amount of: \$

Please round-up my monthly bill amount to the nearest dollar and contribute the difference to Project Share.

Thank you and please remember to track your tax-deductible donations.

Name

Street Apt./Suite

City State Zip Code

Telephone Number

E-mail Address

Exhibit No. 121
Case No. PAC-E-10-7
Thaden, C., Staff
10/14/10



**Winter Payment Plan
Moratorium Information**

If you are unable to pay your bill in full and have children, elderly or infirm in the household, you may qualify for protection from disconnection of service with the Winter Payment Plan or Moratorium during the winter months.

Winter Payment Plan

The Winter Payment Plan offers a monthly payment arrangement equal to one-half of your level pay amount during the months of November, December, January, February and March. The level pay amount is based on the average monthly billing + 1/12 of your account balance. You must make your monthly payment each month and by April 1 you must either pay your account balance or negotiate a new payment arrangement.

Winter Moratorium

The Winter Moratorium will provide protection from disconnection during the months of December, January and February. During this time, any payment toward your utility bill will help reduce the balance due by March 1. We encourage you to continue to make regular monthly payments.

Other Payment Arrangements

We continue to offer a variety of other types of arrangements to help you pay your utility bill.

Financial Assistance

You may also be eligible for assistance paying your utility bill from a local agency in your area. Visit avistautilities.com to find agencies in your area (keyword search: assistance agencies).

For more information, please call 1-800-227-9187 or visit avistautilities.com.

Exhibit No. 122

Case No. PAC-E-10-7

Thaden, C., Staff

10/14/10 Page 1 of 2

AVA281 - 24000



**Winter Payment Plan
Moratorium Information**

If you are unable to pay your bill in full and have children, elderly or infirm in the household, you may qualify for protection from disconnection of service with the Winter Payment Plan or Moratorium during the winter months.

Winter Payment Plan

The Winter Payment Plan offers a monthly payment arrangement equal to one-half of your level pay amount during the months of November, December, January, February and March. The level pay amount is based on the average monthly billing + 1/12 of your account balance. You must make your monthly payment each month and by April 1 you must either pay your account balance or negotiate a new payment arrangement.

Winter Moratorium

The Winter Moratorium will provide protection from disconnection during the months of December, January and February. During this time, any payment toward your utility bill will help reduce the balance due by March 1. We encourage you to continue to make regular monthly payments.

Other Payment Arrangements

We continue to offer a variety of other types of arrangements to help you pay your utility bill.

Financial Assistance

You may also be eligible for assistance paying your utility bill from a local agency in your area. Visit avistautilities.com to find agencies in your area (keyword search: assistance agencies).

For more information, please call 1-800-227-9187 or visit avistautilities.com.

AVA281 - 24000



**Winter Payment Plan
Moratorium Information**

If you are unable to pay your bill in full and have children, elderly or infirm in the household, you may qualify for protection from disconnection of service with the Winter Payment Plan or Moratorium during the winter months.

Winter Payment Plan

The Winter Payment Plan offers a monthly payment arrangement equal to one-half of your level pay amount during the months of November, December, January, February and March. The level pay amount is based on the average monthly billing + 1/12 of your account balance. You must make your monthly payment each month and by April 1 you must either pay your account balance or negotiate a new payment arrangement.

Winter Moratorium

The Winter Moratorium will provide protection from disconnection during the months of December, January and February. During this time, any payment toward your utility bill will help reduce the balance due by March 1. We encourage you to continue to make regular monthly payments.

Other Payment Arrangements

We continue to offer a variety of other types of arrangements to help you pay your utility bill.

Financial Assistance

You may also be eligible for assistance paying your utility bill from a local agency in your area. Visit avistautilities.com to find agencies in your area (keyword search: assistance agencies).

For more information, please call 1-800-227-9187 or visit avistautilities.com.

AVA281 - 24000

Financial Assistance

You may be eligible for assistance paying your utility bill from your local Community Action Partnership office. To find out if your household qualifies for energy assistance, please contact your local office. Income guidelines are shown below.

Community Action Partnership offices:

Bonnors Ferry 208-267-3663
 Coeur d'Alene 208-664-8757
 Grangeville 208-983-0437
 Kamiah 208-935-2412
 Kellogg 208-783-4901
 Lewiston 208-746-3351
 Moscow 208-882-3535
 Orofino 208-476-4949
 Saint Maries 208-245-9090
 Sandpoint 208-255-2910

Financial Assistance

You may be eligible for assistance paying your utility bill from your local Community Action Partnership office. To find out if your household qualifies for energy assistance, please contact your local office. Income guidelines are shown below.

Community Action Partnership offices:

Bonnors Ferry 208-267-3663
 Coeur d'Alene 208-664-8757
 Grangeville 208-983-0437
 Kamiah 208-935-2412
 Kellogg 208-783-4901
 Lewiston 208-746-3351
 Moscow 208-882-3535
 Orofino 208-476-4949
 Saint Maries 208-245-9090
 Sandpoint 208-255-2910

Financial Assistance

You may be eligible for assistance paying your utility bill from your local Community Action Partnership office. To find out if your household qualifies for energy assistance, please contact your local office. Income guidelines are shown below.

Community Action Partnership offices:

Bonnors Ferry 208-267-3663
 Coeur d'Alene 208-664-8757
 Grangeville 208-983-0437
 Kamiah 208-935-2412
 Kellogg 208-783-4901
 Lewiston 208-746-3351
 Moscow 208-882-3535
 Orofino 208-476-4949
 Saint Maries 208-245-9090
 Sandpoint 208-255-2910

Energy Assistance Guidelines

Family Size	Monthly Income Limit	Three Month Income Limit
1	\$1,575	\$4,724
2	\$2,059	\$6,177
3	\$2,544	\$7,631
4	\$3,028	\$9,084
5	\$3,513	\$10,538
6	\$3,997	\$11,991
7	\$4,088	\$12,263
8	\$4,179	\$12,536
9	\$4,269	\$12,808
10	\$4,360	\$13,081

Energy Assistance Guidelines

Family Size	Monthly Income Limit	Three Month Income Limit
1	\$1,575	\$4,724
2	\$2,059	\$6,177
3	\$2,544	\$7,631
4	\$3,028	\$9,084
5	\$3,513	\$10,538
6	\$3,997	\$11,991
7	\$4,088	\$12,263
8	\$4,179	\$12,536
9	\$4,269	\$12,808
10	\$4,360	\$13,081

Energy Assistance Guidelines

Family Size	Monthly Income Limit	Three Month Income Limit
1	\$1,575	\$4,724
2	\$2,059	\$6,177
3	\$2,544	\$7,631
4	\$3,028	\$9,084
5	\$3,513	\$10,538
6	\$3,997	\$11,991
7	\$4,088	\$12,263
8	\$4,179	\$12,536
9	\$4,269	\$12,808
10	\$4,360	\$13,081

Winter Moratorium and Winter Payment Plan

Winter Heating Season	Idaho Moratorium Participants	Winter Payment Plan Participants	Percentage of Participation
2007/2008	568	74	13%
2008/2009	833	169	20%
2009/2010	929	81	9%

Time Payment Program

Year	Accounts with arrangements less than 6 months	Percentage	Accounts with arrangements greater than 6 months	Percentage
2007	1,555	40%	2,391	60%
2008	1,597	31%	3,537	69%
2009	1,420	27%	3,894	73%

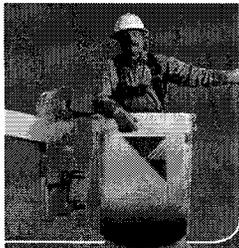
RMP Payment Plan Options¹

Equal Payment Plan assists customers with being able to budget for their utility bills throughout the year by leveling out seasonal highs and lows in their monthly utility bills. To qualify for this plan a customer must not have a past due balance (no arrears). The monthly payment is the average of 12 monthly billings based on historical charges or an estimate of future charges based on current rate. The payment amount is reviewed at least once a year against actual usage and an adjustment may be made to factor in changes in the customer usage. The monthly payment is made either up or down.

Equal Time Payment Program is typically a long term payment plan that allows customers to pay their past due balance over an agreed time period up to 12 months in equal monthly installments. For example, a customer's payment can be 1/12th of the past due balance in addition to their current monthly billing which is based on the Equal Payment Plan. Customer Service Representatives work with the customer, depending on his or her circumstance, to set up an arrangement to bring the account current.

Time Payment Program is an arrangement that allows a customer to pay their past due balance over an agreed time period up to 12 months in addition to their current monthly bill which is based on actual usage. Customer Service Representatives work with the customer, depending on his or her circumstance, to set up an arrangement to bring the account current.

¹ Source of information obtained by phone conversations with RMP and a Company handout at the Energy Affordability Workshops (GNR-U-08-01).



Rocky Mountain Power Idaho customers October 2009 Vol. 1

voices

THE RIGHT ANSWER WINS

Through November 10, all customers with the right answer to this month's question will be entered into a drawing for a chance to win a smart battery charger.

Q By the end of 2009, our wind resource portfolio will be able to meet the electricity needs of how many average customers for one year?

Choose from two ways to enter: log on to rockymountainpower.net/voices or mail to:

Right Answer
Rocky Mountain Power
201 S. Main, Suite 2400
Salt Lake City, UT 84111

Winners will be notified by mail. Limit one entry per household.

THE LATEST WORD

Supporting communities

During 2009, the Rocky Mountain Power Foundation granted more than \$747,450 to nonprofit organizations in Idaho, Utah and Wyoming. The High Country Resource Conservation and Development Area, which encompasses nine counties in southeast Idaho, received a grant during the third quarter.

Since 1988, the foundation has awarded more than 7,870 grants totaling more than \$47.8 million.

For more information on the organizations supported through the foundation, visit rockymountainpower.net/foundation.

Treat yourself to energy savings

Halloween is trick or treat time, but it also means colder temperatures – and higher energy use – are on the way. If the thought gives you the chills, here are some simple tips.

Weatherize

Don't let energy vampires suck the heat out of your home. Add insulation in ceilings and crawlspaces. Don't forget to seal ductwork and especially air leaks around doors, windows and where utilities enter. Leaking ductwork can reduce your heating system's efficiency by as much as 20 percent. The state of Idaho also offers low-interest loans for energy efficiency improvements. Call toll free 1-800-334-7283 or visit www.energy.idaho.gov/financialassistance to learn more.



Heating

The amount of energy wasted by an inefficient heating system can be scary. Get your system tuned up and clean or change its filters regularly. Set the thermostat a few degrees lower at night or install a programmable thermostat.

Lighting

Switch to ENERGY STAR® qualified compact fluorescent lighting. CFLs use 75 percent less energy than incandescent bulbs and last 10 times longer. They come in many shapes and sizes to fit a variety of fixtures.

Let's turn the answers on Rocky Mountain Power's Home Energy Savings program can help you beat the energy vampires this season. It offers cash incentives on products and services to make your home more energy efficient. Visit our Web site at rockymountainpower.net/hes or call toll free 1-800-942-0266 for more information.



It's easy to give a powerful gift

Looking to help a financially strapped student away at college this fall? Or maybe an elderly neighbor who could use a helping hand? Why not make a payment to their Rocky Mountain Power account?

You choose the amount you'd like to give and whether you want the gift to be anonymous. For security reasons, we will not reveal the recipient's account balance, but we will apply your gift directly to his or her Rocky Mountain Power account.



Make your gift payment by mailing a check with "gift payment" in the memo line and an accompanying note with your contact information, the name and address of the recipient and whether the gift is anonymous. Or make the gift payment over the phone with a check, credit card or debit card.

There is a small fee charged by a third party if you make a payment over the phone.

Just call us toll free at 1-888-221-7070 or visit our Web site at rockymountainpower.net/gift for more details.

Exhibit No. 125
Case No. PAC-E-10-7
Thaden, C., Staff
10/14/10

Economic crisis calls for a concentrated effort

Updated from previous year for Feb. 2010

To the Editor:

News reports continue almost daily on how people are struggling through the economic recession. At Rocky Mountain Power, we talk with our customers every day and understand the challenges many are facing as global and national economic conditions strike closer to home.

Though difficult for our customers, we are happy to offer help. We have experienced and conscientious people available 24 hours a day who can help customers manage their bills. This might mean working out a payment plan, selecting some energy efficiency measures or maybe referring a customer to a local agency for help with their energy bills.

In economic conditions this severe, our special concern is for customers who may have suddenly lost their jobs, people who never expected to find themselves and their families in this position and who may not know of options available for them. Under these unexpected circumstances, the tendency may be to put off paying some bills in the hope that things will be better next month. Unfortunately, this natural reluctance to seek help can snowball into a much bigger problem. We urge any of our customers in this position to call in as soon as they think there might be a concern and let us help.

To help keep these concerns from developing into even bigger problems, we're making a concentrated effort to let people know about their options. We'll be putting more information in bills, distributing flyers locally, drawing renewed attention to information on our Web site and talking to the news media to get the word out. And, as always, we're here to help anytime of any day when you call.

Our company and our employees are a big part of the communities we serve, and no one is immune from our nation's current economic difficulties. We understand and we can help. Call us toll-free 1-888-221-7070.

Sincerely,

Richard Walje
President, Rocky Mountain Power

Exhibit No. 126
Case No. PAC-E-10-7
Thaden, C., Staff
10/14/10

**Homes Weatherized with RMP Funding
(Idaho Low Income Weatherization Program)**

Calendar Year	Number of Homes Weatherized	Total Payments ⁽¹⁾
2007	52	\$90,448
2008 ⁽²⁾	93	\$156,237
2009 ⁽²⁾	112	\$187,376
Totals	257	\$434,061

⁽¹⁾ Total rebates and administrative fee payments to Southeastern Idaho Community Action Agency and Eastern Idaho Community Action Partnership.

⁽²⁾ The agencies can bill for up to \$150,000 for each program year, which runs from April 1 through March 31. On a calendar year basis, total payments may be greater than \$150,000, but the annual average over this 3 year period is \$144,687.

Source: Becky Eberle (RMP Low Income Program Manager)

Residential Energy Efficiency Programs

Rocky Mountain Power offers the following residential energy efficiency programs in Idaho: 1) Home Energy Savings; 2) Refrigerator/Freezer Recycling; 3) Idaho Time-of-Day Metering; and 4) On-line and Mail-in Energy Analysis.

Note: Programs, rebates and incentives are subject to change. Please access the Company's website for the most up-to-date information:

<http://www.rockymountainpower.net/env/epi.html>

The **Home Energy Savings Program** serves Idaho residential customers who live in new or existing homes, multi-family units or manufactured homes and landlords who own rental properties where the tenant is billed under the same Rate Schedules. The program provides cash incentives for the purchase and installation of energy-efficient appliances and equipment and is marketed on the Company's website under the name of WattSmart Energy Programs. Incentives are offered under the following categories:

Lighting & Ceiling Fan Incentives provides rebates of \$20 for energy star lighting fixtures and ceiling fans.

Energy Efficient Light Bulbs Incentive provides customers with discount pricing on compact fluorescent bulbs (CFLs) when purchased from participating retailers. The Company's website contains a list of both qualified bulbs and participating CFL Retailers. The Company also offers information on how to dispose of (CFLs).

New Appliances Incentives provide rebates ranging from \$20 to \$100 for the purchase of energy efficient appliances (dishwasher-\$20, refrigerator-\$20, washer (MEF 1.72-1.99)-\$50, washer (MEF 2.0 or higher)-\$100, water heater-\$50, or evaporative cooler-\$100.

Heating and Cooling Incentives provide rebates to customers who purchase either an energy efficient central air conditioning unit or heat pump for their home. A \$250 rebate is provided for the purchase of a central air conditioner (minimum 15 SEER, 12.5 EER & TXV), an additional \$50 rebate is provided for "best practices" installation but the installation must be done by a "Program Qualified Contractor" and another \$50 rebate is provided for proper sizing (load calculation) of the unit. A \$250 rebate is provided for a heat pump-to-heat pump upgrade (minimum 8.2 HSPE, 14 SEER, 11.5 EER & TXV) and a \$350 rebate is provided for an electric system-to-heat pump conversion. A \$100 rebate is offered for a tune-up of both a central air conditioning unit (\$100) and a heat pump

(\$100). The tune-up must be performed by a "Program Qualified" Contractor. Lastly, a \$150 rebate is offered for duct sealing. The sealing must be done by a "Program Qualified" Contractor.

Insulation & Window Incentives provides rebates with a cap of \$350 for all insulation incentives for the life of the home. The home must either have an electric heating system or central air/heat pump serving at least 80 percent of the floor area.

If the home is electrically heated: 1) Attic insulation (must be minimum of R-19). Rebate up to 30 cents per square foot that results in an R-39 factor or greater; 2) Wall insulation (must be minimum of R-11 or fill wall cavity) rebate up to 45 cents per square foot; and 3) Floor insulation (minimum of R-19 or greater) rebate up to 25 cents per square foot.

If the home has a central air conditioner or heat pump: 1) Attic insulation (must be minimum of R-19) rebate up to 15 cents per square foot that results in an R-39 factor or greater; 2) Wall insulation (must be minimum of R-11 or fill wall cavity) rebate up to 30 cents per square foot.

Installation of windows with a U-Factor of .32 or lower qualifies for a rebate of up to \$1.50 per square foot.

The **Refrigerator/Freezer Recycling Program** (aka "See Ya Later Refrigerator" Program) is provided to residential customers who own either a new or existing home and landlords who own appliances in rental properties where the tenant is billed. Through JAYO Environmental, older and less efficient refrigerators and freezers are removed free of charge and recycled to prevent further use. In addition a \$30 rebate is provided for removal of the unit(s), an instant savings kit containing two compact fluorescent light bulbs, a "Bright Idea's" booklet, a refrigerator/freezer thermometer, and information on other energy efficiency programs.

The **Idaho Time of Day Program** allows residential customers the option to switch to what is called, "Rocky Mountain Power's Time of Day Option." This allows customers more control of how much they spend on electricity by moving a substantial portion of their power usage to non-peak hours. To record time periods of electricity used in the program installation of a special meter is required.

On-line and Mail-in Energy Analysis allows residential customers to perform free self-audits on household energy usage. This can be accomplished by completing an online audit form found on Rocky Mountain Power's website or by downloading a form, which can then be sent to the company after having been filled out.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 14TH DAY OF OCTOBER 2010, SERVED THE FOREGOING **DIRECT TESTIMONY OF CURTIS THADEN**, IN CASE NO. PAC-E-10-07, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

TED WESTON
ID REGULATORY AFFAIRS MANAGER
ROCKY MOUNTAIN POWER
201 S MAIN ST STE 2300
SALT LAKE CITY UT 84111
(FED EX)
E-MAIL: ted.weston@pacificorp.com

E-MAIL: ONLY

MARK C MOENCH
DANIEL E SOLANDER
ROCKY MOUNTAIN POWER
E-MAIL: mark.moench@pacificorp.com
daniel.solander@pacificorp.com

RANDALL C BUDGE
RACINE OLSON NYE ET AL
PO BOX 1391
POCATELLO ID 83204-1391
(FED EX)
E-MAIL: rcb@racinelaw.net

E-MAIL: ONLY

JAMES R SMITH
MONSANTO COMPANY
E-MAIL: jim.r.smith@monsanto.com

ANTHONY YANKEL
29814 LAKE ROAD
BAY VILLAGE OH 44140
(FED EX)
E-MAIL: tony@yankel.net

PAUL J HICKEY
HICKEY & EVANS LLP
1800 CAREY AVE., SUITE 700
PO BOX 467
CHEYENNE WY 82003
(FED EX)
E-MAIL: phickey@hickeyevans.com

E-MAIL: ONLY

KATIE IVERSON
BRUBAKER & ASSOCIATES
E-MAIL: kiverson@consultbai.com

ERIC L OLSEN
RACINE OLSON NYE ET AL
PO BOX 1391
POCATELLO ID 83204-1391
(FED EX)
E-MAIL: elo@racinelaw.net

TIM BULLER
JASON HARRIS
AGRIUM INC
3010 CONDA RD
SODA SPRINGS ID 83276
(FED EX)
E-MAIL: tbuller@agrium.com
jaharris@agrium.com

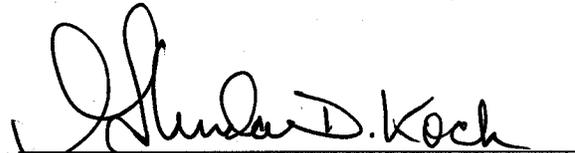
E-MAIL: ONLY
DR. DON READING
E-MAIL: dreading@mindspring.com

RONALD L WILLIAMS
WILLIAMS BRADBURY, P.C.
1015 W HAYS STREET
BOISE ID 83702
(HAND CARRIED)
E-MAIL: ron@williamsbradbury.com

BENJAMIN J OTTO
IDAHO CONSERVATION LEAGUE
710 N 6TH STREET
PO BOX 844
BOISE ID 83702
(HAND CARRIED)
E-MAIL: botto@idahoconservation.org

MELINDA J DAVISON
DAVISON VAN CLEVE, P.C.
333 SW TAYLOR, SUITE 400
PORTLAND, OR 97204
(FED EX)
E-MAIL: mjd@dvclaw.com

BRAD M PURDY
ATTORNEY AT LAW
2019 N 17TH STREET
BOISE ID 83702
(HAND CARRIED)
E-MAIL: bmpurdy@hotmail.com


SECRETARY