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IDAHO PUBLIC  
UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE</b>	)	
<b>APPLICATION OF ROCKY</b>	)	<b>CASE NO. PAC-E-11-12</b>
<b>MOUNTAIN POWER FOR</b>	)	
<b>APPROVAL OF CHANGES TO ITS</b>	)	<b>Direct Testimony of Barbara A. Coughlin</b>
<b>ELECTRIC SERVICE SCHEDULES</b>	)	
<b>AND A PRICE INCREASE OF \$32.7</b>	)	
<b>MILLION, OR APPROXIMATELY</b>	)	
<b>15.0 PERCENT</b>	)	

**ROCKY MOUNTAIN POWER**

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**CASE NO. PAC-E-11-12**

**May 2011**

1 **Q. Please state your name, business address and present position with**  
2 **PacifiCorp dba Rocky Mountain Power (the “Company”).**

3 A. My name is Barbara A. Coughlin. My business address is 825 NE Multnomah,  
4 Portland, OR 97232. My present position is Director, Customer and Regulatory  
5 Liaison.

6 **Qualifications**

7 **Q. Please describe your educational and professional background?**

8 A. I have worked in the gas and electric industry since 1978. I received a Legal  
9 Assistant Certificate from Marycrest College in 1991. From 1978 to 1997, I held  
10 various positions in increasing levels of responsibility within the legal/regulatory  
11 department of Iowa-Illinois Gas and Electric Company, a predecessor company to  
12 MidAmerican Energy Company. In 1997, I was promoted to a customer services  
13 supervisor and in 1999 was promoted to customer services manager at  
14 MidAmerican Energy Company. I worked as manager of regulatory projects at  
15 PacifiCorp from 2006 through 2008, when I was promoted to my current position  
16 of Director of Customer and Regulatory Liaison.

17 **Purpose of Your Testimony**

18 **Q. What is the purpose of your testimony?**

19 A. The purpose of my testimony is to address miscellaneous consumer and customer  
20 service issues referenced in the Commission’s Order No. 32196 in Case No. PAC-  
21 E-10-07 (the “2010 General Rate Case”). I will also address Rocky Mountain  
22 Power’s funding of the Low-Income Conservation Education program as directed  
23 by the Commission in Order No. 32224 in the 2010 General Rate Case.

Coughlin, Di - 1  
Rocky Mountain Power

1 **Miscellaneous Consumer and Customer Service Issues**

2 **Q. What miscellaneous consumer and customer service issues will you be**  
3 **addressing in your testimony?**

4 A. I will be addressing five issues that the Commission summarized on page 62 of  
5 Order No. 32196. The issues are:

- 6 1. *Disconnect Policy* as it pertains to the physical disconnection when service  
7 is voluntarily terminated and connection of service for new customers,
- 8 2. *Estimated Bills* pertaining to the meter reading used to calculate the  
9 electric bill when an account is closed or when an account is opened,
- 10 3. *Tenant Notice* of service activation, specifically when activated for tenants  
11 as part of Rocky Mountain Power's Landlord Link program,
- 12 4. *Rebilling Policy* as it pertains to the calculation of a bill in the situation of  
13 a meter failure; and the verbal or written communication made with a  
14 customer when an adjustment has been made to their account, and
- 15 5. *Moratorium and Winter Payment Plan* as it pertains to the clarity of the  
16 presentation of information in published customer communications.

17 **Q. What has the Company done to respond to the Commission's Order?**

18 A. The Company met with Idaho Public Utilities Commission Staff ("Staff") by  
19 telephone on March 15, 2011, and provided written responses on April 15, 2011,  
20 to a Staff information request addressing the issues summarized above. On April  
21 26, 2011, Company representatives met in person with Staff, providing detailed  
22 information regarding the Company's current practices and processes regarding  
23 all five issues and why the current Disconnect Policy is the most cost effective

1 approach for customers.

2 **Q. What is the current status of the issues being reviewed with Staff?**

3 A. It is my understanding that the information provided to Staff regarding Estimated  
4 Bills (Issue 2), Tenant Notice (Issue 3), and Moratorium and Winter Payment  
5 Plan (Issue 5) has resolved Staff's concerns.

6 **Q. What is the status of discussions on the Disconnect Policy?**

7 A. With regard to the Disconnect Policy, pertaining to the physical  
8 disconnection/connection of electric service between customers, the Company  
9 and Commission Staff are continuing discussions.

10 **Q. Please explain the Company's Disconnect Policy.**

11 A. When a customer calls in and requests closure of their account, the Company  
12 issues a closing bill based on the date of the customer requested account closure.  
13 If a new customer does not sign up for service at that site, the electric service  
14 remains active. Once the site reaches an accumulated usage of 1000 kWh, the  
15 Company sends a technician to the site to either leave a notice of disconnection of  
16 service or terminate the service.

17 **Q. What is the Company's position on this issue and why should it be adopted  
18 by the Commission?**

19 A. The Company's current Disconnect Policy is the most cost effective and safest  
20 method for handling customer account changes at a site. The Company's  
21 analysis, based on 2010 data, shows operational cost of \$186,311 with the  
22 existing process. In addition to the operational costs there are unrecovered  
23 revenues from usage between customers of \$36,317 for total costs of \$222,628

1 from the Company's current policy. This compares to a cost of \$408,553 if  
2 service was terminated and then reactivated at all sites where there was a  
3 customer requested account closure and subsequent account opening. The  
4 difference between the existing process and a process where all services would be  
5 terminated is a savings of \$185,925 to customers.

6 In addition to the net operating costs savings from the existing process,  
7 there is also a reduction in the safety risks associated with disconnecting and  
8 connecting a meter, it avoids property damage such as frozen water pipes,  
9 maintains current staffing, vehicle and equipment levels, and allows a new  
10 customer a second chance to sign up for service when moving.

11 **Q. What is the status of the discussions on the Rebilling Policy?**

12 A. With regard to the Rebilling Policy the scope of the issues have been narrowed to  
13 the appropriate communications with customers who have had a billing  
14 adjustment made to their account. Discussions between the Company and  
15 Commission Staff are also continuing on this issue.

16 **Q. Please explain the Company's Rebilling Policy.**

17 A. The Company uses three methods to communicate to customers when an  
18 adjustment has been made to their bill. The methods are: the bill adjustment code  
19 which is published on the monthly billing statement; a telephone call placed to the  
20 customer by the agent working on the billing adjustment; and/or a letter sent to  
21 the customer. Rocky Mountain Power has revised a number of its bill adjustment  
22 codes as they would appear on a customer's bill and provided that list to Staff for  
23 their review. Rocky Mountain Power representatives will continue to work with

1 Staff to develop an agreeable protocol for the verbal and written communications  
2 following a billing adjustment.

3 **Low Income Energy Conservation Education**

4 **Q. Is there an additional matter concerning the funding of low income energy**  
5 **conservation education you would like to address in your testimony?**

6 A. Yes. In Order No. 32224, the Commission stated<sup>1</sup> that it is reasonable and  
7 appropriate to revisit Low Income Conservation Education funding during the  
8 Company's next rate case.

9 **Q. What is the status of Rocky Mountain Power's funding of Low Income**  
10 **Conservation Education?**

11 A. As part of an overall stipulation resolving Case No. PAC-E-08-07, the Company  
12 committed to a total payment of \$50,000. The stipulation states the following:

13 8. The Parties agree that the demand-side management  
14 programs proposed by Rocky Mountain Power in Docket  
15 No. PAC-E-08-01 are prudent. Further, the Parties agree  
16 that **a total** of \$50,000 of demand-side management  
17 program funds will be made available to SouthEastern  
18 Idaho Community Action Agency and Eastern Idaho  
19 Community Action Partnership to be used to support  
20 conservation education as a component of Rocky  
21 Mountain Power's low income weatherization program,  
22 Schedule 21. Parties agree that it is the responsibility of  
23 the Community Action Partnership Association of Idaho  
24 to propose said education program to Rocky Mountain  
25 Power by May 1, 2009 and that the proposal will contain  
26 funding proportioning the \$50,000 between the two  
27 agencies, objectives and any savings estimates to assist in  
28 program evaluations and reporting requirements. The  
29 Parties agree that the low income weatherization program  
30 (Schedule 21) and the conservation education component  
31 of the program is in the public interest and is determined  
32 to be cost-effective even though the explicit quantification

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<sup>1</sup> Order No. 32224 page 5, issued April 18, 2011.

1 of benefits may not be possible, and furthermore, the  
2 Parties agree to support the justification and recovery of  
3 these costs through the demand-side management  
4 surcharge funding. (Emphasis added.)

5 **Q. How much has been invoiced to Rocky Mountain Power to date?**

6 A. Rocky Mountain Power has paid a total of \$50,000 through three payments.  
7 Rocky Mountain Power received and paid its first invoice from Community  
8 Action Partnership Association of Idaho (CAPAI) for \$7,500 for energy  
9 efficiency kits in May 2010. In late November 2010, Rocky Mountain Power  
10 received invoices in the amount of \$21,250 each from the two agencies,  
11 SouthEastern Idaho Community Action Agency and Eastern Idaho Community  
12 Action Partnership, to cover their associated administrative and delivery costs.  
13 The invoices from the two agencies were paid in April 2011 upon confirmation  
14 that education curriculum was completed and agencies were prepared to launch  
15 the education program.

16 **Q. Has Rocky Mountain Power fulfilled its commitment made in the stipulation  
17 in Case No. PAC-E-08-07?**

18 A. Yes. The stipulation in Case No. PAC-E-08-07 clearly states a **total** of \$50,000  
19 would be paid and that has been accomplished. In reading paragraph 8 of the  
20 stipulation in its entirety, nowhere is the word "annual" used. Nor did any party  
21 reference an annual payment in their testimony filed with the Commission in  
22 support of the stipulation. The record is clear that the Company agreed to a **total**  
23 payment of \$50,000, not a payment that would continue on in perpetuity with no  
24 termination date.

1 **Q. Has CAPAI provided any documentation or information to Rocky Mountain**  
2 **Power to substantiate its claim in the 2010 General Rate Case that the**  
3 **commitment made in paragraph 8 of the stipulation was for an annual**  
4 **payment of \$50,000?**

5 A. No, they have not.

6 **Q. How many Rocky Mountain Power customers have participated in the Low**  
7 **Income Conservation Education program?**

8 A. CAPAI has informed Rocky Mountain Power that one of the agencies  
9 administering the program had its first participants in mid-May 2011. At this  
10 point in time, if that commitment had been an annual commitment, Rocky  
11 Mountain Power would have paid the participating agencies for kits and fees for  
12 the years 2009, 2010, and 2011, a total of \$150,000 with its first customers  
13 receiving kits in mid-May 2011.

14 **Q. What does the Low Income Conservation Education program consist of for**  
15 **Rocky Mountain Power's customers and what are the eligibility**  
16 **requirements for a customer to participate?**

17 A. Participants will be comprised of households served by Rocky Mountain Power  
18 having obtained Low Income Home Energy Assistance funds in the 2010/2011  
19 heating season, and had not previously received weatherization program services.  
20 These households will participate in one group education session, one in-home  
21 session, and will receive an energy efficiency kit. The energy efficiency kits  
22 contain easy to install measures including three compact fluorescent light bulbs, a  
23 refrigerator temperature card, outlet gaskets, a kitchen aerator, and a night light.

- 1 **Q. How many households are expected to be educated through this program**  
2 **from the funds made available to the agencies?**
- 3 A. Each agency will educate 250 households, for a total of 500 households.
- 4 **Q. What is the cost per household?**
- 5 A. Rocky Mountain Power provided \$50,000 in funding to cover the 500 households.  
6 The average cost per participant will be \$100 with \$15 covering the cost of the  
7 kit.
- 8 **Q. Is Rocky Mountain Power interested in providing funding for energy**  
9 **education in the future?**
- 10 A. The Company will be meeting with representatives from SouthEastern Idaho  
11 Community Action Agency, Eastern Idaho Community Action Partnership,  
12 CAPAI and Commission Staff in mid-June 2011. One of the meeting agenda  
13 items will be a discussion related to the future of the project.
- 14 **Q. Do you have any concerns with funding the project in the future?**
- 15 A. Yes. We would like to work closely with staff from the two agencies to  
16 determine if the current format and participant goals are appropriate and what  
17 type of funding may be needed in the future. It may be difficult for agencies to  
18 sustain a goal of 500 participating households annually. Less than 2,000 Rocky  
19 Mountain Power customers in Idaho received energy assistance in 2010, so the  
20 pool of eligible households is limited.
- 21 **Q. Do you believe there is a need to have a more consistent state-wide approach**  
22 **for a low income conservation education program?**
- 23 A. Yes. Program costs and resulting benefits vary greatly between utilities in the

1 state. Rocky Mountain Power believes these are important issues that should be  
2 discussed with the agencies, CAPAI, and Staff. Rocky Mountain Power is  
3 interested in providing services that benefit Rocky Mountain Power customers in  
4 a cost effective manner.

5 **Q. Does this conclude your testimony?**

6 **A. Yes.**