

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

3 A. My name is Beverly Barker and 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 Director of Consumer Assistance.

8 Q. Please give a brief description of your
9 educational background and experience.

10 A. I received a Bachelor of Arts Degree in Political
11 Science and Sociology from Indiana University in 1974. I
12 am a Certified Professional Mediator. I have attended the
13 NARUC Regulatory Studies Program and have taken many
14 professional and graduate-level courses on public
15 administration, management, conflict resolution and
16 consumer affairs. I have served on the faculty of the
17 Center for Public Utilities at New Mexico State University
18 and the NARUC Regulatory Studies Program at Michigan State
19 University. I served as Chair of the NARUC Staff
20 Subcommittee on Consumer Affairs from 1990-1993 and am
21 still a member of that subcommittee. I have been employed
22 by the Commission since 1976 and have been in my present
23 position since January 1983.

24 Q. What issues will you be addressing in your
25 testimony?

1 A. I will be addressing two issues raised by Teri
2 Ottens in her direct testimony on behalf of the Community
3 Action Partnership Association of Idaho (CAPAI). Those
4 issues are: (1) increased funding for Low Income
5 Weatherization Assistance, and (2) Rocky Mountain Power's
6 limitation on how much it will pay for individual low
7 income weatherization projects.

8 Q. Do you agree with CAPAI that funding for low
9 income weatherization should be increased?

10 A. Yes, I do. Both of the community action agencies
11 that provide assistance to low income customers within
12 Rocky Mountain Power's service territory (the Southeastern
13 Idaho Community Action Agency (SEICAA) and the Eastern
14 Idaho Community Action Partnership (EICAP)) have enhanced
15 capacity to provide weatherization services by virtue of
16 the America Reinvestment and Recovery Act (ARRA) funds
17 received during the past two years. Ms. Ottens and Staff
18 witness Curtis Thaden both discuss ARRA funding in their
19 direct testimonies, so I will not provide details here. I
20 agree with both Ms. Ottens and Mr. Thaden that there now
21 exists a unique opportunity to retain the existing
22 weatherization capacity that may be lost after the ARRA
23 funds are exhausted in March 2011.

24 Q. Do you agree with the amount of funding requested
25 by CAPAI?

1 A. As of this writing, it is unclear exactly what
2 dollar amount CAPAI is requesting. On page 5, Ms. Ottens
3 recommends funding of \$6.64 per residential customer
4 (\$376,588), whereas on page 17, she recommends funding of
5 \$4.08 per residential customer (\$231,397). The \$6.64
6 funding per residential customer is based on what she
7 calculates to be Avista's expenditure per customer for its
8 low income weatherization program. However, Avista's
9 annual funding level of \$700,000 covers both its electric
10 and natural gas programs. Approximately 60% of Avista's
11 funding (\$420,000) covers weatherization for its low income
12 electric customers, which translates into an expenditure of
13 \$3.98 per residential customer. Using CAPAI's methodology,
14 the recommended funding level for RMP would be
15 approximately \$230,000.

16 While I do support additional funding, I don't
17 necessarily agree with the amount requested, nor do I agree
18 with the methodology suggested by CAPAI, i.e., that funding
19 be based on a calculation of dollars per number of
20 residential utility customers. There is no direct
21 relationship between the number of residential customers
22 and DSM funding in general or low income weatherization in
23 particular. In the case of RMP, funding comes from the
24 Company's Customer Efficiency Service Rate Adjustment,
25 Schedule 191, which is a 4.72% surcharge on most

1 residential and non-residential customers' bills.

2 Q. In her testimony, Ms. Ottens maintains that
3 utility funding for low income weatherization be
4 "relatively equal"¹ among Avista, Idaho Power, and Rocky
5 Mountain Power. Do you agree?

6 A. The premise that funding should be somehow
7 proportional makes sense. However, it raises the question
8 of how to determine what an appropriate funding level
9 should be. This is the question CAPAI has tried to answer.
10 Among the other ways of determining proportionality are by
11 comparing the funding for low income weatherization to
12 funding for the residential DSM portfolio of programs or
13 all DSM programs. Other factors, such as the number of low
14 income customers, number of homes needing weatherization,
15 the source of funding (tariff rider vs. base rates),
16 covered measures, and program restrictions, which vary by
17 utility, might need to be taken into consideration as well.

18 Q. Do you think the Commission needs to endorse a
19 particular methodology for determining the appropriate
20 funding level for low income weatherization in this pending
21 rate case?

22 A. No, I do not. Accepting a methodology in this
23 rate case might be viewed as setting a precedent for future
24 cases. I am sure that other utilities and other parties
25

¹ Pg. 5, line 5, Ottens Direct Testimony

1 that are not participating in this rate case would like to
2 be part of any discussion about funding levels and have the
3 opportunity to communicate their views to the Commission.
4 An informal collaborative effort by interested parties to
5 explore this topic and perhaps other topics relative to
6 utility-funded low income weatherization would be one way
7 to address this issue.

8 In this rate case, I believe it is sufficient for
9 the Commission to determine an appropriate funding amount,
10 taking into consideration the current level of need for low
11 income weatherization, the current opportunity to take
12 advantage of the capacity to provide weatherization
13 services, and how it will impact the DSM tariff rider.

14 Q. What is the level of need for low income
15 weatherization in RMP's Idaho service territory?

16 A. Both SEICAA and EICAP maintain waiting lists of
17 eligible clients needing weatherization services. Of those
18 eligible clients who have electric space heating and are
19 served by RMP, SEICAA identified 741 customers and EICAP
20 identified 233 customers. In 2007, 52 homes were
21 weatherized, while a total of 205 homes were weatherized in
22 2008 and 2009 due to the availability of ARRA funding.
23 Even with no new homes being identified in the future, an
24 unmet need certainly exists. It is clear that utility
25 funding alone is unlikely to fully meet the need for low

1 income weatherization services. Therefore, the
2 Commission's focus should be on providing a reasonable
3 level of funding. The average RMP weatherization
4 investment per home is about \$1,700.² If the Commission
5 were to double the current annual RMP funding level to
6 \$300,000, SEICAA and EICAP will be in a much better
7 position to sustain their existing capacity to weatherize
8 homes. The loss of ARRA funds will significantly decrease
9 the ability to leverage utility funds with other funding
10 sources. Given the goal of installing all appropriate
11 cost-effective measures in every home weatherized, it is
12 probable that the average RMP investment per home will
13 increase in the future, making it difficult to predict the
14 impact of providing additional funding at this time.
15 However, increased funding certainly will prevent the
16 number of homes weatherized from declining to the pre-ARRA
17 levels of about 50 homes per year.

18 Q. Does RMP currently limit the amount of its funds
19 that can be used to weatherize a home?

20 A. Yes. The Company currently caps the amount it
21 will pay on a home weatherization project at 75% of the
22 installed costs for approved measures.

23
24 ² If all funding sources are included, the total average
25 investment per home is much higher. According to CAPAI,
EICAP weatherized 329 at an average cost of \$4,139 per home
in 2009. SEICAA weatherized 331 homes at an average cost
of \$4,135 per home.

1 Q. Do you agree with CAPAI's recommendation that the
2 cap be removed?

3 A. Staff agrees that removing the spending
4 limitation would provide more administrative flexibility to
5 the CAPs. However, in Case No. PAC-E-06-10, the Company
6 argued that removing the spending limit would reduce the
7 number of homes weatherized and decrease the cost-
8 effectiveness of the low income weatherization program. An
9 impact evaluation of the program is scheduled to be
10 completed by year end 2010. That evaluation will provide
11 the Commission with additional information about the
12 program, including cost-effectiveness, from an independent
13 third party evaluator.

14 In light of the Company's concerns about cost-
15 effectiveness and CAPAI's concerns about administrative
16 flexibility, the Commission might wish to consider
17 increasing the spending cap to 85% to be consistent with
18 Idaho Power's current cap. This would increase the amount
19 of RMP funds that would be available for each project.
20 Since SEICAA's clientele includes customers of both RMP and
21 Idaho Power, having the same spending cap for both
22 companies would ease SEICAA's administrative burden
23 somewhat.

24 Q. Does this conclude your rebuttal testimony in
25 this proceeding?

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A. Yes, it does.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 16TH DAY OF NOVEMBER 2010, SERVED THE FOREGOING **REBUTTAL TESTIMONY OF BEVERLY BARKER**, IN CASE NO. PAC-E-10-07, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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